

CHAPTER 2

Multiple Choice Questions. Indicate the best answer.

1. Which of the following is not true?
 - a. Real estate consists of the land and everything fastened to it
 - b. Land includes the surface, the subsurface and the space above
 - c. Fixtures are always personal property
 - d. Property consists of valuable rights held to the exclusion of others
2. The four components of real property include
 - a. Land, buildings, furnishings and fixtures
 - b. Land, improvements, personal property and rights
 - c. Land, permanently affixed objects, appurtenant rights, and that which is immovable by law
 - d. None of the above
3. Which of the following is not a test of a fixture?
 - a. The cost of the object
 - b. The manner of annexation or attachment
 - c. The adaptability of use with the land
 - d. The intent of the person installing it
4. The bundle of rights includes
 - a. The right to occupy, exclude others, or to sell
 - b. The right to borrow against
 - c. The right to convey by inheritance
 - d. All of the above
5. When title to property reverts to the state because the owners left no will or heirs, it is because of the government's right of
 - a. Police power
 - b. Eminent domain
 - c. Taxation
 - d. Escheat
6. Air pollution regulations are based on the governmental authority called
 - a. Police power
 - b. Eminent domain
 - c. Taxation
 - d. Escheat
7. Which of the following is true?
 - a. The bundle of rights is indivisible
 - b. Property ownership rights are absolute
 - c. Restrictive covenants are examples of government controls placed on real estate
 - d. Zoning is an example of a government restriction

8. Private restrictions on use can include
- a. Deed restrictions
 - b. Easements and rights of way
 - c. Leases and mortgage notes
 - d. All of the above
9. A metes and bounds description identifies a parcel of land with
- a. Lot and block labels
 - b. Engineering cross-sections
 - c. Perimeter lines, described by direction and distance for each boundary
 - d. Government survey lines
10. Which of the following statements about the government survey system is false?
- a. A township is 36 sections
 - b. A section is 640 acres
 - c. A section measures one square mile
 - d. All sections are the same exact size
11. A market study suggests a value of \$25,000 per acre for the property described here. Find the indicated total market value.

Legal Description:

The E 1/2 of the NE 1/4 of the NE 1/4 of the NE 1/4 of Section 1, Township 4 N, Range 4 E, San Bernardino Baseline and Meridian.

- a. \$250,000
 - b. \$125,000
 - c. \$500,000
 - d. None of the above
12. To be valid, a contract must
- a. Include an offer, an acceptance, and consideration
 - b. Involve competent parties, an act to be performed, legal consideration, a mutual agreement, and a mutual obligation
 - c. Both a. and b.
 - d. Comply with the Statute of Frauds