75-HOUR BROKER PRE-LICENSE MIDPOINT PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. **What type of listing agreement allows a property owner to sell their property without owing the brokerage firm a commission?**

   A. Exclusive right to sell listing

   B. Open listing

   C. Exclusive agency listing

   D. Net listing

2. **Which of the following is NOT a responsibility of a real estate broker?**

   A. Facilitating transactions for clients

   B. Managing agents under their supervision

   C. Offering legal opinions on contracts

   D. Ensuring compliance with regulations

3. **What is the importance of having a real estate license?**

   A. It allows practitioners to sell properties internationally

   B. It ensures education in laws and ethical practices

   C. It guarantees a higher commission rate

   D. It permits manipulation of property values

4. **What government power allows the state to take ownership of abandoned property?**

   A. Foreclosure

   B. Eminent domain

   C. Escheat

   D. Tax lien

5. **What is the function of the Multiple Listing Service (MLS)?**

   A. A service that lists properties for rental only

   B. A database of properties for sale listed by real estate agents to help facilitate transactions and market properties effectively

   C. A tool for assessing property values

   D. A platform for buyers to communicate directly with sellers

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6. What type of interest is typically paid over the life of a fixed-rate loan?

A. Compound interest

B. Simple interest

C. Variable interest

D. Amortized interest

7. Which document is typically recorded to acknowledge the fulfillment of a mortgage obligation?

A. Mortgage satisfaction

B. Quitclaim deed

C. Certificate of title

D. Grant deed

8. What type of ownership involves residents owning stock in a corporation that owns the property?

A. Cooperative

B. Condominium

C. Single-family residence

D. Multi-family dwelling

9. Which type of tenancy gives each owner the right of survivorship?

A. Tenancy by the entirety

B. Joint tenancy

C. Tenancy in common

D. Community property

10. How is the amount of earnest money determined in a contract for the sale of real property?

A. The seller's asking price

B. Standard industry practice

C. The agreements of the parties

D. The buyer's financial ability

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Answers

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1. C
2. C
3. B
4. C
5. B
6. B
7. A
8. A
9. B
10. C

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Explanations

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1. What type of listing agreement allows a property owner to sell their property without owing the brokerage firm a commission?

A. Exclusive right to sell listing

B. Open listing

C. Exclusive agency listing

D. Net listing

The exclusive agency listing is the type of listing agreement that allows a property owner to sell their property without owing the brokerage firm a commission if they find a buyer themselves. In this arrangement, the owner retains the right to sell the property independently. If the owner sells the property without the involvement of the broker, they are not obligated to pay the broker any commission, although the broker still has the right to earn a commission if they find the buyer. This structure provides a balance between the owner's desire to sell independently and the broker's role in marketing the property. The other listing agreements have different structures regarding commissions and the obligations of the owner and the broker, which do not provide the same flexibility as an exclusive agency listing.

2. Which of the following is NOT a responsibility of a real estate broker?

A. Facilitating transactions for clients

B. Managing agents under their supervision

C. Offering legal opinions on contracts

D. Ensuring compliance with regulations

A real estate broker has a wide range of responsibilities that include facilitating transactions for clients, managing agents, and ensuring compliance with regulations. However, offering legal opinions on contracts is not within the scope of a broker's responsibilities unless they are also a licensed attorney. Brokers are expected to guide their clients through transactions, understanding and interpreting contracts, but they cannot provide legal advice unless they hold a legal license. This distinction is crucial because providing legal opinions entails responsibilities and liabilities that fall under the practice of law, which is regulated separately from real estate brokerage. Therefore, the answer highlighting that offering legal opinions on contracts is NOT a responsibility of a broker is accurate, as that role is specifically reserved for licensed attorneys.

