

Wisconsin Department of Safety and Professional Services

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OFFICE OF EDUCATION AND EXAMINATIONS

INSTRUCTIONS FOR REAL ESTATE CONTINUING EDUCATION EXAMINATION QUESTIONS

1. Write at least 5 multiple-choice questions for each hour of instruction. See SUGGESTIONS FOR WRITING REAL ESTATE EXAMINATION QUESTIONS (pages 2-6 of this form).
2. Each question should directly test one of the specific sections or subsections in the approved content outline.
3. **It is no longer necessary to use the Continuing Education Question Development Form (Form #1746) and write one question on each form. However, be sure to identify which specific section or subsection in the approved content outline the question is testing.**
4. Questions should normally require one to two minutes to answer. If a question is longer, indicate time required in the space on the form.
5. Furnish answers to all questions. If a question requires computations or application of formulae, specify in writing how the answer was derived.
6. Include 4 multiple-choice alternatives for each question.
7. If at all practical, have your questions typewritten. If not, print neatly in ink or pencil dark enough to reproduce.
8. When available cite textbook or other authority, including page number, in the reference to supporting materials.
9. Questions written for this project must be the original work of the item writer, and not published or available to any other person.

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SUGGESTIONS FOR WRITING REAL ESTATE EXAMINATION QUESTIONS

1. WRITE ITEMS THAT MAKE DEFINITE STATEMENTS.

BAD: Wisconsin licensees:

- a. may use a net listing.
- b. may not use an open listing.
- c. may use a net listing and an open listing.
- d. may not use a net listing and may use an open listing.

GOOD: Which of the following listings may NOT be used by Wisconsin licensees?

- a. Open
- b. Net
- c. Exclusive Agency
- d. Exclusive Right to Sell

2. WRITE ITEMS THAT TEST FOR THE POSSESSION OF USEFUL KNOWLEDGE.

BAD: To clear the title of exceptions found in an examination of the abstract usually requires the examination of approximately how many documents?

- a. 1
- b. 2
- c. 3
- d. 4

GOOD: Affidavits, quit claim deeds, mortgage satisfactions, construction lien waivers, or tax receipts all do which of the following:

- a. Aid in the assignment of any existing insurance policy.
- b. Aid in the assignment of riparian rights.
- c. Clear the title of any exceptions stated in the offer to purchase.
- d. Clear the title of exceptions found in an examination of the abstract.

3. WRITE ITEMS THAT INVOLVE A SINGLE POINT.

BAD: Real Estate Salespersons should not violate advertising ethics and all of the following are violations of advertising ethics EXCEPT advertising a listed property:

- a. without indicating that it is being marked by a broker.
- b. without the seller's specific requirements stated.
- c. without permission of the seller.
- d. at a price not agreed to by the seller.

GOOD: In the sale of land in out-of-state subdivisions, a Wisconsin broker must:

- a. see that the individual lots are conveyed only after a full payment.
- b. record the plat map of the land in Wisconsin.
- c. advise a purchaser of the seller's interest in the land.
- d. advise the Department of Housing and Urban Development of the sale of the lots.

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4. STATE THE SUBSTANCE OF THE ITEM CONCISELY.

BAD: It is the:

- a. lender's
- b. escrow agent's
- c. buyer's
- d. seller's

responsibility to record the documents when a land contract is executed.

GOOD: When a land contract is executed, whose responsibility is it to record the documents?

- a. Lender
- b. Escrow Agent
- c. Buyer
- d. Seller

5. USE PLAIN LANGUAGE, SIMPLE WORDS, AND STRAIGHT FORWARD EXPRESSIONS.

BAD: What relationship results when one person consents to another person's acting on his or her behalf if the other person feigns so to sanction?

- a. contract
- b. assumption
- c. waiver
- d. agency
- e. assignment

GOOD: A buyer who wishes to submit an offer to purchase shall receive a copy of the offer:

- a. only when the seller signs and accepts the offer.
- b. when the earnest money deposit receipt is signed by the broker or salesperson.
- c. after the buyer signs the offer.
- d. only upon request.

6. THE ITEM SHOULD OFFER AN ALTERNATIVE TO THE MOST IMPORTANT ELEMENT IN THE STATEMENT.

BAD: The broker must:

- a. deliver
- b. complete

the closing statement of the seller at the time of the actual closing.

GOOD: When must a broker deliver the complete closing statement to the seller?

- a. At the time the buyer furnishes the total down payment.
- b. At the time that the first mortgage is paid up.
- c. At the execution of the deed.
- d. At the time of the actual closing.

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7. ALTERNATIVES OFFERED SHOULD BE PARALLEL IN STRUCTURE AND MEANING.

BAD: Under which of the following conditions is a subdivision of land subject to Wisconsin subdivision regulations?

- a. If parcels are sized 1.5 acres or less and 5 or more have been created within five years.
- b. If parcels are sized 5 acres or more and 5 or more have been created within five years.
- c. If there are 4 or more parcels each sized 1.5 acres or more created within five years.
- d. If there are 4 or more parcels each sized 5 acres or less created within five years.

GOOD: Under which of the following conditions is a subdivision of land subject to Wisconsin subdivision regulations?

