Real Estate Finance and Investments 17th edition Brueggeman Test Bank

SKU: 9781260734300-TEST-BANK

Real Estate Finance and Investments 17th Edition by Brueggeman CH01

ANSWERS ARE LOCATED IN THE SECOND PART OF THIS DOCUMENT

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) Real estate refers to the physical land and improvements constructed on the land.

1) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

2) Real property refers to the ownership rights associated with real estate.

2) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

3) A quitclaim deed says that the grantor "quits" whatever claim he has in the property in favor of the grantee.

3) _____

◎ true
◎ false

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

Real Estate Finance and Investments 17th Edition by Brueggeman CH01

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

4) It is illegal to give a quitclaim deed if the grantor has no claim in the property.

4) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

5) The term real estate refers to the ownership rights associated with the physical land and improvements.

5) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

6) A fee simple estate is a type of freehold estate.

6) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

7) As compared to other types of deeds, a general warranty deed provides the most comprehensive warranties about the quality of the title to the property.

7) _____

◎ true
◎ false

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 2 Understand
Topic : Assurance of Title
Gradable : automatic

8) After a house is purchased, contractors cannot ask the new owner of the house to pay any bills that were outstanding before the house was sold.

8) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 1 Remember
Topic : Assurance of Title
Gradable : automatic

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

9) A reciprocal easement agreement allows two or more parties to access each other's property.

9) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

10) A lien waiver provides certification that contractor's on newly constructed properties have been compensated.

10) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 1 Remember
Topic : Assurance of Title
Gradable : automatic

11) A lessee is a person who holds the title to a piece of property.

11) _____

- ◎ true
- ◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

12) The grantee typically conveys title to the grantor by means of a deed.

12) _____

◎ true
◎ false

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

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

13) If a lender is to repossess or bring about the sale of a property if the borrower defaults on the mortgage loan, the lender is said to have a _____ in the real estate.

13) _____

A) freehold interest
B) lease interest
C) secured interest
D) quitclaim

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 2 Understand
Gradable : automatic

14) A(n) _____ estate represents the most complete form of ownership of real estate; the owner is free to divide it up into lesser estates and sell, lease, or borrow against them as he or she wishes.

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

14) _____

A) fee simple
B) freehold
C) leasehold
D) life

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

15) Mr. Smith has allowed Mrs. Jones to run a sewer line through Mr. Smith's backyard so that Mrs. Jones has access to the city sewer system. This is an example of a(n):

15) _____

A) easement.
B) encumbrance.
C) estate for years.
D) title assurance.

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

16) Which type of deed offers the grantee the MOST protection?

16) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) Quitclaim deed
B) Special warranty deed
C) General warranty deed
D) Officer's deed

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 2 Understand
Topic : Assurance of Title
Gradable : automatic

17) What term BEST describes a person that owns a property and is conveying title to the property to another person?

17) _____

A) Mortgagor
B) Grantor
C) Mortgagee
D) Grantee

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

18) What type of estate lasts for an indefinite period of time?

18) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) Freehold estate
B) Estate from year-to-year
C) Leasehold estate
D) Estate for years

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

19) Which of the following is NOT a good method of title assurance?

19) _____

A) Seller provides a warranty in the deed
B) An attorney searches recorded documents
C) Title insurance is purchased
D) Seller provides a quitclaim deed

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 2 Understand
Topic : Assurance of Title
Gradable : automatic

20) What legal document conveys title from one person to another?

20) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) Mortgage
B) Note
C) Deed
D) Debenture

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 1 Remember
Topic : Assurance of Title
Gradable : automatic

21) A historical summary of the publicly-recorded documents that affect the ownership of a property is known as a(n):

21) _____

A) estate.
B) deed.
C) abstract of title.
D) lien.

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 1 Remember
Topic : Assurance of Title
Gradable : automatic

22) Which of the following is FALSE regarding a tax sale?

22) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) An accurate and complete description of the property is required to be posted for possible purchasers before the sale.

B) The property owner may not have had a court appearance through due process, thus creating a cloud on the title.

C) The line of authority for the sale may not be clear.

D) The purchaser is usually expected to pay all delinquent taxes at the time of sale.

Question Details
Difficulty : 3 Hard
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 3 Apply
Topic : Assurance of Title
Gradable : automatic

23) A reversion and a remainder are similar in that:

23) _____

A) both can be sold or mortgaged.

B) both cause the property to go back to the grantor after the sale.

C) neither is an actual interest in the property.

D) neither is considered a future estate.

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 2 Understand
Gradable : automatic

24) Which of the following is FALSE concerning mechanic's Liens?

24) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) Gives the right to attach a lien on real estate
B) Can get money through forcing judicial sale
C) Lasts even after the bill for labor and materials has been paid
D) Might not be disclosed by the public records

Question Details
Difficulty : 2 Medium
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Bloom's : Level 2 Understand
Topic : Assurance of Title
Gradable : automatic

25) All other items not considered realty, including intangibles and movable things, are considered as:

25) _____

A) realty.
B) contractual.
C) personality.
D) an estate.

