

Metro Brokers Academy Practice Test (Sample)

Study Guide



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SAMPLE

Questions

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- 1. Which of the following is true about air rights?**
 - A. They can be leased or sold separately from the land**
 - B. They are only valid up to 200 feet above the land**
 - C. They include the ownership of land below the surface**
 - D. They are not considered real property**
- 2. What is the purpose of metes and bounds in property description?**
 - A. To identify the climate of the area**
 - B. To describe a parcel by its boundaries**
 - C. To indicate the historical ownership of the land**
 - D. To outline zoning restrictions**
- 3. What type of easement is created when an owner sells land and deprives the buyer of access?**
 - A. Agreement easement**
 - B. Necessity easement**
 - C. Prescriptive easement**
 - D. Implied easement**
- 4. What is the role of a trustee in a trust?**
 - A. To manage the trust for its own benefit**
 - B. To hold property for the benefit of a third party**
 - C. To determine the terms of the trust after the trustor's death**
 - D. To serve as a witness for the creation of the trust**
- 5. What does real property generally refer to?**
 - A. Personal belongings**
 - B. Land and structures on it**
 - C. Movable objects**
 - D. Investments and stocks**
- 6. A reversionary estate is characterized by what feature?**
 - A. The future rights are transferred to a third party**
 - B. The grantor retains future rights after conveying a lesser estate**
 - C. The estate automatically transfers to the government**
 - D. The estate lasts indefinitely**

- 7. In a legal description, after establishing the point of beginning, what follows in the description?**
- A. A summary of past ownerships**
 - B. Compass direction and distance**
 - C. A statement of property value**
 - D. Legal ownership verification**
- 8. What must the government provide when exercising eminent domain?**
- A. A written notice**
 - B. Just compensation**
 - C. A rental agreement**
 - D. Public hearings**
- 9. What is the primary function of a vendees lien?**
- A. To prevent property foreclosure**
 - B. To protect the buyer's interest in a transaction**
 - C. To secure loan payments**
 - D. To clear tax obligations**
- 10. What rights do property owners have concerning land that borders streams and rivers?**
- A. Ownership of the land only extends to the high water mark**
 - B. Right to use the water for activities like swimming and fishing**
 - C. Only residential use is permitted on such properties**
 - D. Exclusive rights to commercial navigation**

Answers

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1. A
2. B
3. B
4. B
5. B
6. B
7. B
8. B
9. B
10. B

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Explanations

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1. Which of the following is true about air rights?

- A. They can be leased or sold separately from the land**
- B. They are only valid up to 200 feet above the land**
- C. They include the ownership of land below the surface**
- D. They are not considered real property**

Air rights refer to the right to use, lease, or sell the space above a piece of land, separate from the land itself. This means that air rights can be developed or utilized independently of the physical property on the ground. This concept is particularly relevant in urban areas where vertical development, like high-rise buildings, is common. Property owners may choose to lease or sell their air rights to developers who are looking to build upward, demonstrating the flexibility and marketability of these rights. In contrast, the other options present misconceptions about air rights. They do not have a strict limit of 200 feet, as air rights can extend indefinitely, although practical considerations such as zoning laws and flight paths of aircraft typically govern how high developments can go. Additionally, air rights are distinct from subsurface rights, which pertain to the land and resources found below the surface. Finally, air rights are indeed considered a form of real property since they are associated with the physical land and contribute to its value. Thus, the ability to lease or sell air rights separately from the land underlines their significance in real estate transactions and development.

2. What is the purpose of metes and bounds in property description?

- A. To identify the climate of the area**
- B. To describe a parcel by its boundaries**
- C. To indicate the historical ownership of the land**
- D. To outline zoning restrictions**

The purpose of metes and bounds is to describe a parcel of land by its boundaries. This method provides a precise and detailed description of the property's shape and size by using physical features, measurements, and compass directions. Metes refer to the specific measurements and distances between points, while bounds refer to the larger landmarks or features surrounding the property, such as roads, rivers, or trees. This descriptive system is particularly useful in regions where rectangular surveys are not applicable, allowing for a clear understanding of the specific area of land being referenced. The other options do not accurately represent the function of metes and bounds. Identifying the climate of an area is unrelated to property descriptions, and historical ownership pertained to title history rather than the physical dimensions and borders of the land. Additionally, zoning restrictions involve regulations governing land use and development, which are separate from the method of describing land boundaries.

