Chapter 2 Multiple Choice Questions

1. _______ refers to physical land and buildings, while _______ consists of the benefits gained from owning land and buildings.
   a. Personal property, real property
   b. Real property, personal property
   c. Real property, real estate
   d. Real estate, real property

2. Real estate refers to
   a. land and structures attached to it.
   b. legal benefits, interests or rights inherent in the ownership of real estate.
   c. movable property.
   d. land, but not structures attached to it.

3. Real property, though often used interchangeably with the term “real estate,” refers to
   a. movable property.
   b. land and structures.
   c. legal interests associated with real estate.
   d. land, but not structures attached to it.

4. _______ consists of the rights which a person may have in connection to land and structures.
   a. Real estate
   b. Personal rights
   c. Real property
   d. Personal property

5. Ownership interests in real property are often described as
   a. grants.
   b. fees.
   c. estates.
   d. equities.

6. An item which was at one time personal property but has become “attached” and is now considered to be real property is known as a(n)
   a. attachment.
   b. encroachment.
   c. gestation.
   d. fixture.
7. The most crucial test used to determine whether an item is a fixture is the
   a. fixation test.
   b. attachment test.
   c. annexation test.
   d. intent of the parties.

8. Which of the following items would not be considered a fixture?
   a. A built-in fireplace
   b. A grandfather clock
   c. A chandelier
   d. Wall-to-wall carpeting

9. Fred leases a building from Barney that he uses for a restaurant. To increase business, Fred installs an antique bar in the center of the restaurant. One year later, Fred removes the bar and relocates to a larger building. What are Barney’s rights?
   a. Fred must return the bar.
   b. Fred must restore the building as near as possible to its original condition.
   c. Fred must pay Barney for the bar.
   d. The bar must be returned, but Barney owes Fred compensation for the bar.

10. The primary difference between freehold and leasehold estates is that
    a. the number of rights is greater with leasehold estates.
    b. leasehold estates involve property which have no liens.
    c. a freehold interest is an ownership interest.
    d. a freehold estate can only be possessory.

11. In the _______ test of fixture status, the issue addressed is whether removal of the item would cause damage to the remaining real estate.
    a. intent of parties
    b. attachment
    c. adaptability
    d. All of the above

12. Rights to real estate apply to the surface of the earth, the space above it, and the space below it. Rights to the space above the surface of a parcel are called
    a. air rights.
    b. levitation rights.
    c. Jordan rights.
    d. mineral rights.
13. Owners of land that adjoins navigable bodies of water are referred to as
   a. riparian owners.
   b. prior appropriate owners.
   c. littoral proprietors.
   d. consumptive owners.

14. The rights of a landowner to use water from a nonnavigable lake or stream are called
   a. riparian rights.
   b. a bundle of rights.
   c. littoral rights.
   d. inchoate rights.

15. The dominant theory concerning who owns the rights to water that flows across or borders a parcel of land that permits all such owners to use all the water needed as long as the use does not deprive other owners is known as
   a. littoral rights theory.
   b. riparian rights doctrine.
   c. prior appropriation doctrine.
   d. consumptive appropriation theory.

16. Which theory of water rights relies on the notion of “first-come, first-served”?
   a. Littoral rights theory
   b. Riparian rights doctrine
   c. Prior appropriation doctrine
   d. Consumptive appropriation theory

17. If one lives in the western U.S., the _______ will typically govern the rights of a property owner to use water of a nonnavigable stream that runs through his or her property.
   a. Reasonable Use Theory
   b. Theory of Littoral Rights
   c. Considerable Expense Theory
   d. Prior Appropriation Theory

18. _______ estates refer to ownership rights, while the term _______ refers to rights to use or possess (but not own) property for a period of time.
   a. Grantor, grantee
   b. Grantee, grantor
   c. Freehold, leasehold
   d. Leasehold, freehold
19. Which of the following is not a presently possessed interest in real estate?
   a. Fee simple absolute estate
   b. Qualified fee estate
   c. Life estate
   d. Reversion

20. In a leasehold estate, the tenant is known as the _______ and the landlord is known as the _______.
   a. lessor, lessee
   b. lessee, lessor
   c. grantor, grantee
   d. freehold, leasehold

21. The seller of a property is typically known as the
   a. grantee.
   b. agent.
   c. grantor.
   d. broker.

22. _______ refers to the right to transfer property by will; _______ refers to the right to transfer property when one dies intestate.
   a. Descendible, devisable
   b. Devisable, descendible
   c. Ascendable, descendible
   d. Alienable, devisable

23. The fullest and most complete estate in land is the
   a. fee simple positive.
   b. fee simple determinable.
   c. fee simple absolute.
   d. fee simple life estate.

24. An unlimited interest in land is a collection of rights to
   a. use, possess and transfer real estate.
   b. sell, mortgage and interfere with other real estate owners.
   c. possess, devise and interfere with real estate owners.
   d. possess and own.
25. Which statement creates a qualified estate?
   a. “To John for the sum of $50,000”
   b. “To John until he develops the property”
   c. “To John for good and sufficient consideration”
   d. “To John for valuable consideration”

26. John has a future interest in a property. This property was never owned by him, any of his ancestors or currently living relations. It is certain that he will receive this interest in the future. Which best describes John’s interest in the property?
   a. Vested reversion
   b. Contingent reversion
   c. Vested remainder
   d. Contingent remainder

27. The future interest that is held by the grantor at the termination of a life estate which he or she has granted someone else is a
   a. defeasible estate.
   b. devise.
   c. reversion.
   d. remainder.

