INDIANA 90-HOUR BROKER COURSE 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 does title insurance protect against?

A. Future changes in property value

B. Potential defects in title not discovered during the title search

C. Loss of rental income from the property

D. Natural disasters affecting the property

2. Who is responsible for reviewing transactional documents and ensuring collateral for a loan is clear of encumbrances at a closing?

A. The title insurance representative

B. The real estate broker

C. The buyer's attorney

D. The seller's agent

3. If a rectangular building measures 40 feet by 20 feet, what is its area?

A. 600 sq feet

B. 700 sq feet

C. 800 sq feet

D. 900 sq feet

4. What typically characterizes a short sale?

A. A sale that requires the owner to pay off their mortgage in full

B. A sale of a property for less than the amount owed on the mortgage

C. A sale involving multiple buyers competing for the property

D. A sale promoted by real estate agents

5. Which professionals may have Indiana license requirements waived if they provide proof of licensure in good standing?

A. Home Inspectors

B. Brokers with out-of-state licenses

C. Property Managers

D. Real Estate Agents

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6. Which of the following correctly describes the timeline for a home appraisal?

A. Only pre-sale

B. As of a particular date

C. Yearly update

D. During property renovations

7. Who is a listing agent?

A. The real estate agent representing the seller in a property sale

B. The agent responsible for managing the property after sale

C. An agent who focuses solely on commercial real estate

D. The government official overseeing property registrations

8. What is the primary purpose of a home inspection?

A. To increase the property's selling price

B. To assess the condition of a property before purchase and identify potential issues

C. To estimate renovation costs

D. To evaluate the neighborhood's property values

9. Which antitrust violation occurs when multiple businesses conspire against another?

A. Price fixing

B. Group boycotting

C. Market allocation

D. Exclusive dealing

10. A property manager acts as which type of agent for the owner?

A. Special agent

B. General agent

C. Designated agent

D. Sub-agent

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Answers

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

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Explanations

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1. What does title insurance protect against?

A. Future changes in property value

B. Potential defects in title not discovered during the title search

C. Loss of rental income from the property

D. Natural disasters affecting the property

Title insurance protects property owners and lenders from potential defects in title that were not discovered during the title search process. This includes issues such as liens, claims, or encumbrances that may exist and could affect ownership rights or the ability to sell the property in the future. When a title policy is issued, it provides coverage for these unforeseen risks that could arise, ensuring the policyholder has legal ownership and can enjoy their property without the threat of losing it due to past issues that were not identified. The other options relate to different types of insurance or risk management. For instance, future changes in property value are influenced by market conditions and are not something title insurance covers. Similarly, loss of rental income is tied to market dynamics and tenant situations rather than title issues, and natural disasters are typically covered by hazard or flood insurance, not title insurance. Each of these options addresses different aspects of property ownership and risk, but they do not fall under the scope of what title insurance is designed to protect against.

2. Who is responsible for reviewing transactional documents and ensuring collateral for a loan is clear of encumbrances at a closing?

A. The title insurance representative

B. The real estate broker

C. The buyer's attorney

D. The seller's agent

The title insurance representative is responsible for reviewing transactional documents and ensuring that the collateral for a loan, typically the property being purchased, is clear of encumbrances at closing. This role is crucial as it involves conducting a thorough title search to identify any claims, liens, or other issues that may affect the property's title. By reviewing these documents, the title insurance representative provides assurances to both the lender and the buyer that the property can be transferred without legal complications. They also facilitate the issuance of title insurance, which protects the buyer and lender from future claims against the title. While other parties such as the buyer's attorney or the real estate broker may assist in the transaction or provide legal counsel, the specific duty of ensuring the title is clear of encumbrances falls primarily to the title insurance representative. This clarity is vital for a smooth transaction and for safeguarding the interests of the parties involved.

