# ARIZONA REAL ESTATE LICENSE 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. When a broker represents only a buyer in a transaction, which of the following duties would a buyer broker owe the seller?

A. Loyalty

B. Honesty

C. Accountability

D. Confidentiality

2. A party's failure to fulfill their obligations under a contract is known as?

A. A back-up offer

B. Breach of contract

C. Mutual assent

D. Specific performance

3. Regarding liens, a title insurance policy will usually cover unknown liens. Which lien is typically excluded?

A. Vendor lien

B. Tax lien

C. Judgment lien

D. Equitable lien

4. How much would it cost Jim to install a simple fence at $3.57 per linear foot for his property?

A. $1,071

B. $1,249.50

C. $1,428

D. $2,142

5. The term "right of survivorship" is primarily associated with which type of ownership?

A. Corporation

B. Joint tenancy

C. Tenancy in common

D. Tenancy in severalty

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**6. What is the 10% down payment made by a borrower considered?**

A. Equity

B. Boot

C. Tax shelter

D. Leverage

**7. Which term best describes a material that is potentially harmful and has a crumbly texture, often associated with older buildings?**

A. Radon gas

B. Lead-based paint

C. Superfund area

D. Asbestos

**8. What is the primary purpose of state trust land?**

A. To support public institutions and public schools

B. To provide income for the state government

C. To preserve each state's natural areas

D. To act as a welcoming gift for being a state within the union

**9. Property taxes are prorated as of the day of closing. If the real estate taxes are paid in arrears, they are a?**

A. Credit to both buyer and seller

B. Debit to both buyer and seller

C. Debit to the seller and credit to the buyer

D. Debit to the buyer and credit to the seller

**10. Which type of residential financing is not backed by the government?**

A. Conventional mortgage

B. FHA-insured mortgage

C. USDA rural development mortgage

D. VA-guaranteed mortgage

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# Answers

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

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# Explanations

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## 1. When a broker represents only a buyer in a transaction, which of the following duties would a buyer broker owe the seller?

A. Loyalty

B. Honesty

C. Accountability

D. Confidentiality

*In a scenario where a broker represents only a buyer in a transaction, the primary duty owed to the seller is honesty. This obligation means that the broker must truthfully disclose relevant information and avoid making any false representations to the seller. While the broker's fiduciary duties, such as loyalty and confidentiality, primarily focus on the buyer, the seller is still entitled to a level of transparency in dealings. Honesty is key to maintaining ethical standards and trust in real estate transactions, ensuring that the seller has a clear understanding of the situation without being misled. The other duties are primarily related to the broker's obligations to the buyer. Loyalty involves prioritizing the buyer's interests, accountability pertains to managing and reporting the buyer's funds and interests, and confidentiality means keeping the buyer's information private. In a buyer-only agency relationship, these duties do not extend to the seller. Thus, the seller may expect honesty from the buyer's broker, but the broker's duties of loyalty, accountability, and confidentiality are owed exclusively to the buyer.*

## 2. A party's failure to fulfill their obligations under a contract is known as?

A. A back-up offer

B. Breach of contract

C. Mutual assent

D. Specific performance

*When a party fails to fulfill their obligations under a contract, it is termed a breach of contract. This concept is central to contract law and refers to any instance where one or more parties do not perform their duties as specified in the agreement, whether it involves failing to deliver goods, not completing services, or not adhering to timelines. In contract law, the significance of understanding what constitutes a breach is critical for both parties involved. A breach may be minor or material, affecting the ways in which the non-breaching party can respond, such as seeking damages or specific performance. Recognizing a breach allows parties to take appropriate legal steps to remedy the situation. Other options include terms that represent different legal concepts. A back-up offer refers to an additional offer made when a primary offer is still under consideration, which is unrelated to fulfilling contractual obligations. Mutual assent indicates that both parties agree to the terms of the contract, a necessary condition for a valid contract but not reflective of any failure to perform. Specific performance is a legal remedy that may be pursued when a breach occurs, requiring the party in breach to perform as originally agreed rather than opting for monetary damages. Understanding these distinctions helps clarify why the failure to meet contract obligations is specifically categorized as a breach.*

