GEORGIA REAL ESTATE LICENSE LAWS AND RULES 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 must an original applicant for a salesperson's license do if they have been convicted of a crime?

A. Appear before the Georgia Real Estate Commission

B. Disclose the conviction to the Georgia Real Estate Commission

C. Submit recommendations from other licensees

D. Pay a fine of $1,000

2. Which statement about salesperson licensing is NOT true?

A. A salesperson may be licensed under only one Georgia broker

B. Newly licensed salespersons may commence work in real estate only after their brokers have received their licenses

C. A salesperson may be licensed under a second broker if the salesperson pays the proper fees

D. A salesperson must have a written agreement with their broker concerning their financial arrangements

3. How soon must a licensee notify the commission of the disposition of any legal action?

A. immediately

B. within 10 days

C. within 30 days

D. upon request

4. If a broker's license is revoked, what happens to the licenses of their affiliated sales associates?

A. Their licenses are revoked as well

B. The licenses are returned to the individual sales associates

C. The licenses are forwarded to the commission for reapplication

D. The licenses are forwarded to the commission and must be transferred or placed on inactive status

5. What is the maximum amount the Commission may assess each licensee annually to maintain the real estate education fund?

A. $100 per year, to be paid each year

B. $100 per year, to be paid upon renewal of license

C. $30 per year, to be paid each year

D. $30 per year, to be paid upon renewal of license

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6. What is the role of the Georgia Real Estate Commission?

A. To oversee the adherence to ethical conduct in real estate

B. To provide real estate market appraisals

C. To set property sales prices in Georgia

D. To manage transactions of private property sales

7. What is the composition of the Georgia Real Estate Commission?

A. Five members, each appointed by the governor

B. Six members, each appointed by the governor and confirmed by the senate

C. Five members, each appointed by the secretary of state

D. Six real estate licensees and the real estate commissioner

8. What happens to the license of a salesperson who fails to complete a post-license course on time?

A. It will be revoked

B. It will be suspended

C. It will lapse

D. It will remain active until the course is completed

9. Under the Georgia Real Estate License Laws, which entity is responsible for regulating real estate practices?

A. The Georgia Real Estate Commission

B. The Georgia Department of Commerce

C. The Georgia Association of REALTORS

D. The Georgia State Legislature

10. Under what condition is it permissible to place earnest money in an interest-bearing account?

A. All parties having an interest in the fund agree to this procedure in writing

B. The interest is paid to the seller at closing

C. The funds do not exceed $10,000

D. The broker has given you written consent

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Answers

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

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Explanations

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1. What must an original applicant for a salesperson's license do if they have been convicted of a crime?

A. Appear before the Georgia Real Estate Commission

B. Disclose the conviction to the Georgia Real Estate Commission

C. Submit recommendations from other licensees

D. Pay a fine of $1,000

When an individual applies for a salesperson's license in Georgia and has been convicted of a crime, it is required that they disclose this conviction to the Georgia Real Estate Commission (GREC). This requirement is critical because the Commission assesses the fitness of applicants for licensure, which includes evaluating any criminal history to ensure that the applicant meets the standards of honesty, trustworthiness, and integrity. Disclosing any convictions allows the GREC to make informed decisions regarding the applicant's qualifications for holding a real estate license. The requirement emphasizes the importance of transparency and accountability in the real estate profession, ensuring that licensees adhere to ethical standards that protect the interests of the public and the integrity of the industry.

2. Which statement about salesperson licensing is NOT true?

A. A salesperson may be licensed under only one Georgia broker

B. Newly licensed salespersons may commence work in real estate only after their brokers have received their licenses

C. A salesperson may be licensed under a second broker if the salesperson pays the proper fees

D. A salesperson must have a written agreement with their broker concerning their financial arrangements

The statement that a salesperson may be licensed under a second broker if the salesperson pays the proper fees is not true. In Georgia, a salesperson can only be associated with one broker at a time. This rule is established to maintain clarity in representation and accountability in real estate transactions. It ensures that all actions taken by the salesperson are in alignment with the policies and expectations of their primary broker. The other statements are accurate regarding the licensing requirements for salespersons in Georgia. For example, salespersons are required to work under the supervision of a licensed broker and must wait until the broker has received their license before they can begin working. Additionally, there is a mandate for a written agreement between the salesperson and the broker to detail the financial arrangements, ensuring transparency and understanding of commission structures and obligations.