3. If a rectangular building measures 40 feet by 20 feet, what is its area?

A. 600 sq feet

B. 700 sq feet

C. 800 sq feet

D. 900 sq feet

To determine the area of a rectangular building, you can use the formula for area, which is length multiplied by width. In this case, the building measures 40 feet in length and 20 feet in width. So, you calculate the area as follows: Area = Length × Width Area = 40 feet × 20 feet Area = 800 square feet Thus, the area of the rectangular building is 800 square feet. This makes the correct choice the one that states 800 sq feet. By applying the area calculation formula correctly, it's easy to see how the answer is derived from the dimensions provided. Calculating area is essential in real estate for understanding the usable space within a property.

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4. What typically characterizes a short sale?

A. A sale that requires the owner to pay off their mortgage in full

B. A sale of a property for less than the amount owed on the mortgage

C. A sale involving multiple buyers competing for the property

D. A sale promoted by real estate agents

A short sale is typically defined as a sale where the property's selling price is less than the total amount owed on the mortgage. This situation occurs when a homeowner is unable to continue making mortgage payments and seeks to sell the property, but the sale price is insufficient to fully cover the remaining mortgage balance. The lender must approve the short sale, as they will not receive the full amount owed on the mortgage. This process can help the homeowner avoid foreclosure and minimize the impact on their credit. In contrast, a sale requiring the owner to pay off their mortgage in full would not be considered a short sale, as it does not involve selling for less than the mortgage balance. A sale involving multiple buyers competing for the property typically suggests a more favorable market condition and does not align with the characteristics of a short sale, which usually indicates financial distress. Lastly, while real estate agents may play a role in promoting short sales, this is not a defining characteristic of the transaction itself. The essence of a short sale lies in the financial situation surrounding the mortgage, specifically the discrepancy between the sale price and what is owed.

5. Which professionals may have Indiana license requirements waived if they provide proof of licensure in good standing?

A. Home Inspectors

B. Brokers with out-of-state licenses

C. Property Managers

D. Real Estate Agents

The correct choice is brokers with out-of-state licenses. In Indiana, when a broker from another state seeks to operate within Indiana, they may have their licensing requirements waived if they can demonstrate that they hold an active license in good standing from their home state. This waiver is part of a reciprocity agreement that Indiana has with certain states, designed to facilitate the entry of qualified professionals who are already licensed and regulated in other jurisdictions. By allowing such waivers, Indiana aims to streamline the process for experienced brokers looking to expand their practice into Indiana without undergoing the entire licensing process from scratch. It's a way to acknowledge the qualifications and competencies that these out-of-state brokers have already demonstrated through their existing licensure. The other options focus on professionals, such as home inspectors, property managers, and real estate agents, who generally do not have reciprocity arrangements with Indiana regarding their licensing, meaning they typically must meet the state's specific licensing requirements regardless of their previous qualifications elsewhere.

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6. Which of the following correctly describes the timeline for a home appraisal?

A. Only pre-sale

B. As of a particular date

C. Yearly update

D. During property renovations

The correct answer describes the process of home appraisal as being relevant "as of a particular date." This means that when an appraisal is conducted, the value determined is specific to the conditions, market trends, and characteristics of the property at the time the appraisal is performed. Appraisals are not static and are influenced by market fluctuations, property improvements, or changes in the local area, necessitating a date reference to give context to the valuation. This timeline aspect is critical because appraised values can change over time due to a variety of factors, including economic conditions and property demand. The other choices do not accurately reflect the nature of home appraisals. For instance, appraisals are not limited to just pre-sale situations; they can be conducted for refinancing, property tax assessments, estate evaluations, or other times when a property's value needs to be established. The notion of a yearly update does not encompass the event-driven nature of appraisals, as they are not routinely assessed on a fixed schedule such as annually. Lastly, conducting an appraisal during renovations would not typically provide an accurate valuation, since the conditions of the property may not reflect its final state until all improvements are completed. Thus, using a specific date for valuation gives precise context to the appraisal