3. What type of easement is created when an owner sells land and deprives the buyer of access?

- A. Agreement easement**
- B. Necessity easement**
- C. Prescriptive easement**
- D. Implied easement**

An easement of necessity is established when a property owner sells a portion of their land and the buyer is left without access to their remaining property. This type of easement allows the new owner to access their land, usually by creating a pathway over the seller's remaining property, especially when such access is crucial for the use and enjoyment of the property being sold. For example, if an owner sells a piece of land that is landlocked, the law recognizes that the new owner must have access to it; thus, a necessity easement emerges to ensure they can reach their property. This form of easement is automatically recognized in certain circumstances, such as when a parcel of land is completely enclosed by other properties. In contrast, an agreement easement relies on the mutual consent of both parties to establish access, while a prescriptive easement may be granted after a certain period of continuous and open use without the owner's permission. An implied easement is generally based on the prior use of the property before the sale but does not strictly relate to the necessity for access.

4. What is the role of a trustee in a trust?

- A. To manage the trust for its own benefit**
- B. To hold property for the benefit of a third party**
- C. To determine the terms of the trust after the trustor's death**
- D. To serve as a witness for the creation of the trust**

The role of a trustee in a trust is fundamentally to hold and manage the property or assets within the trust for the benefit of the beneficiaries, who are third parties. This means that the trustee is legally responsible for managing the trust according to its terms and in the interests of those beneficiaries, ensuring that their needs are met as outlined by the trust agreement. Trustees carry fiduciary duties, which means they must act in good faith and with a high standard of care, prioritizing the interests of the beneficiaries above their own. This distinguishing role is critical to the operation of a trust, as it creates a level of separation between the management of the trust assets and the beneficiaries who are entitled to benefit from those assets. The other options do not accurately reflect the role of a trustee. For example, a trustee does not manage the trust for their own benefit, nor do they have the authority to determine the terms of the trust after the trustor's death; the trustor's instructions govern those terms. Additionally, serving as a witness for the creation of the trust is not a primary function of the trustee, as this role pertains to the legitimacy of the trust's establishment rather than its ongoing management.

5. What does real property generally refer to?

- A. Personal belongings
- B. Land and structures on it**
- C. Movable objects
- D. Investments and stocks

Real property generally refers to land and the structures that are permanently attached to it. This includes not only the physical land itself but also any improvements made to that land, such as buildings, homes, and other fixtures that are affixed to the land. The term distinguishes real property from personal property, which includes movable items like furniture, vehicles, and other belongings that are not permanently fixed to a location. Understanding the distinction between real property and personal property is essential in real estate, as it affects ownership rights, property valuation, and how property is taxed and transferred. Real property plays a critical role in real estate transactions and is governed by specific laws and regulations concerning property ownership and use.

6. A reversionary estate is characterized by what feature?

- A. The future rights are transferred to a third party
- B. The grantor retains future rights after conveying a lesser estate**
- C. The estate automatically transfers to the government
- D. The estate lasts indefinitely

A reversionary estate is characterized by the feature where the grantor retains future rights after conveying a lesser estate. This means that when a property owner, or grantor, gives a lesser estate to another party, they do not permanently give away all their rights to the property. Instead, they retain the right to reclaim the property or the reversionary interest once the lesser estate terminates. For example, if a property owner leases a property for a certain period, they grant the tenant a temporary right to use that property but maintain the future right to regain possession once the lease period ends. This retention of rights is what defines a reversionary estate, distinguishing it from other forms of property transfer where rights are fully relinquished or assigned to a different party. In context, other options do not accurately describe the nature of a reversionary estate. Transferring future rights to a third party would suggest an assignment rather than a reversion. The idea that the estate automatically transfers to the government does not reflect the personal nature of reversionary interests. Lastly, stating that the estate lasts indefinitely contradicts the fundamental characteristic of a reversionary estate, which is conditional on the occurrence of a future event or the termination of the lesser