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**3. Regarding liens, a title insurance policy will usually cover unknown liens. Which lien is typically excluded?**

A. Vendor lien

B. Tax lien

C. Judgment lien

D. Equitable lien

*When discussing title insurance and its coverage of liens, it's important to understand the context of each type of lien. A tax lien is typically excluded from coverage in a title insurance policy because it represents a legal claim against a property due to unpaid taxes owed to the government. These liens are public records and are usually considered a priority claim over the property, meaning they can lead to foreclosure if not settled. In practice, tax liens arise when property owners fail to pay their property taxes, and local governments place a lien on the property to secure the amount owed. Title insurance policies often include a clause that specifies that they do not cover these types of liens, as they are predictable occurrences that property owners can manage and are generally hard for the policyholder to claim unawareness of. On the other hand, the other types of liens mentioned—such as vendor, judgment, and equitable liens—are often unknown at the time of the title search and are thus covered by the insurance to protect the buyer from unforeseen claims that might arise after the purchase. This distinction highlights why tax liens are excluded while other unfamiliar liabilities are covered in a typical title insurance policy.*

**4. How much would it cost Jim to install a simple fence at $3.57 per linear foot for his property?**

A. $1,071

B. $1,249.50

C. $1,428

D. $2,142

*To determine the total cost for Jim to install a simple fence at a rate of $3.57 per linear foot, one needs to know the total linear footage of the fence he intends to install. Given that the answer provided states a cost of $1,428, we can infer that this figure is derived from multiplying the per-linear-foot cost by the total length of the fence. If we break down the calculations, we can see that the correct answer of $1,428 suggests Jim is planning to install approximately 400 linear feet of the fence (since $1,428 divided by $3.57 equals about 400). This implies that the total cost was calculated by multiplying the unit price of $3.57 by the total linear footage (400 feet). Understanding how to properly calculate costs when dealing with unit prices is crucial for real estate transactions and project estimations, as this not only affects budgeting but also informs buyers and sellers about total expenses related to property improvements.*

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## 5. The term "right of survivorship" is primarily associated with which type of ownership?

A. Corporation

B. Joint tenancy

C. Tenancy in common

D. Tenancy in severalty

*The term "right of survivorship" is most closely associated with joint tenancy. In a joint tenancy arrangement, when one owner passes away, their interest in the property automatically transfers to the remaining co-owners, rather than being passed on to heirs or beneficiaries. This principle ensures that the surviving tenants retain full ownership of the property, which is a key characteristic that distinguishes joint tenancy from other forms of property ownership. In contrast, corporations, tenancy in common, and tenancy in severalty do not include the right of survivorship as a feature. Corporations are separate legal entities and do not have ownership interests in the same way that individuals do. Tenancy in common allows each owner to have a separate, divisible interest in the property, which does not automatically transfer to the co-owners upon death; instead, it goes to the deceased's estate. Tenancy in severalty refers to ownership by a single individual, where the concept of joint ownership doesn't apply.*

## 6. What is the 10% down payment made by a borrower considered?

A. Equity

B. Boot

C. Tax shelter

D. Leverage

*The 10% down payment made by a borrower is considered equity because it represents the borrower's ownership interest in the property. Equity is the portion of the property that is owned outright by the borrower, calculated as the market value of the property minus any outstanding mortgage debt. When a borrower makes a down payment, they are investing their own funds into the property, thus increasing their stake in it and establishing equity. In a real estate context, equity can increase over time as property values rise or as the borrower pays down the mortgage. This foundational concept is crucial for understanding how homeownership works and how equity builds wealth over time. Unlike other terms, such as boot or tax shelter, equity directly correlates to ownership and financial interest in the asset, distinguishing it in this context.*

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**7. Which term best describes a material that is potentially harmful and has a crumbly texture, often associated with older buildings?**

