GEORGIA REAL ESTATE LICENSE LAW 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. Which of the following would likely NOT be a reason for a license application denial by GREC?

A. An associate broker applicant was convicted of theft in high school 15 years ago.

B. A non-resident applicant is nine months behind on child support payments in Tennessee.

C. A salesperson applicant's cosmetology license was suspended in North Carolina.

D. A broker applicant has a clean record with no prior offenses.

2. How are consumers protected from abusing the recovery fund?

A. There are no protections in place.

B. Consumers must apply for a payment before receiving funds.

C. Payments are made automatically without application.

D. Consumers can receive unlimited funds without application.

3. What happens if a buyer discovers defects after a sale?

A. They can only complain to the seller

B. They must accept the property as is

C. They may rescind the purchase if allowed by contingencies

D. They should consult with a lawyer before acting

4. What is a "lease" in real estate?

A. A promise to buy property at a later date

B. A permanent ownership contract

C. A contract granting temporary use of property for payment

D. An agreement to perform repairs on the property

5. What is true about Sam's license renewal process?

A. He must complete more than 36 hours of continuing education.

B. He is prepared to renew because he has completed all required education and applied.

C. He must wait two more years to renew his license.

D. He can renew without paying any fees.

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6. If a person is performing real estate activities under a court judgment, what is true regarding licensing requirements?

A. They are allowed without a license

B. They must apply for a special permit

C. They must have a teacher's approval

D. They are prohibited from doing so

7. What must a broker do upon receiving an offer on a property?

A. Present the offer to the seller as soon as possible

B. Delay the presentation until all offers are received

C. Reject the offer without discussion

D. Negotiate the offer immediately with the buyer

8. Can GREC appoint the governor of Georgia?

A. Yes

B. No

C. Only with approval

D. Only on special occasions

9. How does a citation impact deadlines for completion?

A. It does not involve any deadlines

B. A deadline is provided unless stated otherwise

C. All deadlines are at the commission's discretion

D. Deadlines are only applicable to severe penalties

10. A person who is associated with a licensed broker to perform acts requiring a real estate license is called a?

A. Broker

B. Salesperson

C. Associate Broker

D. Client

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Answers

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

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Explanations

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1. Which of the following would likely NOT be a reason for a license application denial by GREC?

A. An associate broker applicant was convicted of theft in high school 15 years ago.

B. A non-resident applicant is nine months behind on child support payments in Tennessee.

C. A salesperson applicant's cosmetology license was suspended in North Carolina.

D. A broker applicant has a clean record with no prior offenses.

The reasoning behind the correct choice lies in the nature of the offenses and the standards used by the Georgia Real Estate Commission (GREC) when evaluating license applications. An associate broker applicant who was convicted of theft in high school fifteen years ago is likely to be viewed more leniently by GREC due to the significant time that has elapsed since the offense and the applicant's potential rehabilitation since then. While past criminal conduct can impact the review process, GREC typically considers the recency and relevance of the conviction in relation to the applicant's current character and fitness for licensure. A conviction from when the applicant was a minor, especially one that is as distant as fifteen years, often does not carry the same weight as more recent or serious offenses. In many cases, individuals have the opportunity to demonstrate that they have changed since their past actions. The other situations presented may present more significant concerns for GREC. For example, financial reliability issues indicated by child support payments could suggest a lack of responsibility, which is a critical determinant for license approval. Similarly, a suspended professional license in another field, like cosmetology, can raise questions about the applicant's ability to adhere to regulations and maintain professional ethics, making it a more pertinent issue in the licensing process

2. How are consumers protected from abusing the recovery fund?

A. There are no protections in place.

B. Consumers must apply for a payment before receiving funds.

C. Payments are made automatically without application.

D. Consumers can receive unlimited funds without application.

Consumers are protected from abusing the recovery fund by requiring an application process for payments. This structured approach ensures that only eligible claims are considered, reducing the risk of fraudulent requests or misuse of funds. By mandating that consumers formally apply for compensation, the system can perform necessary due diligence to assess the validity of each claim. This not only upholds the integrity of the fund but also ensures that it remains available to those who genuinely need assistance due to improper real estate practices. The necessity of an application helps to create accountability and transparency in the distribution of funds.