7. In a legal description, after establishing the point of beginning, what follows in the description?

- A. A summary of past ownerships**
- B. Compass direction and distance**
- C. A statement of property value**
- D. Legal ownership verification**

In a legal description, after the point of beginning (POB) is established, the description typically continues with compass directions and distances. This method allows for a precise delineation of the property boundaries by indicating how far and in what direction the property extends from the POB. Using compass directions, such as north, south, east, and west, in conjunction with specified distances, provides a clear and standardized way to describe the area of land being referenced. This approach is crucial for legal clarity, ensuring that anyone reviewing the description can visualize the property's location and its boundaries accurately. In contrast, summarizing past ownerships, stating property value, or verifying legal ownership does not play a direct role in defining the physical boundaries of the property itself within the context of a legal description. These aspects may be relevant in other areas of real estate transactions but are not integral to the geometric or spatial description required to outline a property's boundaries legally.

8. What must the government provide when exercising eminent domain?

- A. A written notice**
- B. Just compensation**
- C. A rental agreement**
- D. Public hearings**

When the government exercises eminent domain, it is required to provide just compensation to the property owner for the taking of their property. This ensures that the property owner is fairly compensated for the loss of their property, which is protected under the Fifth Amendment of the U.S. Constitution. The concept of just compensation means that the government must pay the property owner an amount that reflects the fair market value of the property at the time of the taking. This principle is crucial in maintaining a balance between the government's need to use private property for public purposes—such as building roads or schools—and the property owner's rights. Providing just compensation helps protect property owners from being unfairly deprived of their land without receiving appropriate monetary value in return. While written notices, public hearings, and rental agreements may be part of the process surrounding eminent domain, the essential requirement that directly addresses the taking of property is the provision of just compensation.

9. What is the primary function of a vendee's lien?

- A. To prevent property foreclosure**
- B. To protect the buyer's interest in a transaction**
- C. To secure loan payments**
- D. To clear tax obligations**

The primary function of a vendee's lien is to protect the buyer's interest in a transaction. This legal concept arises when a buyer has made payments towards a property but has not yet received the legal title. In such cases, the vendee's lien serves as a security interest, giving the buyer a claim against the property in the event that the seller fails to fulfill their obligations, such as transferring the title or completing the sale. This mechanism ensures that the buyer has recourse and helps to prevent the seller from taking advantage of the transaction to the detriment of the buyer. In comparison, other options focus on different aspects of property transactions and financial security. Preventing foreclosure, securing loan payments, and clearing tax obligations pertain to other legal instruments or protections that do not specifically address the buyer's interests in a sale transaction. Hence, the vendee's lien distinctly aims to safeguard the buyer's rights and investments in real estate deals.

10. What rights do property owners have concerning land that borders streams and rivers?

- A. Ownership of the land only extends to the high water mark**
- B. Right to use the water for activities like swimming and fishing**
- C. Only residential use is permitted on such properties**
- D. Exclusive rights to commercial navigation**

Property owners bordering streams and rivers possess specific rights regarding the use of the water. One primary right is the ability to engage in activities such as swimming and fishing. This right is generally protected under riparian rights, which grant landowners reasonable use of water flowing adjacent to their land. These rights typically allow for recreational use, facilitating enjoyment of the waterways, provided that such activities do not unduly interfere with the rights of other riparian owners or the flow of the waterway. The other options do not accurately represent the rights of property owners in this context. Ownership extending only up to the high water mark generally pertains to different property law concepts, not the general use rights pertaining to the water itself. Limiting use to only residential purposes would restrict the owner's rights and does not encompass the broader rights related to the water. Lastly, exclusive rights to commercial navigation are more complex and typically involve specific regulations and permissions that do not apply to all property owners bordering water bodies.