

72-Hour Broker's Guide

End-of-Course Examination A Answer Key

The following shows the question number, correct answer, [unit] reference, and (page) number.

1. B [4] (103)	26. C [2] (62)	51. A [18] (495-6)	76. C [16] (439)
2. A [17] (454)	27. B [10] (271)	52. C [8] (226)	77. B [10] (264)
3. C [17] (467)	28. C [18] (485)	53. C [11] (288-9)	78. C [8] (226)
4. B [3] (79)	29. D [11] (301)	54. B [12] (318)	79. D [2] (44)
5. B [15] (394)	30. B [13] (363-4)	55. B [9] (249)	80. B [9] (242)
6. A [15] (425)	31. B [14] (392)	56. D [6] (165)	81. A [6] (162)
7. C [1] (9-10)	32. A [18] (477)	57. C [2] (58)	82. C [16] (438)
8. D [4] (117)	33. C [4] (103-4)	58. D [1] (17)	83. B [11] (307)
9. D [7] (213-4)	34. D [15] (409)	59. D [7] (217)	84. B [5] (142)
10. C [5] (132)	35. B [4] (107)	60. C [11] (291)	85. C [14] (382)
11. C [6] (160)	36. B [11] (284)	61. A [10] (269-70)	86. C [6] (170)
12. B [5] (136)	37. A [10] (266)	62. B [4] (118)	87. A [1] (22-3)
13. D [14] (388-9)	38. C [6] (161-4)	63. A [5] (146)	88. D [14] (383-4)
14. D [17] (462)	39. C [9] (240)	64. D [16] (440)	89. C [6] (178)
15. C [13] (368)	40. D [11] (410)	65. D [14] (395)	90. D [7] (206)
16. C [10] (271)	41. D [12] (321)	66. D [8] (227-8)	91. D [7] (212-3)
17. D [11] (284)	42. C [14] (325)	67. B [16] (446)	92. D [15] (425)
18. B [7] (198)	43. C [17] (456)	68. D [3] (77)	93. C [13] (368)
19. D [10] (261)	44. A [15] (411)	69. D [12] (318)	94. B [13] (364-5)
20. D [3] (84)	45. B [8] (227-8)	70. C [14] (393)	95. B [13] (368)
21. B [2] (54)	46. C [12] (316)	71. D [7] (211)	96. C [13] (368)
22. C [12] (320-1)	47. A [2] (53-4)	72. D [5] (147)	97. C [13] (362)
23. D [1] (21)	48. C [4] (104)	73. C [7] (197-8)	98. D [13] (367)
24. B [1] (25-6)	49. C [12] (317)	74. B [18] (478)	99. A [13] (368)
25. B [12] (317)	50. B [15] (424)	75. C [5] (145)	100. C [13] (367-8)

72-Hour Broker's Guide Math Solutions Key – Form A

5.
 $\$75,163$ net operating income - $\$63,145$ annual debt service - $\$6,836$ income taxes = $\$5,182$.
18.
 $\$596,900$ - $\$80,000$ (loft) - $\$35,000$ (pool) = $\$481,900$
20.
 $\$132,600$ company dollar \div 175 sales = $\$757.71$ company dollars per sale.
 $\$17,000$ expenses + $\$5,400$ profit = $\$22,400$ monthly expenses and profit
 $\$22,400$ monthly requirement \div $\$757.71$ = 29.56 rounded up to 30 sales per month required.
31.
The building represents 79% of the total (100% - 21%).
 $\$1,984,000$ total value \times .79 building percentage = $\$1,567,360$ building value.
 $\$1,567,360 \div 39$ years = $\$40,189$.
36.
The seller's required amount is 91% of the total price (100% - 9%).
 $\$723,000$ required by the seller \div .91 = $\$794,505$.
40.
 $124' \times 65' = 8,060$ square feet per floor
 $8,060 \times 6$ floors = 48,360 gross floor area
42.
 $\$265,000 \times .80 = \$212,000$
 $\$212,000 - 164,300 = \$47,700$
44.
The sales threshold is calculated by dividing the annual rent by the percentage ($\$100,000 \div .05 = \$2,000,000$). The overage rent is calculated by subtracting the threshold from the total revenues and multiplying the result by the percentage. ($\$2,400,000 - \$2,000,000 = \$400,000 \times .05 = \$20,000$).

50. $\$45,624 \text{ net operating income} \div 1.35 \text{ debt coverage ratio} = \$33,796.$
55. $\$140,000 \text{ net income} \div \$1,545,000 \text{ sales price} = .0906\% \text{ or } 9.06\%.$
59. $\$5,200 \text{ monthly net income} \times 12 \text{ months} = \$62,400 \text{ annual NOI};$
 $\text{Income} \div \text{Rate} = \text{Value}; \$62,400 \div .12 \text{ rate of return} = \$520,000 \text{ target price.}$
69. $\$65,000 - \$45,000 \text{ first mortgage} - \$6,000 \text{ legal fees} - \$5,400 \text{ interest} = \$8,600 \text{ net}$
 $\text{available for second mortgage}$
89. $\$15.25 \times .20 = \$3.05; \$16.10 \times .40 = \$6.44; \$16.70 \times .40 = \$6.68;$
 $\$3.05 + \$6.44 + \$6.68 = \$16.17 \text{ per square foot.}$
90. $(5 \text{ years} \div 60 \text{ years}) \times \$149,500 = \$12,458$

Closing Disclosure Problem – Form A Solutions

93.

New mortgage: $\$400,000 \times .80 = \$320,000$, credit buyer only, page 3

94.

Seller: Documentary stamp taxes on the deed:
 $\$400,000 / 100 \times .70 = \$2,800$ Debit to Seller, Page 2

Buyer: Documentary stamp taxes on the note:
 $\$400,000 \times .80 / 100 \times .35 = \$1,120$

Intangible taxes on the mortgage:
 $\$400,000 \times .80 \times .002 = \640

Total debit for Buyer: $= \$1,760$ Debit to Buyer, Page 2

97.

Taxes $\$2,460 / 365 \times 231$ days = $\$1,556.88$, Debit Seller, credit Buyer, page 3

98.

$\$400,000 \times .06 = \$24,000$, Debit Seller only; Page 2

99.

$\$980 / 365 \times 134$ days left in year = $\$359.78$ debit Buyer, credit Seller, Page 3.