3. What is the importance of having a real estate license?

A. It allows practitioners to sell properties internationally

B. It ensures education in laws and ethical practices

C. It guarantees a higher commission rate

D. It permits manipulation of property values

Having a real estate license is crucial because it ensures that practitioners undergo necessary education in laws and ethical practices related to real estate transactions. This education is vital in equipping agents with the knowledge required to navigate the complexities of property laws, contractual obligations, and the diverse regulations relevant to real estate. A licensed professional is bound to adhere to ethical standards that protect the interests of clients and maintain the integrity of the real estate industry. This includes understanding homeowners' rights, property disclosures, and the responsibilities involved in representing buyers and sellers. By obtaining a license, practitioners affirm their commitment to professionalism and accountability, thus fostering trust and confidence among their clients and the public. In contrast, while other options suggest benefits or features related to a real estate license, they do not accurately reflect the primary purpose and significance of licensure in the real estate profession. Selling properties internationally may require additional knowledge or licensing requirements specific to international markets; a license does not inherently lead to higher commission rates, as those are often determined by market conditions and broker agreements; and manipulation of property values is unethical and illegal, contrasting sharply with the ethical standards that licensing seeks to enforce.

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4. What government power allows the state to take ownership of abandoned property?

A. Foreclosure

B. Eminent domain

C. Escheat

D. Tax lien

The correct answer is that the state can take ownership of abandoned property through the power of escheat. Escheat is a common law doctrine that allows the state to assume ownership of property when an individual dies without a will and no heirs can be found, or when property has been abandoned and there is no identifiable owner. This mechanism ensures that property does not remain idle and unclaimed, ultimately redistributing ownership to facilitate its use or generate revenue for the state. In the context of this question, escheat provides a clear legal process for the state to reclaim property legally and responsibly. It serves the public interest by maintaining the flow of property between citizens and the state and upholding property rights within the community. Other choices, while related to property ownership and regulation, do not specifically address the situation of taking ownership of abandoned property. Foreclosure pertains to the legal process through which a lender can take possession of property when a borrower defaults on a loan, while eminent domain refers to the government's power to take private property for public use, provided that compensation is given. A tax lien involves the right of a government entity to claim a property as security for unpaid taxes, but it does not inherently grant the government ownership of the property unless further action is taken

5. What is the function of the Multiple Listing Service (MLS)?

A. A service that lists properties for rental only

B. A database of properties for sale listed by real estate agents to help facilitate transactions and market properties effectively

C. A tool for assessing property values

D. A platform for buyers to communicate directly with sellers

The Multiple Listing Service (MLS) serves as a comprehensive database that compiles properties for sale, which are listed by real estate agents. Its primary function is to facilitate real estate transactions and effectively market properties to a wider audience. By providing a centralized platform for real estate professionals, the MLS enhances cooperation among agents, allowing them to share information about listings and access a broad range of properties. Moreover, the MLS not only aids in the marketing of these properties but also streamlines the process of finding suitable options for buyers and sellers. Agents can quickly search for properties that meet specific criteria, enabling them to provide tailored recommendations to their clients. This efficient sharing of information ultimately benefits both parties involved in real estate transactions, promoting an active marketplace. In contrast, a focus solely on rental properties would limit the purpose of the MLS significantly. Additionally, while assessing property values is important in real estate, the MLS is not primarily designed for valuation purposes. Lastly, fostering direct communication between buyers and sellers is typically not the role of the MLS; it primarily serves to connect agents, not negotiate directly between the two parties.

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6. What type of interest is typically paid over the life of a fixed-rate loan?

A. Compound interest

B. Simple interest

C. Variable interest

D. Amortized interest

In a fixed-rate loan, the interest is typically classified as simple interest. This means that the interest cost is calculated only on the principal amount of the loan throughout its term, without compounding. In the context of a fixed-rate mortgage or loan, what primarily happens is that the monthly payments consist of both principal and interest, but the rate itself remains steady and does not change over the life of the loan. The nature of simple interest allows borrowers to clearly understand the total interest cost because it does not add additional interest upon previous interest (as would be seen with compound interest). While variable interest fluctuates with market rates and amortized interest refers to the method of spreading payments across the loan life (including both principal and interest), the classification of interest in a fixed-rate loan remains straightforward as simple interest, making it easier for borrowers to budget their payments. When considering other types mentioned, compound interest involves earning interest on accumulated interest, which is not characteristic of fixed-rate loans as they maintain a consistent rate and do not change over time. Variable interest is applicable to loans where rates can change based on market fluctuations, while amortization refers to how the loan is structured to pay down the principal over time with interest, not the nature of the interest being paid