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

26) A term used to link an individual or entity who owns property to the property itself is:

26) _____

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A) easement.
B) title.
C) deed.
D) lease.

Question Details
Difficulty : 1 Easy
Accessibility : Keyboard Navigation
Accessibility : Screen Reader Compatible
Topic : Property Rights and Estates
Bloom's : Level 1 Remember
Gradable : automatic

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

Real Estate Finance and Investments 17th Edition by Brueggeman CH01
Answer Key

Test name: CH01

1) TRUE
We generally use the term *real estate* to mean land and all things permanently attached.

2) TRUE
Ownership rights associated with real estate are referred to as real property.

3) TRUE
The quitclaim deed simply says that the grantor "quits" whatever "claim" he or she has in the property (which may well be none) in favor of the grantee.

4) FALSE
A quitclaim deed offers the grantee the least protection. Such a deed simply conveys to the grantee whatever rights, interests, and title that the grantor may have in the property. No warranties are made about the nature of these rights and interests or of the quality of the grantor's title to the property.

5) FALSE
The term real estate is used to refer to things that are not movable such as land and improvements permanently attached to the land, and ownership rights associated with the real estate are referred to as real property.

6) TRUE

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

A fee simple estate, also known as a fee simple absolute estate, is the freehold estate that represents the most complete form of ownership of real estate.

7) TRUE
A general warranty deed is the most commonly used deed in real estate transactions and the most desirable type of deed from the buyer's perspective. It offers the most comprehensive warranties about the quality of the title.

8) FALSE
State laws generally give contractors, laborers, or suppliers of materials a certain period of time following the completion of work or delivery of materials during which to file their lien. When the lien is filed, it "relates back" and takes priority over all liens filed after the time when materials were first delivered or work was first performed on the real estate. As a result, until the end of the time allowed for filing (generally 60 days), a purchaser of an interest in newly constructed or improved real estate cannot be sure that the interest will be unencum¬bered or that the interest will have the priority bargained for.

9) TRUE
An easement is a nonpossessory interest in land. It is the right to use land that is owned or leased by someone else for some special purpose. Reciprocal easements allow access across both properties, thereby enhancing customer traffic flow and shopping opportunities.

10) TRUE
In practice, owners of properties that are newly constructed or renovated should require contractors, workers, and material suppliers to sign a lien waiver. This is an acknowledgment that they have been compensated and that they agree to waive all lien rights.

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

11) FALSE
A lessee is a person who leases land or property.

12) FALSE
Usually title is conveyed from one person (the grantor) to another (the grantee) by means of a written instrument called a deed.

13) C
The mortgage document provides the lender with evidence of a secured interest. This right has value to the lender and reduces the quantity of rights possessed by the owner.

14) A
A fee simple estate represents the most complete form of ownership of real estate, whereas a leasehold estate usually describes rights and interests obtained by tenants when leasing or renting a property. The latter is also a possessory interest and involves the general right to occupy and use the property during the period of possession.

15) A
An easement is a nonpossessory interest in land. It is the right to use land that is owned or leased by someone else for some special purpose.

16) C
A general warranty deed is the most commonly used deed in real estate transactions and the most desirable type of deed from the buyer's perspective. It offers the most comprehensive warranties about the quality of the title.

17) B
Usually title is conveyed from one person (the grantor) to another (the grantee) by means of a written instrument called a deed.

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

18) A
A freehold estate lasts for an indefinite period of time; that is, there is no definitely ascertainable date on which the estate ends. A leasehold estate, on the other hand, expires on a definite date.

19) D
A quitclaim deed offers the grantee the least protection. Such a deed simply conveys to the grantee whatever rights, interests, and title that the grantor may have in the property. No warranties are made about the nature of these rights and interests or of the quality of the grantor's title to the property.

20) C
Usually title is conveyed from one person (the grantor) to another (the grantee) by means of a written instrument called a deed.

21) C
An abstract of title is a historical summary of the publicly recorded documents that affect a title.

22) A
In a tax sale, an accurate and complete description of the property is not required to be posted prior to the sale.

23) A
A reversionary interest can be sold or mortgaged because it is an actual interest in the property. A remainder exists when an owner wishes for another party to occupy and use a property for a specified number of years or for his life, then upon expiration of that time or upon his death, the estate is conveyed to a third party. Both types may be mortgaged or sold.

24) C

Real Estate Finance and Investments 17th edition Brueggeman Test Bank

In general, mechanics' liens give unpaid contractors, workers, and material suppliers the right to attach a lien on the real estate to which they added their labor or materials. These liens may not be disclosed in public records. To obtain the payment owed them, they may foreclose such liens by forcing a judicial sale of the encumbered property. They are then paid from the proceeds of the sale. The lien ends when the bills for the labor and/or materials have been paid.

25) C

All other items not considered realty have been designated as personalty, which includes all intangibles and movable things (e.g., automobiles, shares of stock, bank accounts, and patents).

26) B

Title is an abstract term frequently used to link an individual or entity who owns property to the property itself. When a person has "title," he is said to have all of the elements, including the documents, records, and acts that prove ownership.

Real Estate Finance and Investments 17th edition Brueggeman Test Bank