

## **Chapter 1 Questions**

### **Introduction to the Real Estate Business**

1. When demand for a commodity decreases and supply remains the same,
  - a. price tends to rise.
  - b. price tends to fall.
  - c. price is not affected.
  - d. the market becomes stagnant.
  
2. A licensed real estate professional acting as a point of contact between two or more people in negotiating the sale, rental, or purchase of a property is known as a(n)
  - a. sales affiliate.
  - b. broker.
  - c. property manager.
  - d. appraiser.
  
3. All of the following would affect supply EXCEPT
  - a. Population
  - b. Construction costs
  - c. Government controls
  - d. The labor force
  
4. All of the following are categories of the uses of real property EXCEPT
  - a. Residential
  - b. Developmental
  - c. Agricultural
  - d. Industrial
  
5. All of the following would affect demand EXCEPT
  - a. Population
  - b. Demographics
  - c. Wage levels
  - d. Fiscal policy

6. All of the following affect how quickly the forces of supply and demand work EXCEPT
  - a. Degree of standardization of the product
  - b. Mobility of the product
  - c. Degree of standardization of the product's price
  - d. Mobility of the parties to the transaction
  
7. A real estate professional who performs a visual survey of a property's structure and systems and prepares an analytical report for a purchaser or an owner is acting as a(n)
  - a. educator.
  - b. appraiser.
  - c. property manager.
  - d. home inspector.
  
8. When the supply of a commodity decreases while demand remains the same,
  - a. price tends to rise.
  - b. price tends to drop.
  - c. demand tends to rise.
  - d. demand tends to drop.
  
9. When responsible for maintaining a client's property and maximizing return on the client's investment, a broker is serving as a(n)
  - a. rental agent.
  - b. building maintenance specialist.
  - c. property manager.
  - d. investment counselor.
  
10. Detailed information about the age, education, behavior, and other characteristics of members of a population group is called
  - a. population.
  - b. demographics.
  - c. family lifestyles.
  - d. households.