28. Which of the following characteristics does not apply to fee simple absolute estates?
   a. Alienable
   b. Descendible
   c. Devisable
   d. Expendable

29. The primary difference between a life estate and a fee simple absolute estate is that life estates
   a. automatically terminate upon the death of a named person.
   b. are descendible.
   c. are devisable.
   d. are not subject to corporate tax.

30. Someone who holds a _______ interest in a property is guaranteed to receive a present interest in the property upon the death of a named person.
   a. vested remainder
   b. contingent remainder
   c. termination
   d. qualified fee
31. When a landlord and a tenant enter into an agreement for a specified term, they have created a
   a. tenancy at will.
   b. tenancy for a stated period.
   c. tenancy at sufferance.
   d. joint tenancy.

32. When a tenant refuses to sign a lease upon the termination of a prior lease, the tenants rights to the property are referred to as a
   a. tenancy by the entirety.
   b. tenancy at sufferance.
   c. tenancy at will.
   d. freehold tenancy.

33. Alex, Bob and Chuck each own a one-third (1/3) interest in a tenancy in common. Bob has an immediate heir, Deborah. Bob dies. Provided that there are no extra-ordinary circumstances, who owns Bob’s interest in the real estate after his death?
   a. Alex and Chuck
   b. Deborah
   c. Alex
   d. Chuck

34. Andrea, Barbara and Carol each own a one-third (1/3) interest in a joint tenancy. Barbara has an immediate heir, Danny. Barbara meets an untimely end (she dies). Provided that there are no extra-ordinary circumstances, who owns Barbara’s interest in the real estate after her death?
   a. Andrea and Carol
   b. Danny
   c. Andrea
   d. Carol

35. A form of multiple ownership in which each owner owns an undivided proportional interest in the entire property although the shares do not have to be equal is
   a. tenancy by the entirety.
   b. tenancy at will.
   c. tenancy by the community.
   d. tenancy in common.
36. Smith sells the Brooklyn Bridge to Jones. Provided that Smith had legal title to the bridge and is allowed to make this transfer of title, Smith is the _______ and Jones is the_______.
   a. Investor, divestor  
   b. Seller, victim 
   c. Grantor, grantee 
   d. Grantee, grantor 

37. Of the following ownerships, which is the most common type of concurrent estate?
   a. Tenancy in common 
   b. Tenancy by the entirety 
   c. Joint tenancy 
   d. Community property 

38. A tenancy by the entirety may be held by
   a. any two people. 
   b. husband and wife. 
   c. brother and sister. 
   d. up to six people. 

39. A form of multiple ownership that carries the right of survivorship is a
   a. joint tenancy. 
   b. tenancy at will. 
   c. tenancy in common. 
   d. tenancy at sufferance. 

40. The primary difference between a condominium and a cooperative is that the owner of a
   a. condominium holds title to his share of the common areas in a joint tenancy. 
   b. cooperative interest owns his individual unit, while the public owns the common areas. 
   c. condominium owns the individual unit, while the cooperative owner has stock in a corporation. 
   d. cooperative interest owns shares in his unit, while the entire building is owned by a joint tenancy in common. 

41. Community property is
   a. a marital estate. 
   b. a nonfreehold estate. 
   c. a joint tenancy in common. 
   d. a life estate.
42. In fee interest time-share arrangements, an owner
   a. is entitled to possess, but not own, a property during certain times of the year.
   b. holds a lease which provides legal rights of occupancy during certain times of the year.
   c. holds fee simple title to the property during his or her particular ownership period.
   d. owns stock in the corporation which holds title to the property.

43. Which of the following would not be accepted as a proper legal description of a property?
   a. Metes-and-bounds description
   b. Proper street address
   c. Rectangular survey description
   d. Lot number and reference to a plat

44. How many acres are there in the parcel containing the N 1/2 of the SE 1/4 of the SW 1/4 of the SE 1/4 of the NE 1/4 of Section 15?
   a. 1 1/4
   b. 10
   c. 2 1/2
   d. 5

45. Given the following lot sizes, which is closest to one acre?
   a. 200' x 100'
   b. 300' x 100'
   c. 260' x 260'
   d. 50' x 800'

46. One method of legally describing real estate is to refer to recorded surveys that include streets, blocks and lots. These surveys are called
   a. rectangular surveys.
   b. plats.
   c. metes and bounds.
   d. Torrens certificates.

47. There are ______ square feet in one acre.
   a. 36,650
   b. 40,000
   c. 37,660
   d. 43,560
48. Which of the following is absolutely necessary for the proper legal description of a piece of property based on the metes-and-bounds method?
   a. Datum
   b. Meter reading
   c. Point of beginning
   d. Plat

49. A township contains ______ square mile(s).
   a. 640
   b. 1
   c. 36
   d. 4

50. The rectangular survey system divides each township into thirty-six equal sections. Within any given township, sections are numbered beginning in the
   a. northwest corner moving easterly.
   b. northeast corner moving easterly.
   c. northeast corner moving westerly.
   d. southeast corner moving northerly.

51. In the rectangular survey system, a division of thirty-six equal portions of land, each containing 1 square mile, is known as a _______ and contains _______ acres of land.
   a. section, 640
   b. township, 160
   c. section, 160
   d. township, 640