AREC ARKANSAS BROKER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://arecarkansasbroker.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1
Table of Contents 2
Introduction 3
How to Use This Guide 4
Questions 5
Answers 8
Explanations 10
Next Steps 16

SAMPLE

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. **In real estate terms, what does the expiration of an exclusive listing mean for the property's marketability?**

   A. The property becomes less marketable

   B. The property is off the market indefinitely

   C. The owner can choose new options to sell

   D. The property can only be sold through auction

2. **What is the lawful status of Ike's transaction with Charlie regarding the purchase of Ollie's 40-acre tract?**

   A. Legal under Arkansas License Law

   B. Unlawful because a person must be licensed to deal in options in the state

   C. Unlawful because making a profit at the expense of land owners is illegal

   D. Unlawful because Ike did not disclose his licensing status

3. **How many members are on the Arkansas Real Estate Commission?**

   A. 3 members

   B. 5 members

   C. 7 members

   D. 9 members

4. **A broker may have his/her license suspended or revoked by the Real Estate Commission if found guilty of any of these EXCEPT:**

   A. making substantial misrepresentations.

   B. making statements likely to influence, persuade or induce.

   C. using earnest money for personal use from a trust account before closing of the transaction.

   D. failure to disclose agency relationship to the party that the broker represents in a transaction.

5. **What does the term "chain of title" mean?**

   A. The list of real estate agents involved in a sale

   B. The history of ownership of a property as recorded in public records

   C. The financing history of a property

   D. The historical price changes of a property

SAMPLE

6. In the context of real estate, what defines "agency"?

A. A group of real estate agents working together

B. A legal relationship where one person acts on behalf of another

C. The court process of establishing a property dispute

D. A marketing strategy used by real estate firms

7. Real Estate Commission Laws and Regulations are an expression of:

A. the police power of the state.

B. the power of escheat.

C. the right of eminent domain.

D. gubernatorial authority.

8. Which of the following is typically included in the responsibilities of a principal broker?

A. Supervising all sales associates

B. Providing training for new licensees

C. Establishing office hours for staff

D. Maintaining compliance with state regulations

9. Copies of all signed documents of real estate transactions prepared by a licensee must:

A. be placed in the hands of all signatories.

B. be maintained by the broker for not less than five years.

C. be signed by the principal broker.

D. be approved by an attorney.

10. Which of the following reasons would NOT lead to suspension or revocation of an Arkansas real estate license?

A. Placing a "for sale" sign on property without owner's consent.

B. Incompetency.

C. Submitting to the seller a 30-day note offered by buyer as earnest money.

D. Depositing the earnest money 4 days after the offer was accepted by the seller.

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. In real estate terms, what does the expiration of an exclusive listing mean for the property's marketability?

A. The property becomes less marketable

B. The property is off the market indefinitely

C. The owner can choose new options to sell

D. The property can only be sold through auction

The expiration of an exclusive listing signifies that the time period during which a real estate agent has the sole right to market the property has ended. After this expiration, the property owner is no longer bound by the terms of that agreement with the agent, which creates new opportunities for the owner. Specifically, the owner can choose new options to sell, which may include re-listing with a different agent, opting for a different marketing strategy, or pursuing a sale on their own. This flexibility is crucial for property owners, as it allows them to reassess their marketing approach based on previous experiences or changing market conditions. They might decide to adjust the price, change the type of marketing used, or even consider selling through different channels, such as private sales rather than through an agent. This potential for variety in options directly enhances the property's marketability, allowing it to be presented to a broader audience or under different terms that may better attract buyers.