7. Which document is typically recorded to acknowledge the fulfillment of a mortgage obligation?

A. Mortgage satisfaction

B. Quitclaim deed

C. Certificate of title

D. Grant deed

The document that is typically recorded to acknowledge the fulfillment of a mortgage obligation is known as a mortgage satisfaction. This document is crucial in the mortgage process because it serves to formally release the borrower from any further obligations related to the mortgage after the debt has been fully paid off. When a mortgage is satisfied, the satisfaction document is filed with the appropriate government office, often the county recorder, indicating that the lender has no further claim against the property and the borrower owns it free and clear of that particular mortgage lien. In the context of real estate transactions, recording the mortgage satisfaction provides public notice that the debt has been resolved, which not only protects the borrower's interests but also ensures clarity in property ownership for potential future buyers or lenders. This recording is an essential step in maintaining accurate property records and upholding the integrity of the real estate title system. Other documents listed, such as a quitclaim deed, certificate of title, and grant deed, serve different functions in real estate law and do not represent the fulfillment of a mortgage obligation. For example, a quitclaim deed is used to transfer interest in a property without guaranteeing that the title is clear, while a certificate of title provides evidence of a property's ownership but does not signify that a mortgage has been

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8. What type of ownership involves residents owning stock in a corporation that owns the property?

A. Cooperative

B. Condominium

C. Single-family residence

D. Multi-family dwelling

The correct answer is cooperative because, in this type of ownership, residents do not own their individual units outright; rather, they own shares in a corporation that collectively owns the entire property. This structure means that by purchasing stock in the cooperative, residents gain the right to occupy a specific unit and participate in the operational decisions of the corporation. The cooperative framework often includes communal responsibilities for maintenance and management, distinguishing it from other types of ownership. In contrast, condominiums involve individual ownership of units along with a shared interest in common areas, allowing residents to hold title to their individual properties. A single-family residence refers to an independent home owned by one individual or family, while a multi-family dwelling often suggests investment properties like duplexes or apartment buildings owned by one entity. These other forms of ownership do not entail the stock ownership model characteristic of cooperatives.

9. Which type of tenancy gives each owner the right of survivorship?

A. Tenancy by the entirety

B. Joint tenancy

C. Tenancy in common

D. Community property

Joint tenancy is the correct choice because it specifically includes the right of survivorship, which means that when one joint tenant passes away, their share automatically transfers to the remaining joint tenants. This feature distinguishes joint tenancy from other forms of property ownership. In joint tenancy, all owners have equal shares in the property, and they must acquire their interests simultaneously and through the same deed. This structured ownership ensures that the rights of survivorship are clearly established. If one owner dies, their interest in the property does not go to their heirs but instead merges with the interests of the remaining joint tenants. Tenancy by the entirety, another form of joint ownership, is specifically designed for married couples and also includes the right of survivorship, but it is not applicable to co-owners who are not married. Tenancy in common does not provide for survivorship; instead, each owner can pass their interest to their heirs, which means that shares can be inherited separately. Community property applies to married couples and refers to ownership of property acquired during marriage, but it does not inherently include rights of survivorship.

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10. How is the amount of earnest money determined in a contract for the sale of real property?

A. The seller's asking price

B. Standard industry practice

C. The agreements of the parties

D. The buyer's financial ability

The amount of earnest money in a contract for the sale of real property is primarily determined by the agreements of the parties involved in the transaction. This is a reflection of the negotiations and terms that the buyer and seller establish based on their mutual understanding and objectives. Earnest money serves as a demonstration of the buyer's good faith in pursuing the purchase and can vary widely depending on the specifics of the deal, including market conditions, property type, and the level of interest from buyers. While the seller's asking price can influence the expected earnest money, it is not the sole determinant. Additionally, standard industry practices provide customary ranges but do not enforce strict amounts, allowing flexibility based on individual agreements. The buyer's financial ability might impact their willingness to put down a larger earnest deposit, but again, the final decision rests with what both parties negotiate and agree upon. Therefore, the most accurate determinant is indeed the agreements made by the parties.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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