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3. What happens if a buyer discovers defects after a sale?

A. They can only complain to the seller

B. They must accept the property as is

C. They may rescind the purchase if allowed by contingencies

D. They should consult with a lawyer before acting

When a buyer discovers defects after a sale, the correct response is that they may rescind the purchase if allowed by contingencies. This aligns with the legal frameworks in real estate transactions, where contingencies are specific conditions outlined in the purchase agreement. If such contingencies were included and the buyer discovers defects that fall under those conditions, they have the right to rescind the purchase and seek remedies. In real estate, contingencies can cover a range of issues, including inspections, financing, or issues with the property's title. If a defect is discovered that breaches one of these contingencies, the buyer can take action to void the sale. This provides protection for buyers and ensures that they have recourse if expectations set forth in the agreement are not met. Understanding the role of contingencies is critical for buyers. It emphasizes the importance of thorough inspections and clear communication during the buying process, which can help prevent complications in the future. Recognizing these rights can help buyers make informed decisions when addressing post-sale defects.

4. What is a "lease" in real estate?

A. A promise to buy property at a later date

B. A permanent ownership contract

C. A contract granting temporary use of property for payment

D. An agreement to perform repairs on the property

A lease in real estate is correctly defined as a contract granting temporary use of property for payment. This document establishes a legal agreement between the landlord (lessor) and the tenant (lessee), allowing the tenant to use the property for a specified period in exchange for rent. The terms of the lease outline various conditions, including the duration of tenancy, the financial obligations of the tenant, and rules regarding property use. Leases are essential in real estate as they provide both parties with a clear understanding of their rights and responsibilities. For the tenant, it secures a place to live or conduct business for a defined term, while for the landlord, it assures income from the property and specifies how the property will be maintained and used. The other options do not accurately describe what a lease entails. A promise to buy property at a later date refers to an option or purchase agreement. A permanent ownership contract implies a conveyance of title, which is not how leases operate since they do not transfer ownership. An agreement to perform repairs on the property relates to maintenance contracts or service agreements, distinct from the leasing of real estate.

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5. What is true about Sam's license renewal process?

A. He must complete more than 36 hours of continuing education.

B. He is prepared to renew because he has completed all required education and applied.

C. He must wait two more years to renew his license.

D. He can renew without paying any fees.

The statement that Sam is prepared to renew his license because he has completed all required education and applied is accurate regarding the license renewal process in Georgia. To maintain an active real estate license, license holders must meet specific continuing education requirements, which typically include completing a certain number of hours of approved coursework, often set at 36 hours. If Sam has successfully completed this requirement and submitted his renewal application, he is indeed in a position to renew his license. Being well-prepared for renewal is crucial since failure to complete these educational requirements or submit the application on time could lead to lapses in licensure. The renewal process is designed to ensure that real estate professionals stay informed about laws, ethical practices, and updates to the industry, thus protecting both the consumers and the integrity of the profession. In contrast to other options, the requirement for additional hours beyond what is mandated, waiting an extended period to renew, or the possibility of renewing without fees are not aligned with the standard procedures established by the Georgia Real Estate Commission. They emphasize the importance of fulfilling the prescribed educational requirements and ensuring that all renewal fees are paid to retain active licensure.

6. If a person is performing real estate activities under a court judgment, what is true regarding licensing requirements?

A. They are allowed without a license

B. They must apply for a special permit

C. They must have a teacher's approval

D. They are prohibited from doing so

When a person is performing real estate activities under a court judgment, they are permitted to do so without a real estate license. This is because the court's authority supersedes the standard licensing requirements typically mandated by state law for real estate professionals. In scenarios like this, the court may grant specific permissions that allow the individual to engage in real estate activities as part of the judgment. The nature of court judgments is important to understand within the context of real estate activities since they can include a wide range of directives, such as managing a property, selling, or transferring ownership. This legal backing provides a framework that may allow individuals to act on behalf of parties involved in the judgment without needing the standard licensing that governs real estate transactions otherwise. In contrast, other options—like requiring a special permit, needing educational approval from a teacher, or being outright prohibited from real estate activities—do not apply in this scenario. Instead, the presence of a court judgment specifically empowers individuals to conduct these real estate activities despite their lack of a standard licensing status.