7. Who is a listing agent?

A. The real estate agent representing the seller in a property sale

B. The agent responsible for managing the property after sale

C. An agent who focuses solely on commercial real estate

D. The government official overseeing property registrations

A listing agent is fundamentally defined as the real estate agent who represents the seller in the sale of a property. This role includes tasks such as pricing the property in accordance with current market conditions, marketing the property to potential buyers, negotiating offers on behalf of the seller, and guiding them through the selling process. The listing agent serves as the seller's primary point of contact throughout the transaction, providing expertise that helps ensure a smoother sale and maximizing the sale price. By focusing on the seller's needs and objectives, the listing agent can effectively advocate for their interests. In contrast to the other options, those pertain to different roles or responsibilities within the real estate industry. The choice describing the agent responsible for managing the property after sale is more aligned with property management roles rather than representing sellers. The focus on commercial real estate pertains to a specific segment of the market and does not necessarily define the role of a listing agent, as listing agents can specialize in residential or other types of properties. Lastly, the governmental role concerning property registrations is entirely separate from the functions of a real estate listing agent, who is involved in private transactions rather than regulatory oversight.

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8. What is the primary purpose of a home inspection?

A. To increase the property's selling price

B. To assess the condition of a property before purchase and identify potential issues

C. To estimate renovation costs

D. To evaluate the neighborhood's property values

The primary purpose of a home inspection is to assess the condition of a property before purchase and identify potential issues. This process is crucial for both buyers and sellers, as it allows the prospective buyer to understand the true state of the property they are considering. A home inspection can uncover issues related to the structural integrity, safety, and necessary repairs that may not be immediately visible during a casual walkthrough of the home. This thorough assessment helps buyers make informed decisions, negotiating repair requests or price adjustments based on the findings. Furthermore, it assists in avoiding unexpected costs after the purchase. Home inspections are a vital step in the buying process, providing an objective evaluation that aids all parties involved in the transaction. The other choices reflect activities that may be related to real estate, but do not capture the primary purpose of a home inspection. For example, increasing a property's selling price is often a goal for sellers, but it is not the aim of a home inspection. Similarly, estimating renovation costs and evaluating neighborhood property values are separate assessments that can inform decisions but do not directly relate to the core function of a home inspection.

9. Which antitrust violation occurs when multiple businesses conspire against another?

A. Price fixing

B. Group boycotting

C. Market allocation

D. Exclusive dealing

The scenario described in the question pertains to group boycotting, which is a form of antitrust violation where two or more businesses collaborate to exclude or harm a competitor. This type of conspiracy often aims to lessen competition by coordinating actions to discourage or disadvantage an entity in the marketplace, typically through refusing to do business with them or applying pressure on suppliers or other businesses to avoid working with the targeted competitor. Group boycotting can destabilize market dynamics and limit consumer choices, making it a serious concern for regulators aiming to promote fair competition. This form of collusion can lead to legal consequences for the participating companies because it undermines the principles of a competitive marketplace. In contrast, other options, while also related to antitrust issues, represent different behaviors: price fixing involves companies agreeing on prices to set rather than letting the market determine them, market allocation involves dividing markets between competitors, and exclusive dealing refers to agreements where a seller restricts a buyer from purchasing goods from competing suppliers. While all these actions are anti-competitive, they do not specifically describe the scenario of conspiring against another business like group boycotting does.

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10. A property manager acts as which type of agent for the owner?

A. Special agent

B. General agent

C. Designated agent

D. Sub-agent

A property manager typically acts as a general agent for the owner. This relationship allows the property manager to perform a wide range of tasks on behalf of the property owner, such as collecting rent, maintaining the property, managing tenants, and handling day-to-day operations. Unlike a special agent, who is appointed to perform a specific task or transaction on behalf of the principal, a general agent has broader authority to act in the best interests of the principal across multiple ongoing tasks and responsibilities. This structure enables property owners to delegate comprehensive management duties while maintaining ownership of the property. As general agents, property managers are trusted to make decisions and take actions that are necessary for the effective management of the property, reflecting a higher level of authority than that granted to a special agent or other types of agents.

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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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