GOLD COAST CLASS PRACTICE TEST (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 are the FHA ratios?

A. 31, 44

B. 31, 43

C. 32, 44

D. 30, 40

2. In agency terms, which arrangement describes a licensee representing only the buyer or only the seller?

A. Dual agency relationship

B. Disclosed dual agency

C. Single agency relationship

D. No agency relationship

3. What must you do in a school zone when signs indicate a reduced speed?

A. Stop and wait for a school official to signal.

B. Ignore signs if there is no children present.

C. Slow to the reduced posted speed limit during school hours or as signed.

D. Speed up to the posted limit to clear the zone quickly.

4. What federal law requires borrowers to be informed of settlement costs?

A. RESPA

B. TILA

C. ECOA

D. HIPAA

5. A broker represents both parties as a single agency? The broker is in violation of 475

A. The broker is in violation of 475

B. The broker is in violation of 420

C. The broker is in violation of 501

D. The broker is in violation of 310

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6. Which term describes the starting point used in a metes-and-bounds property description?

A. Mark

B. Point of Beginning

C. Datum

D. Benchmark

7. What should you do with your high beams when another vehicle is approaching?

A. Always use high beams in low light.

B. Switch to low beams when another vehicle is approaching.

C. Keep high beams on until you pass.

D. Do not use high beams when another vehicle is approaching to avoid dazzling.

8. How should you maintain safe distances on a road with two-way traffic?

A. Maintain posted speed and ensure safe passing distances

B. Drive as close as possible to the vehicle in front

C. Tailgate to communicate

D. Randomly change speeds

9. Which of the following describes a void contract?

A. Enforceable and can be performed

B. Enforceable but can be terminated

C. Voidable

D. Cannot be enforced and cannot be performed

10. Which scenario is NOT an example of eminent domain?

A. Seizure of land for a highway project

B. Water treatment facility expansion

C. A large shopping center

D. Acquisition for a public school

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Answers

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

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Explanations

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1. What are the FHA ratios?

A. 31, 44

B. 31, 43

C. 32, 44

D. 30, 40

The main concept is how FHA debt-to-income limits guide loan qualification by looking at two ratios: a front-end housing expense ratio and a back-end total debt ratio. The front-end ratio compares the proposed housing payment—principal and interest plus property taxes, homeowners insurance, and any HOA dues (often abbreviated as PITI)—to gross monthly income. For FHA loans, this housing portion should typically be no more than 31% of gross income. The back-end ratio looks at all monthly debt obligations, including housing plus minimum payments on credit cards, student loans, car loans, and other debts, and this total should generally not exceed 43% of gross income. So the standard FHA qualifying thresholds are 31% and 43%. That's why the correct numbers are 31 and 43—the other options don't match these established limits.

2. In agency terms, which arrangement describes a licensee representing only the buyer or only the seller?

A. Dual agency relationship

B. Disclosed dual agency

C. Single agency relationship

D. No agency relationship

The main concept here is the type of agency relationship where a licensee represents only one party in the transaction. When a licensee acts for just one side—either the buyer or the seller—the arrangement is called a single agency relationship. In this setup, the licensee owes fiduciary duties to that one client, including loyalty, confidentiality, full disclosure of relevant facts, obedience to the client's instructions, and diligent guidance through the process. The other party is treated as a customer, not a client, which helps avoid conflicts of interest that can arise when representing both sides. This differs from a dual agency situation, where the same licensee represents both the buyer and the seller in the same deal, which can create conflicts that must be carefully managed with clear disclosures and consent. Some markets use disclosed dual agency to acknowledge representation of both sides while still obtaining informed consent, but the key point is that the licensee is representing both parties. If there's no agency relationship, the licensee isn't representing either party as a client at all. So, the arrangement described—representing only one party in the transaction—is a single agency relationship.

3. What must you do in a school zone when signs indicate a reduced speed?

A. Stop and wait for a school official to signal.

B. Ignore signs if there is no children present.

C. Slow to the reduced posted speed limit during school hours or as signed.

D. Speed up to the posted limit to clear the zone quickly.

When you see signs in a school zone indicating a reduced speed, you must slow down to the posted reduced limit. These limits are set to protect children and can vary by time of day or conditions, so you slow to that specific speed during school hours or as the signs specify, and continue at or below that speed until you've passed the zone or the sign ends. This keeps you prepared to stop for kids, crossing guards, or buses and prevents speeding through a zone that's intentionally slowed for safety. Stopping for a school official isn't required unless directed by a signal or officer, and speeding up or ignoring the signs would defeat the safety purpose of the zone.

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4. What federal law requires borrowers to be informed of settlement costs?