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7. What must a broker do upon receiving an offer on a property?

A. Present the offer to the seller as soon as possible

B. Delay the presentation until all offers are received

C. Reject the offer without discussion

D. Negotiate the offer immediately with the buyer

The requirement for a broker upon receiving an offer on a property is to present the offer to the seller as soon as possible. This obligation is rooted in the broker's fiduciary duties, which include acting in the best interests of the client— in this case, the seller. Presenting the offer promptly ensures that the seller has the opportunity to consider all terms and conditions, which is essential for making informed decisions regarding the sale of the property. By doing so, the broker fulfills their responsibility to facilitate the sale process and allows for timely negotiations or counter-offers. It's important for the seller to receive the offer quickly to remain competitive in the marketplace, especially if there are other interested buyers. Delaying the presentation until all offers are received could put the seller at a disadvantage, potentially resulting in lost opportunities. Rejecting the offer without discussion undermines the seller's ability to make their own informed choice, and negotiating immediately with the buyer without presenting it to the seller is not in line with the broker's duty to act in the seller's best interests. Thus, the best practice and legally compliant action is to present the offer to the seller as soon as possible.

8. Can GREC appoint the governor of Georgia?

A. Yes

B. No

C. Only with approval

D. Only on special occasions

The Georgia Real Estate Commission (GREC) does not have the authority to appoint the governor of Georgia. The commission is primarily responsible for overseeing real estate licensing and regulation within the state. The governor is an elected official, chosen by the citizens of Georgia through a democratic voting process. GREC's role is focused on ensuring compliance with real estate laws and protecting consumer interests, rather than participating in state governance at the executive level. This delineation of power emphasizes the checks and balances in the governmental system, wherein different entities have distinct responsibilities and powers. Thus, since GREC does not have any appointive authority regarding the governor or involvement in political appointments, the assertion that GREC can appoint the governor is incorrect and reinforces the correct choice.

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9. How does a citation impact deadlines for completion?

A. It does not involve any deadlines

B. A deadline is provided unless stated otherwise

C. All deadlines are at the commission's discretion

D. Deadlines are only applicable to severe penalties

The correct understanding of how a citation impacts deadlines for completion is that a deadline is typically provided unless stated otherwise. This means that upon receiving a citation, the party involved can expect a specific timeframe within which they must address the issue at hand. This structured timeline is crucial because it ensures that matters are resolved expeditiously, maintaining both regulatory compliance and the integrity of the real estate process. This approach fosters clarity and accountability, as individuals and entities know what is expected of them and by when. If no deadline were designated, it could lead to confusion and potential delays, undermining the authority and purpose of the citation itself. The other considerations, such as suggesting that citations do not involve deadlines or that all deadlines are subject to the commission's discretion, do not accurately reflect the standardized procedures typically associated with citations within Georgia real estate law. Additionally, asserting that deadlines are only relevant for severe penalties would ignore the broader context in which citations operate, applicable to a variety of situations where compliance is necessary.

10. A person who is associated with a licensed broker to perform acts requiring a real estate license is called a?

A. Broker

B. Salesperson

C. Associate Broker

D. Client

A person who is associated with a licensed broker to perform acts requiring a real estate license is referred to as a salesperson. In the context of real estate, a salesperson is typically an individual who has obtained the necessary education and passed the relevant examinations to work under the supervision of a licensed broker. This relationship allows the salesperson to engage in activities such as listing properties, assisting buyers, and conducting transactions while adhering to the guidelines and policies established by the broker. This structure ensures that all real estate activities are carried out in compliance with state regulations and under the auspices of a qualified professional. The role of a salesperson is crucial in the real estate sector, as they act as the primary point of contact for clients, providing valuable market insights and facilitating communication throughout the buying or selling process. The distinction between a salesperson and other terms, like broker or associate broker, lies in their specific roles and levels of licensure. Brokers have advanced qualifications and can operate independently or supervise salespersons, while associate brokers have additional experience and may have a higher level of licensure than regular salespersons, but still work under a broker. A client, on the other hand, refers to an individual or entity seeking real estate services and is not related to the licensing structure.

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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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