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3. How soon must a licensee notify the commission of the disposition of any legal action?

A. immediately

B. within 10 days

C. within 30 days

D. upon request

The correct answer is that a licensee must notify the commission within 10 days of the disposition of any legal action. This requirement is in place to ensure that the commission is promptly informed about any legal issues that might impact a licensee's ability to do business. Timely notification aids the commission in maintaining oversight and protecting the public interest by ensuring that any legal matters are addressed swiftly. The 10-day timeframe is specifically designated to establish clear expectations among licensees regarding communication with the regulatory body. Adhering to this requirement also emphasizes the responsibility of real estate professionals to maintain transparency in their operations. This is crucial in building trust with both clients and the commission. Other timeframes, such as immediately, might seem beneficial, but they could lead to a flood of notifications that are not practical for immediate processing. A longer notification period, such as 30 days, would not support the commission's ability to react quickly to potential issues arising from legal actions. Consequently, the 10-day window strikes an appropriate balance between prompt communication and practical governance.

4. If a broker's license is revoked, what happens to the licenses of their affiliated sales associates?

A. Their licenses are revoked as well

B. The licenses are returned to the individual sales associates

C. The licenses are forwarded to the commission for reapplication

D. The licenses are forwarded to the commission and must be transferred or placed on inactive status

When a broker's license is revoked, the licenses of their affiliated sales associates are affected in a specific manner. In this scenario, the correct outcome is that the licenses are forwarded to the commission and must be either transferred to a new broker or placed on inactive status. This procedure is in place to ensure that sales associates are not left without proper supervision or an active employment situation in the real estate market. Transferring the license to a different broker allows the sales associates to continue their practice without interruption, assuming they find a new brokerage within the appropriate timeframe. Alternatively, placing the license on inactive status ensures that the associates' licenses remain valid but inactive, preventing any unauthorized real estate activity while waiting for the situation to be resolved. This established protocol ensures protection for both the sales associates and the consumers they serve.

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5. What is the maximum amount the Commission may assess each licensee annually to maintain the real estate education fund?

A. $100 per year, to be paid each year

B. $100 per year, to be paid upon renewal of license

C. $30 per year, to be paid each year

D. $30 per year, to be paid upon renewal of license

The correct answer reflects the requirement set forth by the Georgia Real Estate Commission regarding the funding of the real estate education fund. Under Georgia law, the Commission is authorized to assess a maximum of $30 annually for this fund, with the assessment made upon the renewal of the license. This structure encourages licensees to contribute to the education fund in a manageable way, promoting ongoing education and training within the real estate profession. This approach aligns with the Commission's goal of maintaining high standards of educational opportunities and resources for real estate professionals, ultimately benefiting the industry as a whole. The timing of the assessment upon renewal also simplifies the process for both licensees and the Commission, as it consolidates the financial obligations into a single transaction during the renewal period. Other options suggesting a $100 fee or a yearly assessment may reflect misunderstandings of the established regulations. The specifics of assessing a lower fee upon renewal rather than annually reinforce the emphasis on making compliance straightforward and less burdensome for licensees.

6. What is the role of the Georgia Real Estate Commission?

A. To oversee the adherence to ethical conduct in real estate

B. To provide real estate market appraisals

C. To set property sales prices in Georgia

D. To manage transactions of private property sales

The role of the Georgia Real Estate Commission primarily centers on ensuring that real estate professionals adhere to ethical standards and legal requirements in their practice. This regulatory body is tasked with protecting the public interest by regulating real estate licensing, enforcing compliance with the state's real estate laws, and ensuring fair and ethical conduct among its licensees. It provides guidelines, handles complaints, and may initiate disciplinary actions against individuals who violate real estate laws or ethical standards. The other choices represent functions that do not fall under the Commission's responsibilities. For instance, providing real estate market appraisals involves assessing property values, which is handled by appraisers rather than the Commission. Similarly, setting property sales prices is determined by market dynamics and negotiations between buyers and sellers, not by a governing body. Managing transactions of private property sales is typically the role of real estate professionals, such as agents and brokers, rather than a regulatory commission. Thus, option A accurately captures the Commission's primary purpose and responsibilities.

