1. A Duplex is scheduled to close on February 10 (not a leap year). The seller collected rent in the amount of $560 per unit. The sales contract calls for the day of closing belonging to the buyer. Calculate the proration using the number of days in the month.
   A. $360 credit to seller, $760 credit to buyer
   B. $760 debit to seller, $760 credit to buyer
   C. $360 credit to seller, $760 debit to buyer
   D. $760 credit to seller, $760 debit to buyer

2. A duplex was purchased with a down payment of $15,000 and a loan of $59,000 at 5.5% interest for 30 years. Monthly payments are $604.88. What is the loan to value ratio?
   A. 60 percent
   B. 50 percent
   C. 80 percent
   D. 85 percent

3. A building rents for $15 per square foot with an index of 1.5. The index increases to 1.8. What is the adjusted rental rate?
   A. $17.22
   B. $18.14
   C. $18.00
   D. $17.49

4. A home buyer has estimated monthly housing expenses of $727 and their total monthly obligation for all debt service is $1,475. With a gross monthly income of $4,480, what will be their total obligations ratio?
   A. 16%
   B. 33%
   C. 26%
   D. 29%

5. A multifamily apartment building has 8 three-bedroom apartments that rent for $1000 per month and 10 four-bedroom apartments that rent for $1,300 per month. The vacancy and collection loss is estimated to be 10%. Management is 5% of the effective gross income. What is the annual vacancy and collection loss allowance for this apartment building?
   A. $2,100
   B. $37,800
   C. $25,200
   D. $19,440

6. A sales associate acquired a listing for $315,000 at a 6% commission. The listing and selling brokers agree to a 50-50 split between the two offices. The property sold by a cooperating broker for the listed price. The selling broker kept 30% of the commission received by the selling office. How much did the selling office sales associate receive?
   A. $6,615
   B. $9,450
   C. $2,835
   D. $4,725

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7. You are evaluating a four-year-old single-family residence. The total square footage of the livable area is 3,000. The garage is 800 square feet. The construction cost per square foot for livable area is $60 and $38 per square foot for the garage area. Calculate the reproduction cost for the structure.

A. $180,000  
B. $210,400  
C. $228,000  
D. $135,040

8. A developer purchased two 150-foot lots for $24,000 each and then subdivided them into four lots of equal front footage. The developer sold the lots for $200 per front foot. Calculate the developer’s percentage of profit.

A. 155%  
B. 25%  
C. 8%  
D. 22%

9. Buyers have applied for a 30-year mortgage of $140,000 at 7-3/8% interest. How much of the $980 monthly payment paid in the second month will apply to principal?

A. $860.42  
B. $119.58  
C. $859.68  
D. $120.32

10. Calculate all applicable documentary stamp taxes and intangible taxes for a property located in Pasco County:

Purchase Price: $87,440  
Earnest Money: $3,500  
Recorded First Mortgage (assumed): $47,850  
Second Mortgage (new): $27,700  
Cash at Closing: $8,390

A. $876.51  
B. $932.50  
C. $931.91  
D. $877.20

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SOLUTIONS

1. Answer (B)
   Day of Closing belongs to Buyer. There are 9 Seller days and 19 buyer days. Total rent collected is $1120.
   $1200 ÷ 28 days = $40 per day
   $40 per day x 19 buyer days = $760
   $760 debit to seller, $760 credit to buyer

2. Answer (C)
   LTV Formula: Loan ÷ Value = LTV Ratio.
   $15,000 down payment + loan amount of $59,000 = $74,000 value of property.
   $59,000 ÷ $74,000 = .7972 rounded up to 80% Loan to Value.

3. Answer (C)
   1.8 New Index ÷ 1.5 Original Index = 1.2 (120%)
   $15 Current Rent x 1.2 = $18.00

4. Answer (B)
   Total Obligations Ratio (TOR) Formula: Total Monthly Obligations ÷ Monthly Gross Income = TOR
   $1,475 Total Obligations ÷ $4,480 = .3292 (32.92%) rounded up to 33% Total Obligations

5. Answer (C)
   8 apartments rent for $1,000 per month: $1,000 x 8 = $8,000 per month x 12 months = $96,000
   10 apartments rent $1,300 per month: $1,300 x 10 = $13,000 per month x 12 months = $156,000
   $96,000 + $156,000 = $252,000 Total Annual Rent
   $252,000 x 10% Vacancy and Collection Cost Rate = $25,200 Vacancy and Collection Costs

6. Answer (A)
   $315,000 Sale Price x .06 (6%) Commission = $18,900 Total Commission
   $18,900 Total Commission x .5 (50%) Office Split = $9,450 Selling Office Commission
   100% Total Commission - 30% Office Share of Commission = 70% Commission to the Sales Associate
   $9,450 Selling Office Commission x .7 (70%) Sales Associate Share = $6,615 Sales Associate Commission

7. Answer (B)
   3,000 square feet of Livable Area x $60 per square foot = $180,000 Cost to Reproduce the Livable Area
   800 square feet of Garage x $38 per square foot = $30,400 Cost to Reproduce the Garage
   $180,000 + $30,400 = $210,400 Total Reproduction Cost
8. Answer (B)

Profit Formula: Profit ÷ Cost = Percentage of Profit.
150 feet of frontage per lot x 2 lots = 300 Total Feet of Lot Frontage
300 total feet of frontage x $200 per foot = $60,000 Total Sale Price of Lots
$24,000 cost per lot x 2 lots = $48,000 Total Cost of the Lots
$60,000 Total Sales - $48,000 Total Cost = $12,000 Total Profit
$12,000 Profit ÷ $48,000 Cost = .25 or 25% Profit

9. Answer (D)

7-3/8% = 7.375% = 0.07375
$140,000 loan x .07375 Interest rate = $10,325 Annual Interest
$10,325 Annual Interest ÷ 12 Months = $860.42 First Month’s Interest
$980 Monthly Payment - $860.42 Interest = $119.58 Applied to Principal
$140,000 Original Loan Balance - $119.58 Principal Payment = $139,880.42 New Principal Balance
$139,880 New Principal Balance x .07375 Interest Rate = $10,316.18 Annual Interest
$10,316.18 ÷ 12 Months = $859.68 Second Month’s Interest
$980 Monthly Payment - $859.68 Interest = $120.32 Applied to Principal in the Second Month

10. Answer (B)

$87,440 Purchase Price ÷ $100 increments = 874.4 rounded up to 875 Doc Stamps Needed for the Deed
875 Stamps x $0.70 per Deed Doc Stamp = $612.50 Doc Stamps on Deed

$47,850 Recorded 1st mortgage ÷ $100 increments = 478.5 rounded up to 479 Doc Stamps Needed for the First Note
479 Stamps x $0.35 per Note Doc Stamp = $167.65 Doc Stamps on First Note

$27,700 2nd Mortgage ÷ $100 increments = 277 Doc Stamps Needed For the Second Note
277 Stamps x $0.35 per Note Doc Stamp = $96.95 Doc Stamps on Second Note

$27,700 2nd Mortgage (New) x $0.002 Intangible Tax on New Mortgage = $55.40 Intangible Tax

$612.50 Deed Stamps + $167.65 First Note Stamps + $96.95 Second Note Stamps + $55.40 Intangible Tax = $932.50 Total Stamps and Taxes