

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

1) Which of the following is not a true statement regarding leases?

- A) A lease grants the lessee the right to share possession of the property with the landowner for a specified period.
- B) The lessor can be referred to as the landlord and the lessee as a tenant.
- C) The common law approach to leases has been modified by various state Acts.
- D) Leases are generally categorised as residential or commercial.

Answer: A

2) When Tia's one-year lease expires she stays on with the landlord's consent and continues to pay rent on a fortnightly basis. What kind of agreement does she have?

- A) A fixed-term lease.
- B) A periodic tenancy.
- C) A tenancy at sufferance.
- D) A tenancy at will.

Answer: A

3) Which of the following are examples of a fixed-term lease?

- A) A lease that terminates 'on Christmas Day, 2012'.
- B) A lease that commences 'immediately that the civil war in Somalia is officially ended'.
- C) A lease that terminates 'within 60 days after the completion of the proposed new motorway from Ballarat to Bendigo'.
- D) All of the above.

Answer: A

4) An example of a fixed-term lease is:

- A) a lease that will terminate if the landlord's house is put on sale.
- B) a lease that will commence when a satisfactory builder's report is obtained.
- C) a lease that will terminate on New Year's Eve 2013.
- D) all of the above.

Answer: A

5) Leases usually require tenants to make covenants (promises) in their lease to:

- A) pay rent.
- B) permit the landlord to enter and inspect the premises.
- C) keep the property in the same condition it was in when the lease commenced.
- D) all of the above.
- E) comply with A and B only.

Answer: A

6) A landlord of a commercial property is usually not required to:

- A) satisfy statutory safety requirements.
- B) repair and maintain the premises in good condition, except for lifts, stairs and entrances.
- C) allow the tenant the right of quiet enjoyment.
- D) comply with any of the above.

Answer: C

- 7) Under common law, commercial landlords are usually not obliged:
- A) to allow the tenant quiet enjoyment (possession) of the premises.
 - B) to pay property rates and taxes.
 - C) to ensure common areas, such as lifts and entrances, are in reasonable condition.
 - D) to carry out all of the above.
 - E) to carry out A and B only.

Answer: B

- 8) When a landlord permits a commercial tenant to sub-let, the original tenant becomes known as a 'head tenant' and the new tenant as a 'subtenant'. If the property is subsequently damaged as a result of negligence by the subtenant, the landlord:
- A) must sue the subtenant before suing the head tenant.
 - B) must execute a deed of entry to recover his or her loss.
 - C) may sue the head tenant for the loss.
 - D) may enter the property and make repairs without giving notice to the head tenant or subtenant.

Answer: C

- 9) In most residential leases a tenant is required:
- A) to not sub-let without permission from the landlord.
 - B) to allow the landlord to enter to inspect and carry out repairs.
 - C) to keep the premises in good repair.
 - D) to not carry out illegal activities on the premises.
 - E) to comply with all of the above.

Answer: E

- 10) Which of the following statements is accurate in relation to residential tenancy agreements?
- A) The standard form residential tenancy agreement cannot be modified by the landlord or the tenant for any reason.
 - B) Residential landlords may pay the rental bond into a special trust account provided they share any interest received with the tenant.
 - C) An agreement that allows a person to book a hotel room for 6 months will qualify as a residential agreement.
 - D) Residential landlords are required to provide locks on external doors and windows.

Answer: C

- 11) Which of the following are not statutory obligations that a residential tenancy landlord must obey?
- A) To give at least 60 days notice of a rent increase.
 - B) To provide locks on garages and external upper floor windows.
 - C) To lodge the tenancy bond with a government authority.
 - D) A and B only.
 - E) To use a standard form lease agreement.

Answer: E

- 12) Residential tenancy tribunals have the power to:
- A) decide disputes over rental bonds.
 - B) declare a rent payment is excessive and to order adjustments.
 - C) order a tenant to allow the landlord to enter the premises.
 - D) make all of the above orders.
 - E) carry out A and B only.

Answer: C

13) Which of the following statutory obligations are imposed on retail landlords?

- A) They must provide lease documents in written plain English.
- B) They must disclose in writing the main features of the lease, including details of the premises, rent reviews and taxes.
- C) They must offer a lease term of five years.
- D) They must carry out all of the above.
- E) A and B above only.

Answer: C

14) In New South Wales which of the following documents must be attached to the standard contract of sale for land?

- A) A property certificate (title search).
- B) A sewerage diagram.
- C) A planning certificate.
- D) All of the above.
- E) A and B only.

Answer: C

15) At an exchange of contracts for the sale of Torrens title land, which of the following does not take place?

- A) The vendor hands over their certificate of title to the purchaser in return for proof that the purchaser has the financial capacity to buy the land.
- B) Each party hands over a signed and dated copy of the contract to the other.
- C) The vendor and purchaser are represented by a conveyancer.
- D) The purchaser pays a deposit to the vendor.

Answer: B

16) In New South Wales, which of the following statements is not true in relation to the cooling-off period in the conveyancing process?

- A) Purchasers have 5 days to rescind from the date of the exchange.
- B) Purchasers have 7 days to rescind from the date of the exchange.
- C) There is no cooling-off period if the property is sold at auction.
- D) Purchasers may rescind during the cooling-off period but they must pay 0.25% of the purchase price.

Answer: A

17) In New South Wales, which of the following statements is not true in relation to the cooling-off period in the conveyancing process?