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7. What is the composition of the Georgia Real Estate Commission?

A. Five members, each appointed by the governor

B. Six members, each appointed by the governor and confirmed by the senate

C. Five members, each appointed by the secretary of state

D. Six real estate licensees and the real estate commissioner

The composition of the Georgia Real Estate Commission consists of six members who are appointed by the governor and must be confirmed by the state senate. This structure ensures a level of oversight and accountability, as the appointments are not solely at the discretion of the governor but also require approval from the legislature. Each member is tasked with serving the public interest by regulating the real estate profession, ensuring compliance with laws, and maintaining standards within the industry. This dual layer of appointment and confirmation helps to ensure that the members are qualified and can effectively represent the interests of both the public and the real estate community. Other options do not reflect the actual composition of the commission. For instance, having five members appointed solely by the governor or having the secretary of state appoint them does not match the established process, which includes confirmation by the senate. Additionally, the idea of including a real estate commissioner among the members does not align with the recognized structure, which is focused on having a set number of appointed members rather than blending roles within the commission.

8. What happens to the license of a salesperson who fails to complete a post-license course on time?

A. It will be revoked

B. It will be suspended

C. It will lapse

D. It will remain active until the course is completed

When a salesperson in Georgia fails to complete the required post-license course within the specified time frame, their license does not remain active. Instead, it lapses. This means that the salesperson is no longer authorized to engage in real estate activities until they fulfill the educational requirement. The purpose of the post-license course is to ensure that new licensees have a foundational understanding of the professional practices and legal responsibilities of real estate. If a salesperson does not complete this training within the allotted time, it underscores the importance the state places on ongoing education for real estate professionals. While some may assume that the license could be revoked or suspended, those outcomes apply under different circumstances, such as misconduct or violation of regulations. Lapsing is specifically related to the failure to meet educational requirements, requiring the individual to complete the course to reactivate their license.

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9. Under the Georgia Real Estate License Laws, which entity is responsible for regulating real estate practices?

A. The Georgia Real Estate Commission

B. The Georgia Department of Commerce

C. The Georgia Association of REALTORS

D. The Georgia State Legislature

The Georgia Real Estate Commission is the entity responsible for regulating real estate practices in the state of Georgia. This commission is tasked with overseeing the licensing of real estate agents and brokers, ensuring compliance with real estate laws, and enforcing standards of practice within the industry. It operates under the authority granted by the state legislature and is designed to protect the public's interest in real estate transactions by establishing regulations that practitioners must follow. This includes the power to investigate complaints against licensees and take disciplinary actions when necessary. In contrast, the Georgia Department of Commerce does not focus specifically on real estate regulation; it covers a broader scope of business sectors. The Georgia Association of REALTORS is a trade organization that supports real estate professionals through advocacy, education, and networking but does not have regulatory authority. Lastly, while the Georgia State Legislature creates laws, it is the commission that specifically oversees the implementation and enforcement of these laws in real estate practice. Thus, the Georgia Real Estate Commission is the correct answer, as it directly manages and regulates real estate activities in Georgia.

10. Under what condition is it permissible to place earnest money in an interest-bearing account?

A. All parties having an interest in the fund agree to this procedure in writing

B. The interest is paid to the seller at closing

C. The funds do not exceed $10,000

D. The broker has given you written consent

Placing earnest money in an interest-bearing account is permissible when all parties having an interest in the funds agree to this procedure in writing. This requirement ensures that all stakeholders involved in the transaction are informed and have consented to the terms regarding the handling of the earnest money, particularly the allocation of any interest that may accrue from the account. This rule is important for maintaining transparency and trust among the parties involved in a real estate transaction. By obtaining written agreement from all parties, it helps to prevent disputes concerning how the earnest money is managed and what happens to any interest earned during the period the funds are held. Other conditions, such as payment of interest to the seller at closing or limitations on the amount of funds being placed, do not sufficiently protect the interests of all parties involved unless they also align with the requirement of obtaining consent in writing. Additionally, written consent from the broker alone does not address the need for mutual agreement from all parties with a vested interest in the funds. Therefore, requiring unanimous written agreement is the correct protocol in these situations.

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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://garealestatelawsrules.examzify.com

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

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