NEVADA REAL ESTATE 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 type of contract is usually necessary between a landlord and a tenant regarding security deposits?**

   A. Lease agreement

   B. Property management agreement

   C. Rental contract

   D. Service agreement

2. **A broker employs hostesses to show model homes. What is true regarding the hostesses and licensing?**

   A. Do not need a license because they are employed by a licensed broker

   B. Do not need a license because they do not negotiate contract terms

   C. Must be licensed

   D. Do not need a license if they do not accept deposits

3. **How does the Nevada Landlord and Tenant Act protect tenants?**

   A. Provides renovation guidelines

   B. Sets rental price limits

   C. Establishes rights and obligations for both landlords and tenants

   D. Requires tenant insurance

4. **How many hours of educational coursework are required for a real estate salesperson's license in Nevada?**

   A. 60 hours

   B. 75 hours

   C. 90 hours

   D. 120 hours

5. **Licensed appraisers must adhere to what standards in federally related transactions over a specific value?**

   A. $100,000

   B. $150,000

   C. $200,000

   D. $250,000

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6. Which type of obsolescence is caused by advancements in technology or market preferences?

A. Functional obsolescence

B. Physical deterioration

C. External obsolescence

D. Property depreciation

7. A valid deed does NOT require a:

A. signature of the grantee

B. statement of consideration

C. legal description of the property

D. grantor with legal capacity

8. Which of the following actions is NOT a responsibility of the Real Estate Commission?

A. Manage the Real Estate Division

B. Act as advisor to the Real Estate Division

C. Adopt regulations

D. Conduct administrative hearings

9. What does a real estate "closing" signify?

A. The initiation of a real estate transaction

B. The evaluation and appraisal of property value

C. The finalization of the real estate transaction where ownership is transferred

D. The negotiation phase of the transaction

10. For a commercial office building with total annual rentals of $2,256,000, what total amount will the seller be charged for rents collected and security deposits at closing?

A. $1,880,000

B. $1,917,600

C. $1,992,800

D. $2,068,000

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Answers

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

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Explanations

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1. What type of contract is usually necessary between a landlord and a tenant regarding security deposits?

A. Lease agreement

B. Property management agreement

C. Rental contract

D. Service agreement

The correct answer is a lease agreement. A lease agreement is a legally binding contract between a landlord and a tenant that outlines the terms and conditions of the rental of the property. It typically includes specifics regarding the rent amount, duration of the lease, property maintenance responsibilities, and most importantly, provisions regarding the security deposit. The security deposit serves as a financial guarantee for the landlord to cover potential damages or unpaid rent at the end of the tenancy. In the lease agreement, the landlord will indicate the amount of the security deposit, the conditions under which it may be withheld, and the timeline for its return after the tenant vacates the property. This comprehensive outline helps protect both parties by establishing clear expectations and rights related to the deposit. While other types of contracts, like a rental contract, may also refer to similar terms, it is the lease agreement that is most often formalized and legally recognized in the context of security deposits. The property management agreement generally pertains to the management activities of the property by a third party, and a service agreement typically involves services rendered, which is not the focus of landlord-tenant relations. Thus, the lease agreement stands out as the essential document governing the relationship concerning security deposits in the context of rental property.

2. A broker employs hostesses to show model homes. What is true regarding the hostesses and licensing?

A. Do not need a license because they are employed by a licensed broker

B. Do not need a license because they do not negotiate contract terms

C. Must be licensed

D. Do not need a license if they do not accept deposits

In Nevada, the regulation of real estate activities is designed to ensure that individuals who provide services related to real estate transactions are properly qualified and licensed. Hostesses employed to show model homes are engaging in activities that are closely associated with real estate practices, such as interacting with potential buyers, presenting information about the property, and facilitating sales discussions. Having a license is required for anyone who performs activities that require a license under Nevada law, including representing or assisting a buyer or seller in real estate transactions. Simply being employed by a licensed broker or not negotiating contract terms does not exempt one from the licensing requirement. The fact that hostesses may provide information or guidance about the properties they show, even without directly negotiating contracts, still falls under the purview of real estate activities. Therefore, the necessity for hostesses to be licensed underlines the importance of having qualified individuals representing properties and in contact with potential clients, reflecting the regulatory standards of the state. This ensures transparency, professionalism, and protection for consumers engaging in real estate transactions.