A. Radon gas

B. Lead-based paint

C. Superfund area

D. Asbestos

*The term that best describes a material that is potentially harmful with a crumbly texture, often found in older buildings, is asbestos. Asbestos is a group of naturally occurring minerals that have been widely used in construction materials due to their fire-resistant properties. It was commonly used in insulation, flooring, and roofing materials in buildings constructed before the 1980s. Asbestos can become dangerous when it deteriorates, releasing tiny fibers into the air that can be inhaled, leading to serious health problems, including lung disease and cancer. The crumbly texture is significant because it indicates that the material may be friable, meaning it's more likely to release fibers into the air when disturbed. While lead-based paint is also a hazardous material found in older buildings, it primarily presents a risk through lead poisoning rather than through a crumbly texture. Radon gas is a radioactive gas that can accumulate in buildings, particularly basements, but does not have a physical form or texture. Superfund areas are locations designated by the Environmental Protection Agency for clean-up of hazardous waste, but this term does not specifically describe a material associated with older buildings. Understanding the characteristics and risks associated with asbestos is crucial for real estate professionals, especially when dealing with the sale or renovation of*

**8. What is the primary purpose of state trust land?**

A. To support public institutions and public schools

B. To provide income for the state government

C. To preserve each state's natural areas

D. To act as a welcoming gift for being a state within the union

*The primary purpose of state trust land is to support public institutions and public schools. This land was granted to the states upon their admission to the Union with the explicit intention of generating revenue to fund public education and other essential services. The income derived from the leasing or sale of state trust lands is allocated to benefit public schools, ensuring that education is adequately funded. This structure emphasizes the importance of education in the state's priorities and fosters a system where state land plays a crucial role in maintaining educational standards. The focus on supporting public institutions is fundamental to the concept of trust land, ensuring that the resources are used for the public good, particularly in the advancement of education. While state trust land may also serve other purposes, such as providing income to the state government or preserving natural areas, these functions are secondary to the primary commitment to public educational funding.*

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**9. Property taxes are prorated as of the day of closing. If the real estate taxes are paid in arrears, they are a?**

A. Credit to both buyer and seller

B. Debit to both buyer and seller

C. Debit to the seller and credit to the buyer

D. Debit to the buyer and credit to the seller

*When real estate taxes are paid in arrears, this means that the payment is for taxes that are owed for a prior period and are not due until a later date. At the time of closing, it is necessary to determine how to apportion these taxes between the buyer and the seller. In this scenario, the seller is responsible for the taxes incurred during the time they owned the property, while the buyer is responsible for the taxes from the day of closing forward. Therefore, during the closing process, the unpaid taxes that cover the time the seller owned the property will be considered a debit to the seller. Conversely, since the buyer is taking over the property after the closing, they will receive a credit for the portion of the tax that corresponds to the ownership period from the day of closing going forward. This creates the financial setup where the seller is debited for taxes owed up to the closing date, and the buyer is credited for the same amount. By prorating the taxes this way, both parties achieve a fair distribution of the tax burden, reflecting their respective responsibilities for the property during the relevant time frames. Consequently, the correct choice accurately represents this adjustment in the closing statement.*

**10. Which type of residential financing is not backed by the government?**

A. Conventional mortgage

B. FHA-insured mortgage

C. USDA rural development mortgage

D. VA-guaranteed mortgage

*A conventional mortgage is characterized by its lack of government backing. This type of financing is typically offered by private lenders, such as banks and credit unions, and adheres to the guidelines set by Fannie Mae and Freddie Mac, two government-sponsored enterprises. Since conventional loans do not involve any explicit guarantees or insurance from the federal government, they generally have stricter credit requirements and larger down payment obligations than government-backed loans. In contrast, FHA-insured mortgages are backed by the Federal Housing Administration, which provides insurance to lenders to encourage them to offer loans to borrowers with lower credit or smaller down payments. USDA rural development mortgages are designed for eligible rural and suburban homebuyers and are backed by the U.S. Department of Agriculture, while VA-guaranteed mortgages are provided to qualified veterans, active-duty service members, and certain members of the National Guard and Reserves, with backing from the Department of Veterans Affairs. Overall, the conventional mortgage stands out in this context as the option that does not rely on government support, which can affect both availability and terms for borrowers.*

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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:

https://arizonarealestate.examzify.com

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

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