2. What is the lawful status of Ike's transaction with Charlie regarding the purchase of Ollie's 40-acre tract?

A. Legal under Arkansas License Law

B. Unlawful because a person must be licensed to deal in options in the state

C. Unlawful because making a profit at the expense of land owners is illegal

D. Unlawful because Ike did not disclose his licensing status

The transaction between Ike and Charlie concerning the purchase of Ollie's 40-acre tract is deemed lawful under Arkansas License Law because it implies that Ike and Charlie are engaging in a real estate transaction that does not necessarily require either party to hold an active real estate license. In Arkansas, certain transactions, particularly those involving the sale or purchase of real estate, can be conducted by individuals who are not licensed agents, provided they do not engage in activities that constitute brokerage without a license. In this context, as long as Ike is not acting as a real estate agent or broker by facilitating the transaction for others without a license, and he is either buying or selling property directly for himself or as part of a private transaction, he can legally be involved in this deal. This aligns with the provisions of licensing laws that allow individuals to buy or sell their own property without needing a real estate license. Understanding the nuances of these laws helps in identifying the legality of real estate transactions under specific conditions.

3. How many members are on the Arkansas Real Estate Commission?

A. 3 members

B. 5 members

C. 7 members

D. 9 members

The Arkansas Real Estate Commission is composed of five members. This structure is designed to ensure a balanced and representative body that can effectively oversee and regulate the real estate industry in the state. Each member is appointed with the intent of bringing diverse perspectives and expertise to the commission, enhancing its ability to address the needs and challenges within the real estate market. The five-member composition allows for a meaningful exchange of ideas and ensures that all relevant aspects of real estate practice are adequately represented.

SAMPLE

4. A broker may have his/her license suspended or revoked by the Real Estate Commission if found guilty of any of these EXCEPT:

A. making substantial misrepresentations.

B. making statements likely to influence, persuade or induce.

C. using earnest money for personal use from a trust account before closing of the transaction.

D. failure to disclose agency relationship to the party that the broker represents in a transaction.

The correct response highlights that making statements likely to influence, persuade, or induce is not, in itself, grounds for suspension or revocation of a broker's license by the Real Estate Commission. This is primarily because such statements must involve a degree of misrepresentation or ethical violation to be actionable. In contrast, the other scenarios directly involve serious breaches of ethical standards or legal obligations. Making substantial misrepresentations can involve deceit or false information that misleads clients or the public, which is clearly a violation of ethical practices. Similarly, using earnest money for personal use before closing a transaction constitutes a misuse of client funds and a violation of trust, which is significant enough to warrant disciplinary action. Failure to disclose the agency relationship is also critical, as it impacts transparency and fair dealings in transactions. These other options indicate actions that are essential for maintaining the integrity and trust necessary in real estate practices, while option B lacks the specific implication of wrongdoing necessary for disciplinary action.

5. What does the term "chain of title" mean?

A. The list of real estate agents involved in a sale

B. The history of ownership of a property as recorded in public records

C. The financing history of a property

D. The historical price changes of a property

The term "chain of title" refers to the history of ownership of a property as recorded in public records. This concept is crucial in real estate transactions because it outlines the sequence of past owners, providing a clear and legal lineage of ownership rights. By examining this chain, potential buyers can determine whether the title is clear, meaning there are no legal claims or disputes against the property. This historical record is essential for establishing ownership and can reveal any issues such as liens or easements that could affect the buyer's rights. Understanding the chain of title helps ensure that buyers are purchasing property without unexpected legal encumbrances, making it a fundamental aspect of property transactions and title searches.

SAMPLE

6. In the context of real estate, what defines "agency"?

A. A group of real estate agents working together

B. A legal relationship where one person acts on behalf of another

C. The court process of establishing a property dispute

D. A marketing strategy used by real estate firms

In real estate, "agency" refers to a legal relationship where one person, known as the agent, is authorized to act on behalf of another person, known as the principal. This relationship is fundamental because it establishes a fiduciary duty, which means that the agent must act in the best interests of the principal. This relationship can exist in various forms, such as listing agreements between sellers and real estate agents, buyers' agency agreements, and property management agreements. The nature of this agency relationship includes responsibilities such as loyalty, disclosure, confidentiality, and accounting. These duties help ensure that the agent acts with the utmost care and respect for the principal's interests in transactions. Understanding agency is crucial for real estate professionals, as it shapes the interactions and obligations between agents and their clients throughout the buying, selling, or leasing process.

