

TREC 3550
Buyer Representation in Real Estate
Exam Key

1. Which of the following can be provided to a buyer client?
 - a.) Customer services only
 - b.) Fiduciary benefits and customer services only
 - c.) Undivided loyalty and basic customer services only
 - d.) Customer services, fiduciary benefits and undivided loyalty
2. A buyer agent may be paid by the
 - a.) buyer only.
 - b.) seller only.
 - c.) listing broker only.
 - d.) buyer, seller, or listing broker.
3. Which of the following may a buyer use to compensate an agent?
 - a.) Hourly rate only
 - b.) Flat fee or hourly rate but NOT a percentage of the purchase price
 - c.) Percentage of purchase price only
 - d.) Hourly rate, flat fee, or percentage of purchase price
4. A buyer's agent should do all of the following EXCEPT
 - a.) verify square footage.
 - b.) verify lot size.
 - c.) prepare CMA
 - d.) prepare a formal appraisal.
5. Customers are
 - a.) buyers an agent works for.
 - b.) buyers for whom an agent is an advocate.
 - c.) buyers to whom an agent owes fiduciary duties.
 - d.) buyers who are treated fairly and honestly.
6. All of the following are characteristics of buyer/clients EXCEPT
 - a.) buyers an agent works for.
 - b.) buyers for whom an agent is an advocate.
 - c.) buyers to whom an agent owes fiduciary duties.
 - d.) buyers to whom an agent owes only fair and honest treatment.
7. A client is also called a
 - a.) customer.
 - b.) subagent.
 - c.) facilitator.
 - d.) principal.
8. A person who sells a property may be a
 - a.) subagent only.
 - b.) buyer's agent or a subagent only.
 - c.) dual agent only.
 - d.) subagent, buyer's agent, or dual agent.
9. An agent who is employed to act for another agent and owes the same fiduciary duties to the principal is known as a
 - a.) facilitator.
 - b.) listing agent.
 - c.) buyer's agent.
 - d.) subagent.

10. Which of the following is true?
 - a.) Buyer agency is legal in half of the states.
 - b.) Buyer agents cannot use MLS.
 - c.) Buyer agency makes buyers and sellers adversaries.
 - d.) Buyer agents' fees can be paid by the sellers' agents.
11. In determining the offering range for a buyer client, a real estate agent should
 - a.) calculate a CMA
 - b.) determine a history of the home.
 - c.) check out neighborhood sales.
 - d.) perform all of the above.
12. An agent who represents both buyer and seller in the same transaction is called a(n)
 - a.) dual agent.
 - b.) fiduciary.
 - c.) ad hoc dual agent.
 - d.) single agent.
13. What establishes an agency relationship?
 - a.) Only a written contract
 - b.) Written or verbal agreement only
 - c.) Actions only
 - d.) Written contract, oral agreement, or implied agency
14. Who is ultimately responsible to see that the buyer agent is compensated?
 - a.) The buyer client
 - b.) The listing agent
 - c.) The seller
 - d.) The seller's agent
15. Whether or not a certain buyer MUST be represented is determined primarily by
 - a.) the subagent.
 - b.) the independent contractor status.
 - c.) office policy and professional regulation.
 - d.) the seller of the property or his or her agent.
16. Jane is purchasing for her own account. She should be practicing which form of agency?
 - a.) Seller agency exclusively
 - b.) Buyer agency
 - c.) Facilitator
 - d.) Jane is not practicing a form of agency.
17. All of the following should be contained in the written buyer agency agreement EXCEPT
 - a.) the listing fee.
 - b.) the buyer agency fee.
 - c.) the termination date.
 - d.) any limitations on service.
18. The buyer agent should disclose his or her agency status to the FSBO
 - a.) at face-to-face contact.
 - b.) at contract presentation.
 - c.) at first significant contact.
 - d.) when the house closes.
19. If the buyer is a client of Agent A, but previously was a client of Agent B, which of these is true?
 - a.) The agent may assume all is well so long as he or she has a currently signed buyer agency agreement.
 - b.) The agent should not work with this client once he or she discovers the previous relationship.
 - c.) The agent should investigate the dates on the previous buyer agency agreement.
 - d.) The agent should consult the firm's attorney regarding a suit to quiet agency.

20. The buyer agent should inform the listing agent about the buyer agency relationship
- a.) before submitting any written offer.
 - b.) before the final closing, in case the seller pays buyer agent commission.
 - c.) after the first showing, but before a return showing.
 - d.) at the first possible opportunity.
21. Who would normally NOT be protected in some fashion by the buyer agency agreement?
- a.) The buyer agent
 - b.) The buyer agent's broker
 - c.) The seller's attorney
 - d.) The buyer's lender
22. Appropriate office policy would NOT
- a.) clarify how to proceed in the event of dual agency.
 - b.) indicate if buyer agency, seller agency, or both are offered by the firm.
 - c.) indicate how the agent should explain only those aspects of agency the firm offers.
 - d.) clarify appropriate forms for the agent to use for buyer agency, as well as other forms.
23. A standard buyer agency agreement would include
- a.) a list of the houses that will be shown.
 - b.) one recommendation each for home inspection and attorney representation.
 - c.) a list of any service limitations on the part of the agent.
 - d.) a list of homes which might result in dual agency.
24. Listing information supplied by a seller agent should be checked by the buyer's agent primarily because
- a.) the buyer agent's job is to double-check all critical or key information for mistakes.
 - b.) many if not most seller agents will intentionally skew the information in favor of the seller.
 - c.) most buyers will not care enough to read the material for themselves.
 - d.) if any information is wrong, the seller will be required to take the property off market.
25. A principal may
- a.) not terminate the agreement until the date indicated on the contract.
 - b.) terminate the agreement at any time, without payments agreed to on the contract.
 - c.) terminate the agreement at any time, subject to possible payments indicated on the contract.
 - d.) terminate the agreement if the broker/owner and agent also agree to dissolve the agency.