A. RESPA

B. TILA

C. ECOA

D. HIPAA

The key idea is identifying which federal law requires lenders to disclose all settlement costs so borrowers can understand and compare what they'll pay at closing. That law is RESPA, the Real Estate Settlement Procedures Act. It sets up standardized disclosures that reveal the expected and actual costs of the real estate settlement, helping buyers see where money is going and avoid surprise charges. Early in the process you'll see a good faith estimate of closing costs, and at or before closing you'll get a settlement statement that lists the actual charges. RESPA also limits certain kickbacks and relationships that could inflate costs. Other federal laws address different aspects of lending. For example, Truth in Lending Act focuses on disclosures about the loan terms like the interest rate and APR, not the full set of settlement costs; Equal Credit Opportunity Act protects against discrimination in lending; HIPAA governs health information privacy.

5. A broker represents both parties as a single agency? The broker is in violation of 475

A. The broker is in violation of 475

B. The broker is in violation of 420

C. The broker is in violation of 501

D. The broker is in violation of 310

Dual agency is the key idea here: a broker who represents both the buyer and the seller in the same transaction faces conflicts of interest because each client has opposing goals. The broker owes fiduciary duties—loyalty, confidentiality, disclosure, and obedience—to each client. If the law in this context (section 475) prohibits representing both parties as a single agency, then doing so is a violation because it prioritizes neither client's interests and can obscure important information. The other sections address different conduct or rules and don't specifically apply to the scenario of one broker representing both sides, which is why they aren't the correct basis for this violation.

6. Which term describes the starting point used in a metes-and-bounds property description?

A. Mark

B. Point of Beginning

C. Datum

D. Benchmark

In a metes-and-bounds property description, the starting point is called the Point of Beginning. This fixed reference point anchors the entire boundary description: from the Point of Beginning, the surveyor measures successive lines using distances (metes) and directions (bounds) and eventually returns to that same point, so the whole boundary is defined in relation to it. A datum is a vertical reference used for elevations, not the starting point of a boundary. A benchmark is an established point used for measuring elevations, also not the starting point of the boundary description. A mark is a generic marker and not the formal term for this purpose. Point of Beginning is the term that precisely describes the initial reference for the boundary.

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7. What should you do with your high beams when another vehicle is approaching?

A. Always use high beams in low light.

B. Switch to low beams when another vehicle is approaching.

C. Keep high beams on until you pass.

D. Do not use high beams when another vehicle is approaching to avoid dazzling.

High beams are very bright and can blind or momentarily dazzle an oncoming driver, which increases the risk of a collision for both vehicles. The safest action is to avoid dazzling by not using high beams when another vehicle is approaching. Switch to low beams as soon as you notice an oncoming car and keep them on until you're past or far enough behind. This rule applies because it directly protects visibility for others on the road, which is the priority in shared driving conditions.

8. How should you maintain safe distances on a road with two-way traffic?

A. Maintain posted speed and ensure safe passing distances

B. Drive as close as possible to the vehicle in front

C. Tailgate to communicate

D. Randomly change speeds

On a road with two-way traffic, the key idea is to keep a safe space around your vehicle and move at a sensible speed. That means staying within the posted speed and leaving enough following distance behind the vehicle in front so you have time to react if they brake. It also means only passing when it's legal and safe—you need a clear view of oncoming traffic and enough room to return to your lane without cutting in front of the vehicle you're overtaking. This approach helps prevent rear-end crashes and head-on collisions that can happen when speeds are too high or when you attempt to pass in unsafe conditions. Driving too close or changing speeds unpredictably reduces other drivers' ability to anticipate your actions and increases risk, so these habits don't fit safe two-way-road driving.

9. Which of the following describes a void contract?

A. Enforceable and can be performed

B. Enforceable but can be terminated

C. Voidable

D. Cannot be enforced and cannot be performed

Void contracts have no legal effect from the start. They lack a valid basis—such as legality of the subject, capacity of the parties, or genuine mutual agreement—so there's no binding obligation to perform and no remedy the court would offer to enforce it. In other words, it cannot be enforced and cannot be performed. This distinguishes them from voidable contracts (which are valid at first but can be canceled) and unenforceable contracts (which could be performed but a legal defense prevents enforcement). The defining point is that a void contract is ineffective before any party acts, so neither side can be compelled to perform.

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10. Which scenario is NOT an example of eminent domain?

A. Seizure of land for a highway project

B. Water treatment facility expansion

C. A large shopping center

D. Acquisition for a public school

Eminent domain is the government's authority to take private property for a public use, with just compensation to the owner. Projects like building a highway clearly serve the public by improving transportation. Expanding a water treatment facility serves public health and utility needs, which is also a public use. Acquiring land for a public school provides a facility that benefits the community, another classic public-use example. A large shopping center, however, is private commercial development. It doesn't by itself serve a public use in the way roads, utilities, or schools do, so it isn't an example of eminent domain—unless a broader public purpose justifies it under often controversial redevelopment rules, which isn't the standard scenario.

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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://goldcoastclass.examzify.com

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

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