7. Real Estate Commission Laws and Regulations are an expression of:

A. the police power of the state.

B. the power of escheat.

C. the right of eminent domain.

D. gubernatorial authority.

Real Estate Commission Laws and Regulations serve as an expression of the police power of the state. Police power refers to the capacity of the state to regulate behaviors and enforce order within its territory for the purpose of promoting the general welfare, safety, and morals of the community. This encompasses various areas, including land use, property regulations, and real estate practices. In the context of real estate, the state's police power is exercised through laws and regulations that govern the conduct of real estate professionals, ensure fair practices, protect consumers, and maintain public interest. These regulations help to establish standards for licensing, conduct, and operation in the real estate industry, which are essential to protect the public and ensure a fair marketplace. Other concepts like the power of escheat, the right of eminent domain, and gubernatorial authority relate to different aspects of state control and authority but do not specifically encompass the regulatory framework for real estate practices as effectively as police power does. Thus, the overarching regulatory framework of Real Estate Commission Laws and Regulations fits squarely within the realm of police power.

SAMPLE

8. Which of the following is typically included in the responsibilities of a principal broker?

A. Supervising all sales associates

B. Providing training for new licensees

C. Establishing office hours for staff

D. Maintaining compliance with state regulations

The responsibilities of a principal broker encompass several critical administrative and legal functions within a real estate office. Maintaining compliance with state regulations is a fundamental aspect of a principal broker's role. This responsibility ensures that the brokerage adheres to all laws and regulations governing real estate transactions, including licensing, fair housing laws, agency disclosures, and advertising requirements. By prioritizing compliance, the principal broker protects the brokerage from potential legal issues, preserves its reputation, and fosters ethical practices. While supervising sales associates, providing training for new licensees, and establishing office hours are also important functions that may be part of a principal broker's duties, they do not carry the same legal weight as compliance with state regulations. Compliance is a non-negotiable responsibility that safeguards the brokerage and underpins all other operations, making it essential for the principal broker to execute this duty diligently.

9. Copies of all signed documents of real estate transactions prepared by a licensee must:

A. be placed in the hands of all signatories.

B. be maintained by the broker for not less than five years.

C. be signed by the principal broker.

D. be approved by an attorney.

In real estate transactions, it is essential that all parties involved have a clear understanding of the agreements they are entering into. Therefore, providing copies of all signed documents to each signatory ensures transparency and helps protect the interests of all parties. By receiving their copies, signatories are equipped with documentation of the terms and conditions agreed upon, which can be critical in preventing disputes and misunderstandings in the future. This practice fosters accountability and reinforces the notion that all parties are on the same page regarding the agreement. It also allows buyers, sellers, and other stakeholders to reference the documents as needed, ensuring that they remain informed throughout the process. Maintaining copies for the broker or requiring attorney approval are important aspects of real estate transactions, but the primary responsibility to distribute signed documents falls on the licensee to ensure all parties have their records.

SAMPLE

10. Which of the following reasons would NOT lead to suspension or revocation of an Arkansas real estate license?

A. Placing a "for sale" sign on property without owner's consent.

B. Incompetency.

C. Submitting to the seller a 30-day note offered by buyer as earnest money.

D. Depositing the earnest money 4 days after the offer was accepted by the seller.

The reason that would not lead to suspension or revocation of an Arkansas real estate license is submitting to the seller a 30-day note offered by a buyer as earnest money. This practice, while it may raise concerns in specific contexts such as the financial stability of the buyer or the seller's willingness to accept unconventional forms of earnest money, does not, in itself, violate regulations governing real estate practices. In contrast, placing a "for sale" sign on someone else's property without the owner's consent is a clear violation of property rights and would typically result in disciplinary actions against a real estate licensee. Incompetency reflects a lack of knowledge or skill in real estate transactions, which is a fundamental requirement for maintaining a license; thus, it would also justify revocation or suspension. Finally, depositing earnest money several days after an offer acceptance can be viewed as a failure to adhere to proper transaction protocols, thereby risking disciplinary action. These actions underscore the importance of complying with ethical and regulatory standards within the real estate profession in Arkansas, while offering a clear distinction from the acceptance of a direct, non-standard earnest money form, which may not constitute a violation alone.

SAMPLE

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:

https://arecarkansasbroker.examzify.com

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

SAMPLE