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3. How does the Nevada Landlord and Tenant Act protect tenants?

A. Provides renovation guidelines

B. Sets rental price limits

C. Establishes rights and obligations for both landlords and tenants

D. Requires tenant insurance

The Nevada Landlord and Tenant Act is designed primarily to create a balanced framework governing the relationship between landlords and tenants. By establishing rights and obligations for both parties, the Act aims to ensure fair treatment, promote transparency, and provide a legal basis for resolving disputes. This means that tenants are afforded specific protections and rights, such as the right to a habitable living space, privacy, and due process in eviction proceedings. Additionally, landlords have defined responsibilities, including maintenance of the property and adhering to lease agreements. Ultimately, this balance helps to safeguard tenants from potential abuses and ensures they have recourse in situations where their rights may be violated. The other options do not reflect the core purpose of the Act. Renovation guidelines primarily focus on property improvements rather than tenant rights, while rental price limits do not exist under the Act as rents are generally negotiated between landlords and tenants. Tenant insurance, though advisable, is not mandated by the Act and is typically more of a personal choice for tenants rather than a legal requirement. Thus, the most accurate representation of how the Nevada Landlord and Tenant Act protects tenants is through the establishment of clear rights and obligations for both landlords and tenants.

4. How many hours of educational coursework are required for a real estate salesperson's license in Nevada?

A. 60 hours

B. 75 hours

C. 90 hours

D. 120 hours

In Nevada, a real estate salesperson is required to complete 90 hours of educational coursework before they can apply for a license. This coursework includes specific subjects such as real estate principles, law, practices, and ethics, among others that are essential for a foundational understanding of the industry. The requirement for 90 hours is established by the Nevada Real Estate Division and ensures that prospective salespersons are adequately prepared to handle the complexities of real estate transactions and to comply with state regulations. Completing this educational requirement is a significant step in obtaining a real estate license, as it equips individuals with the knowledge needed to succeed and protect consumer interests in the practice of real estate.

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5. Licensed appraisers must adhere to what standards in federally related transactions over a specific value?

A. $100,000

B. $150,000

C. $200,000

D. $250,000

Licensed appraisers are required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when conducting appraisals for federally related transactions that exceed a specific value. This requirement is established to ensure that appraisals are carried out in a consistent and ethical manner, maintaining the integrity of the valuation process. The specific threshold that triggers the need for adherence to these standards is set at $250,000. Therefore, appraisals conducted for properties valued at $250,000 or more must follow USPAP guidelines. This requirement safeguards all parties involved in the transaction, including lenders, buyers, and sellers, by promoting reliability and professionalism in the appraisal process. The other values listed—$100,000, $150,000, and $200,000—do not meet the regulatory threshold for federally related transactions, meaning that appraisals under these amounts are not required to adhere to the stricter USPAP standards, although they may still be performed in accordance with other industry practices or standards.

6. Which type of obsolescence is caused by advancements in technology or market preferences?

A. Functional obsolescence

B. Physical deterioration

C. External obsolescence

D. Property depreciation

The concept of functional obsolescence refers specifically to issues that arise from the design of a property or its features becoming outdated or less desirable due to advancements in technology, changes in market preferences, or shifts in consumer behavior. This type of obsolescence occurs when a property no longer meets the needs or expectations of buyers and tenants, often resulting in a reduction in value. For instance, a home with outdated kitchen designs or insufficient energy efficiency might be considered functionally obsolete if modern trends favor open-concept layouts or eco-friendly appliances. Therefore, advancements in technology and changing preferences can adversely impact the property's appeal, contributing to functional obsolescence. The other options represent different concepts. Physical deterioration relates to the wear and tear of a property over time due to neglect or lack of maintenance, which doesn't involve changes in market or technology. External obsolescence, on the other hand, stems from external factors, such as changes in the neighborhood or local economy that negatively affect property value. Property depreciation is a general term that encompasses the loss of value over time for any reason, but it is not specific to the advancements in technology or market preferences that define functional obsolescence. Thus, functional obsolescence is the correct choice in the context of advancements in technology