- a. If there are 5 or more parcels each sized 1.5 acres or less created within five years.
- b. If there are 5 or more parcels each sized 5 acres or more created within five years.
- c. If there are 4 or more parcels each sized 1.5 acres or more created within five years.
- d. If there are 4 or more parcels each sized 5 acres or less created within five years.

8. AVOID USING ALTERNATIVES THAT SIMPLY NEGATE THE OTHERS.

BAD: When must the transfer fee be paid on a land contract?

- a. When the land contract is recorded.
- b. Not at the time that the land contract is recorded.
- c. When the deed is recorded.
- d. Not at the time that the deed is recorded.

GOOD: When must the transfer fee be paid on a land contract?

- a. When the land contract is recorded.
- b. When the deed is recorded.
- c. When the buyer records the Real Estate Transfer Return.
- d. When the grantor executes a Real Estate Transfer Return.

9. KEEP THE ALTERNATIVES AS BRIEF AS POSSIBLE.

BAD: The description of the listed property in the listing contract should:

- a. be such that it leaves no doubt as to which property is involved, while the full legal description of the property is not essential in the listing contract, it is desirable and, if available, it should be used. If the full legal description is not available, the street address will usually suffice along with, perhaps, a brief clarifying description.
- b. be such that it leaves no doubt as to which property is involved, while the full legal description of the property is not essential in the listing contract, it is desirable, and if available, it should be used. If the full legal description is not available, the street address will not suffice, even if it includes a clarifying description.
- c. be such that it leaves no doubt as to which property is involved, and should contain a full legal description of the property including the street address.

GOOD: The description of the listed property in the listing contract should:

- a. leave no doubt as to which property is involved.
- b. contain the full legal description of the property.
- c. not contain the street address of the property.

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10. AVOID USING "ALL OF THE ABOVE" OR "NONE OF THE ABOVE" UNLESS CORRECTNESS IS ABSOLUTE AND NOT A MATTER OF DEGREE.

BAD: A periodic tenancy may be on a:

- a. week to week basis.
- b. month to month basis.
- c. biweekly basis.
- d. all of the above.
- e. none of the above.

GOOD: A periodic tenancy may be on a:

- a. day to day basis.
- b. week to week basis.
- c. year to year basis.
- d. all of the above.

11. BE SURE THAT THE STATEMENT OF THE ITEM IS SELF-SUFFICIENT IN MEANING.

BAD: The Act includes an assortment of:

- a. regulatory measures only.
- b. grants and tax incentives only.
- c. grants, loans and tax incentives.
- d. regulatory measures, grants, tax incentives, and loans.

GOOD: The National Energy Act of 1978 includes which of the following:

- a. Regulatory measures.
- b. Grants and tax incentives only.
- c. Grants, loans, and tax incentives only.
- d. Regulatory measures, grants, tax incentives, and loans.

12. EXPRESS ACCURATELY THE IDEAS INVOLVED IN THE ITEM.

BAD: If the parties should see fit to mutually cancel an existing contract of sale, the Cancellation Agreement and Mutual Release Form is:

- a. very important.
- b. not important.
- c. only sometimes important.

GOOD: The Cancellation Agreement and Mutual Release Form is used when:

- a. one of the parties wishes to cancel an existing contract of sale.
- b. both parties wish to cancel an existing contract of sale.
- c. the broker wishes to cancel an existing contract of sale without the consent of both parties.
- d. both parties agree to waive a contingency in an existing contract of sale.

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13. AVOID PERSONAL REFERENCES IN WRITING THE TEST ITEMS.

BAD: When would you think that the transfer fee should be paid on a land contract?

- a. When the land contract is recorded.
- b. When the deed is recorded.
- c. When the buyer records the Real Estate Transfer Return.
- d. When the grantor executes a Real Estate Transfer Return.

GOOD: When must the transfer fee be paid on a land contract?

- a. When the land contract is recorded.
- b. When the deed is recorded.
- c. When the buyer records the Real Estate Transfer Return.
- d. When the grantor executes a Real Estate Transfer Return.

14. AVOID INCLUDING UNINTENDED CLUES TO THE CORRECT ANSWER.

BAD: If the seller intends to impose additional restrictions on the buyer's use of the premises, these restrictions:

- a. should
- b. should not
- c. in special circumstances should

appear as exceptions on the seller's warranty deed as they must be recorded on lines 56 and 57 of this deed.

GOOD: If the seller intends to impose additional restrictions on the buyer's use of the premises these restrictions should appear on what form?

- a. The seller's warranty deed.
- b. Offer to purchase.
- c. Counter-offer.
- d. Closing statement.

15. USE PLAUSIBLE ALTERNATIVES AS THE INCORRECT OPTIONS.

BAD: Any person who violates the supplemental provisions regarding the sale of land abutting a private way outside corporate limits of a municipality shall?

- a. be fined not more than \$200 or imprisoned not more than 30 days or both.
- b. be fined \$20,000.
- c. be imprisoned not more than 60 days.
- d. be fined the value of the property not to exceed \$250,000.

GOOD: Any person who violates the supplemental provisions regarding the sale of lands abutting a private way outside corporate limits of a municipality shall:

- a. be fined \$100 in all cases.
- b. be imprisoned not more than 30 days in all cases.
- c. be fined not more than \$200 or imprisoned not more than 30 days.
- d. be fined not more than \$100 or imprisoned not more than 30 days.