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STUDY GUIDE FOR
MODERN
Real Estate
Practice

SEVENTEENTH EDITION



Instructions

How to Use This *Study Guide*

This Section includes complete instructions for all the exercises contained in the *Study Guide*. You may refer to these instructions at any time as you work through the various exercises of each chapter. In addition, the instructions include **Study Strategies:** tips and tools you can use to make the *Study Guide* exercises as effective as possible. The chapters in this *Study Guide* include the following sections: “Before You Start . . .” (a post-study assessment tool), key term matching, true or false, multiple-choice review, fill-in-the-blanks, illustrations, logic problems, math problems, and an answer key.

BEFORE YOU START . . .

New! The post-study assessment questions in “Before You Start . . .” help you evaluate how well you’ve grasped the general concepts covered in each chapter of the text. We encourage the student to review each chapter’s “Before You Start . . .” section before attempting to answer the questions in this *Study Guide*.

STUDY STRATEGY Before answering the Key Term Matching, True/False, Multiple Choice, and Fill in the Blank questions in each chapter, quickly review the “Before You Start . . .” section. If you can answer most of the questions in this section, you are ready to move forward in the *Study Guide*. If not, please review that chapter’s content in the textbook.

KEY TERM MATCHING

Test yourself to see how many of the key terms and other important real estate words you can match with their correct definitions. In some chapters, we’ve split this section into two parts to make it easier for you to use. Each part is completely self-contained. Simply write the letter of the key term in the blank next to the definition.

STUDY STRATEGY First fill in the blanks and check your answers. Then later, you can also use this section for more study by covering the answer you have written in and verbally (or mentally) give the definition, or cover the definition and pronounce the term. Both exercises will reinforce your basic knowledge of key definitions.

TRUE OR FALSE

This section helps you prepare for the multiple-choice questions used on most exams. You are presented with a series of statements based on material in the main text. Determine whether the statement is true or false, and circle the T or F accordingly.

STUDY STRATEGY Be careful! These statements are designed to test how closely you can read and how clearly you understand what you've read: They may be tricky. There may be only one word that makes the entire statement false. The answer key provides explanations for all the questions with False as the answer.

Here's an example:

14. T F A real estate appraiser is licensed by the state to buy, sell, exchange, or lease real property.

*The statement is clearly **False**. Circle the **F**. In the Answer Key, you would find:*

14. **False.** A real estate *broker* is licensed by the state to buy, sell, exchange, or lease real property.

The focus of the preceding question is clearly on the *characteristics of a real estate broker*, not what an appraiser can do. The better choice is to stick to the question's main idea. As a rule, the smaller the changes you have to make to create a true statement, the better. In this example, changing only one word (appraiser to broker) makes the statement true.

MULTIPLE-CHOICE REVIEW

Each chapter includes a section of multiple-choice questions. It may help to recognize that each multiple-choice question is actually four true or false statements. The question formats used in the *Study Guide* help you retain information as well as help you prepare for the format and structure of the licensing exam.

STUDY STRATEGY Most multiple-choice questions will consist of three false statements (answers) and one true statement. Circle the letter of the answer that makes a true ending to the question. For study purposes (and rarely on official exams), we ask you to compile a list of information. These questions consist of three true statements and one false answer. These are characterized by these words . . . "All of the following are true . . . **EXCEPT** . . ." In this situation, you choose the exception to the list.

FILL-IN-THE-BLANK

New! Many chapters include a Fill-in-the-Blank section. This new question format re-emphasizes key terms and concepts and prepares the student for taking the licensing exam.

STUDY STRATEGY Read the entire sentence or phrase and determine the meaning and/or purpose of the statement. Then insert the term that best completes the sentence from the list provided.

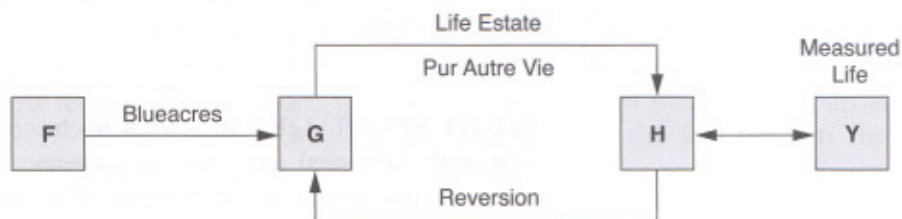
ILLUSTRATIONS

Many people remember information visually. In these sections, you are asked to complete an illustration of one or more basic concepts. Some illustrations ask you simply to label certain elements; for others, you may need to analyze information and fill in a practice-related form.

STUDY STRATEGY Try to visualize the concepts presented in the illustrations. Creating a useful mental picture may be very helpful to recall during the exam.

LOGIC PROBLEMS

When working on a complicated fact-pattern problem (whether in this *Study Guide* or on the real estate licensing examination), draw a picture. Make a chart or diagram of the transactions involved in the problem. Label each actor by identifier and illustrate the role he or she plays in the event. For instance, if the problem is “F conveyed Blueacres to G, who conveyed a life estate pur autre vie to H, measured by the life of Y, retaining a reversionary interest,” you might draw a diagram like this:



MATH PROBLEMS

When you're faced with a math problem, read the whole question carefully! Sometimes testers (and even this *Study Guide*) will include distracting or irrelevant facts or numbers to make sure you know not only how to perform certain calculations but know what information you need to do it. For example, if a question wants you to calculate a broker's commission on a sale, you can disregard information about the asking price or mortgage.

Never assume! You should be able to answer a question based only on the facts you're given. Be sure to pay attention to what you're really being asked to do. Don't make the mistake of trying to rewrite the question instead of choosing the correct answer to the given question.

ANSWER KEY

The *Study Guide* includes a complete set of answers at the end of each chapter so that you can assess your comprehension before proceeding to the next chapter.

Look at the answers only after you've completed all the sections in the chapter! If you check your answers after each section, you might accidentally peek at the correct responses for the next section. While that might improve your overall scores in the *Study Guide*, it won't help your score where it counts . . . on the licensing exam.



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For a fun, interactive way to learn license course material in an online setting try *Real Estate Study Guide* CD-Rom, Version 4.0. This unique study tool helps you build your understanding of real estate principles with illustrations, audio, interactive exercises, expert advice, and detailed information about key concepts that will be on the real estate license exam.

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by Ralph Tamper

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by George Gaines, Jr., David S. Coleman, and Linda L. Crawford

Questions and Answers to Help You Pass the Real Estate Exam

by John Reilly and Paige Bovee Vitousek

Review and recall the key concepts and terms from your real estate course with this popular workbook. With hundreds of questions and activities, this workbook will thoroughly prepare you to pass your license course and exam.

Seventeenth Edition Features:

- **More questions than ever!** This edition features 200 additional questions, answers, and rationales so students can thoroughly test their knowledge of key concepts covered in the license course and on the exam.
- **New question format**—Fill-in-the-Blank—has been added to the assortment of Matching, True/False, and Multiple Choice questions.
- **New Feature**—Before You Start—a quick diagnostic tool that lets you check your comprehension of each chapter before you begin your Study Guide review.
- **Expanded and completely revised** questions, answers, and rationales that reflect current real estate policy and law, as well as updated pricing, mortgage and tax tables, and illustrations to reflect current rates.

Dedicated Web Site Gives Students More!

Go to www.modernrealestatepractice.com for even more study tools and support for the 17th edition of this classic real estate text. Students can use the Student Test-Builder to create their own custom tests, or study the rationales for the textbook's Chapter Review Questions and Sample Exams. Don't miss this value-added site!

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