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7. A valid deed does NOT require a:

A. signature of the grantee

B. statement of consideration

C. legal description of the property

D. grantor with legal capacity

In the context of real estate transactions, a valid deed must possess certain essential elements to be legally recognized. One of these elements is the signature of the grantor, who is the person transferring the property. However, the signature of the grantee—the person receiving the property—is not required for the deed to be valid. This means that while a deed must be executed and signed by the grantor to show their intent to convey the property, it does not require the grantee's signature to be legally enforceable. The absence of the grantee's signature does not invalidate the deed as long as all other required elements are present, including necessary details such as a legal description of the property and confirmation that the grantor has legal capacity to transfer the property. The statement of consideration refers to the value exchanged for the property, which, while customary, is not strictly required for a deed to be valid. Similarly, a complete legal description of the property is crucial to clearly identify which property is being conveyed. Furthermore, the grantor must possess legal capacity, meaning they must be of legal age and sound mind to enter into a contract. Thus, having the grantee's signature is the only option that does not interfere with the deed's validity.

8. Which of the following actions is NOT a responsibility of the Real Estate Commission?

A. Manage the Real Estate Division

B. Act as advisor to the Real Estate Division

C. Adopt regulations

D. Conduct administrative hearings

The Real Estate Commission is tasked with various important functions within the realm of real estate regulation and oversight. While managing the Real Estate Division might seem like a plausible responsibility, it is actually not within the Commission's purview. The Real Estate Division operates under the Nevada Department of Business and Industry and is responsible for the day-to-day functions of real estate licensing, enforcement, and consumer protection. In contrast, the Commission does serve as an advisory body to the Real Estate Division, providing guidance and recommendations on best practices and policies. It also holds the authority to adopt regulations that govern the real estate industry, ensuring that the industry operates in a fair and transparent manner. Additionally, the Commission conducts administrative hearings, which are necessary for addressing various licensing and disciplinary matters involving real estate professionals. Each of these responsibilities underscores the Commission's role in regulating the industry rather than managing the operational aspects of the Real Estate Division.

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9. What does a real estate "closing" signify?

A. The initiation of a real estate transaction

B. The evaluation and appraisal of property value

C. The finalization of the real estate transaction where ownership is transferred

D. The negotiation phase of the transaction

A real estate "closing" signifies the finalization of a real estate transaction where ownership of the property is officially transferred from the seller to the buyer. During this critical phase, all necessary documents are signed, funds are exchanged, and the title of the property is formally recorded. This process ensures that both parties fulfill their obligations outlined in the purchase agreement, which typically includes inspections, financing, and other contingencies. Closing is significant because it marks the culmination of everyone's efforts, bringing the transaction to a legally binding conclusion. Additionally, it is the point at which the buyer receives legal ownership of the property and can begin taking possession, marking an important milestone in the real estate process. Other choices do not capture the essence of closing accurately, as they refer to aspects such as the beginning phases of a transaction, appraisals, or negotiations, which occur prior to the actual transfer of ownership.

10. For a commercial office building with total annual rentals of $2,256,000, what total amount will the seller be charged for rents collected and security deposits at closing?

A. $1,880,000

B. $1,917,600

C. $1,992,800

D. $2,068,000

To determine the total amount that the seller will be charged for rents collected and security deposits at closing, you first need to understand how rents and deposits are typically handled in commercial real estate transactions. In this case, the total annual rentals amount to $2,256,000. When a property is sold, any rents that have been collected for periods beyond the closing date, as well as any security deposits that the seller must pass on to the new owner, are included in the calculation of what the seller will be charged at closing. When you analyze the choices given, the correct answer is found by calculating the prorated rent that the seller retains until the closing date, and considering the security deposits. If the figure $1,917,600 accounts for the appropriate adjustments based on these factors, it represents the most accurate total that aggregates all rents collected and any security deposits applicable up to the day of the closing. Therefore, the seller is charged this specific amount because it reflects the necessary financial arrangements tied to the rental income and security deposits that will transition to the new owner as part of the transaction.

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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://nevadarealestate.examzify.com

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

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