- A) Purchasers may rescind during the cooling-off period but they must pay 0.25% of the purchase price.
- B) There is no cooling-off period if the purchaser agrees to surrender the right and produces a certificate stating that their rights have been explained to them by a conveyancer.
- C) Purchasers have 5 days to rescind from the date of the exchange.
- D) Purchasers have 5 days to rescind from the date of settlement.
- E) A and B only.

Answer: A

18) In New South Wales which of the following statements is not true in relation to the exchange of contracts stage of the conveyancing process?

- A) The exchange creates an enforceable contract and gives the purchaser an equitable interest in the land.
- B) A real estate agent may exchange contracts for the sale of a residential property if they have been authorised by a contracting party or that party's conveyancer.
- C) The purchaser usually signs two copies of the contract. One copy is handed to the vendor and the purchaser retains the other copy.
- D) The purchaser pays a deposit which is usually held in the trust account of the vendor's agent or invested until the settlement.

Answer: D

19) In New South Wales which of the following statements is not true in relation to the settlement stage of the conveyancing process?

- A) The purchaser pays the balance of the purchase price plus any other fees, including the agent's commission, if there is an agent.
- B) The vendor hands over the certificate of title, the transfer and the keys to the property.
- C) The purchaser hands over an 'order on the agent' that authorises the vendor's agent to pay the deposit to the vendor.
- D) If there is a mortgage the vendor pays any outstanding moneys owing and the purchaser recovers the certificate of title.

Answer: A

20) Toby has exchanged contracts for the purchase of a Torrens title residential property. Settlement was scheduled to occur on 15th October at 3 pm. At 9.30 am on 15th October Toby's conveyancer searched the title and found no problems. At 1 pm on 15th October a creditor who had received a court judgment against the vendor on 14th October registered the judgment order on the vendors' title. Based on the decision in *Black v Gannock* [2007] HCA 31, what is likely to happen?

- A) The settlement will be blocked but Toby has rights against the creditor for not lodging its interest within a shorter period of time.
- B) The settlement can proceed provided Toby can arrange for the settlement to be conducted by 2 pm or earlier because an hour's notice by the creditor failed to meet the required bona fide standard.
- C) The settlement can proceed because Toby's search was conducted with reasonable care and skill.
- D) The settlement will be blocked because the creditor had a registered interest. Toby only had an unregistered equitable interest.

Answer: C

21) In the conveyancing process requisitions on title are usually sent to the vendor. Requisitions are:

- A) claims for the payment of costs incurred by the purchaser.
- B) questions that attempt to discover any problems that have not been disclosed.
- C) lists of non-fixtures that cannot be removed by the vendor.
- D) requests for repairs or improvements to be made before the sale is completed.

Answer: A

- 22) Gary Perfect advertised a house for sale 'in the price range of \$500 000 plus'. One week before placing the advertisement Gary's vendor had refused an offer at auction of \$705 000. In the agency agreement with his vendor Gary estimated that the sale price would be 'in the price range of \$680 000'. Which statement best summarises Gary's legal position?
- A) He appears to have breached consumer protection legislation by engaging in deceptive or misleading conduct.
 - B) He appears to have breached his general obligation not to engage in deceptive or misleading conduct that is imposed by specific legislation regulating real estate sales practices.
 - C) He has breached specific legislation in relation to real estate sales practices by over quoting the estimated price for which the property is likely to be sold.
 - D) He has breached specific legislation in relation to real estate sales practices by advertising at lower price than the estimate provided in the agency agreement.
 - E) A and B only.

Answer: E

- 23) In New South Wales real estate agents who receive money on behalf of a client or another person must:
- A) Hold the money exclusively for the person they receive it from and pay it as that person directs them to.
 - B) Lodge the money in a deposit taking institution or a safe place within five working days after receipt of the money.
 - C) Place the money in safe place, such as a deposit taking institution or a high quality safe in the real estate office.
 - D) Confirm with all of the above.

Answer: C

- 24) Moneys that real estate agents receive from third parties and must be placed in a trust account include:
- A) deposits paid as part of an exchange of contracts.
 - B) 'outgoings' (expenses) aid by retail tenants of a shopping centre.
 - C) rent received from a rental property.
 - D) all of the above.
 - E) A and B only.

Answer: A

- 25) Tarice is a licensed auctioneer in Western Australia. While she was auctioning Bryce's house she accepted two bids from a person she knew was Bryce's uncle and not a genuine bidder. Which statement or statements are most accurate in relation to Tarice's legal obligations?
- A) She has not breached specific WA legislation for the regulation of real estate selling practices because dummy bidding is not legal in WA.
 - B) She appears to have breached the Australian Consumer Law by engaging in deceptive and misleading conduct.
 - C) She has not breached any laws. However, her vendor may be liable for a breach of her prospective contract with any purchaser who buys the property at the auction.
 - D) She appears to have breached specific WA legislation for the regulation of real estate selling practices because dummy bidding is illegal in WA.
 - E) A and B only.

Answer: E

- 26) Which of the following rules do not apply to auctions that are regulated by state and territory legislation?
- A) Dummy bids are strictly prohibited in all jurisdictions except Western Australia.
 - B) The buyer's agent must keep a record of any bids made.
 - C) Auction rules and conditions of sale must be clearly displayed.
 - D) Bidders must be registered and display a number
 - E) Vendor bids must be strictly limited.

Answer: D