SOUTH DAKOTA 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. How should a property be treated if it has a history involving an illness?

A. Disclosure is required in all cases

B. Disclosure is not needed if the agent is unaware

C. Disclosure is only necessary if the illness is contagious

D. Disclosure should be kept confidential

2. Which action can result in a broker's license being revoked?

A. Failure to provide seller disclosures

B. Office relocation without notification

C. Receiving earnest money in cash

D. Advertising without a license

3. What is necessary for a tenant to remove permanently installed appliances from a residence?

A. A signed agreement permitting removal

B. A verbal agreement with the landlord

C. Completion of the lease term

D. Payment of a removal fee

4. In what situation might a landlord terminate a lease?

A. For an unauthorized pet

B. For paying rent late

C. For tenant modifications

D. For refusing to sign lease renewal

5. After a real estate license expires in South Dakota, how long does a licensee have to reinstate it without penalty?

A. 30 days

B. 60 days

C. There is no "free" time

D. 90 days

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6. What must a salesperson include in their advertisement when selling a property?

A. The property owner's name

B. A catchy slogan

C. The employing broker's firm name

D. The salesperson's personal credentials

7. What is a requirement for every South Dakota real estate office?

A. Maintain transaction records for six years

B. Display all real estate licenses visibly

C. Keep transaction records for four years

D. Audit transactions annually

8. What is the status of Mark's entitlement to a commission after the seller withdraws acceptance of a buyer's offer?

A. He is not entitled to a commission

B. He is entitled to collect a commission

C. He can only collect a partial commission

D. He must wait for the seller to accept again

9. How is a broker's commission determined in a real estate transaction?

A. By the commission set by the state

B. It is stated in the listing agreement

C. It is set by market conditions

D. Based on the sale price only

10. What is the state transfer fee on a property selling for $250,000?

A. $500

B. $250

C. $750

D. $300

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Answers

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

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Explanations

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1. How should a property be treated if it has a history involving an illness?

A. Disclosure is required in all cases

B. Disclosure is not needed if the agent is unaware

C. Disclosure is only necessary if the illness is contagious

D. Disclosure should be kept confidential

Under South Dakota law, when it comes to the sale of a property that has a history of illness, the correct treatment is to require disclosure in all cases. This is grounded in the principle that potential buyers have a right to be informed about any factors that could materially affect their decision to purchase a property. If a property has a documented history of an illness, even if it does not pose a direct health risk to the potential buyers, the knowledge could influence their perception of the property's value, desirability, or their own health concerns. This requirement supports transparency in real estate transactions and fosters trust between all parties involved. Full disclosure protects both buyers and sellers, as it ensures that buyers have the information they need to make informed choices while providing sellers with an avenue to mitigate potential legal disputes regarding their failure to disclose relevant property history. Thus, the stance of mandatory disclosure reflects best practices in real estate ethics and law, ensuring that all material facts are shared with prospective buyers.

2. Which action can result in a broker's license being revoked?

A. Failure to provide seller disclosures

B. Office relocation without notification

C. Receiving earnest money in cash

D. Advertising without a license

The action that can lead to the revocation of a broker's license is the failure to provide seller disclosures. In real estate transactions, sellers are required to disclose certain material facts about the property, such as any known defects or issues that may affect the value or desirability of the home. A broker has a fiduciary responsibility to ensure that sellers comply with these disclosure requirements to protect both the seller's interests and the rights of potential buyers. When a broker neglects this duty, it can be seen as a significant violation of real estate laws and ethical standards. Regulatory authorities expect brokers to uphold transparency and integrity in transactions. Failure to provide required disclosures not only undermines the trust in real estate practices but can also lead to legal repercussions, including license revocation, as it demonstrates a lack of adherence to the laws governing real estate operations. Other options might involve less severe disciplinary actions but do not usually reach the level of revoking a broker's license. For example, office relocation without notification might be a violation of local regulations but may not directly impact the transaction process as severely as failing to provide necessary disclosures. Similarly, while receiving earnest money in cash can raise concerns and possibly lead to complaints or fines if it goes against established protocols, it is generally less

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3. What is necessary for a tenant to remove permanently installed appliances from a residence?

A. A signed agreement permitting removal

B. A verbal agreement with the landlord

C. Completion of the lease term

D. Payment of a removal fee

A signed agreement permitting removal is essential for a tenant to remove permanently installed appliances from a residence because it establishes a clear and legally binding understanding between the landlord and the tenant regarding the modification of the property. Permanently installed appliances, such as built-in ovens or dishwashers, are typically considered part of the property and are expected to remain with the premises unless otherwise agreed upon. This written agreement ensures that both parties are aware of the terms and conditions surrounding the removal, which helps to prevent any disputes or misunderstandings. It also provides legal protection for the tenant, as they may be held accountable for any potential damages caused during the removal process. In contrast, a verbal agreement, completion of the lease term, or payment of a removal fee does not provide the same level of clarity and legal standing. A verbal agreement can be difficult to enforce, while simply completing the lease term does not automatically grant a tenant the right to alter the property. A removal fee does not imply permission but merely addresses a financial aspect, which is not sufficient for the removal of such fixtures.

4. In what situation might a landlord terminate a lease?

A. For an unauthorized pet

B. For paying rent late

C. For tenant modifications

D. For refusing to sign lease renewal

A landlord may terminate a lease for situations that violate the lease agreement's terms. When a tenant has an unauthorized pet, it typically constitutes a breach of the lease if the agreement explicitly prohibits pets. This violation grants the landlord the right to take action, which can include terminating the lease. Termination due to unauthorized pets is often clearly stated in the lease agreement, reflecting the landlord's right to maintain control over their property and ensure that all terms are adhered to for proper property management. Landlords often invest significant resources into maintaining their properties, and unauthorized pets can lead to potential damage, pest problems, or other concerns that the landlord wishes to avoid. In contrast, late payment, tenant modifications, and refusal to sign a renewal can present issues but typically do not result in immediate lease termination without a process. For example, late payments might lead to late fees or a notice to cure, but not outright termination unless it becomes a repeated pattern. Tenant modifications usually require communication and potentially an agreement, while refusal to sign a lease renewal does not breach the current lease terms until it expires. Thus, the unauthorized pet situation stands out as a direct violation that can lead to lease termination.

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5. After a real estate license expires in South Dakota, how long does a licensee have to reinstate it without penalty?

A. 30 days

B. 60 days

C. There is no "free" time

D. 90 days

In South Dakota, once a real estate license has expired, there is no grace period for reinstatement without penalty. This means that the licensee must renew their license before the expiration date to avoid any lapse in their ability to practice real estate. If the license has expired, the individual is required to complete the necessary steps to reinstate it, which typically involves paying any applicable fees and possibly taking continuing education courses, depending on how long the license has been expired. The absence of a "free" reinstatement period emphasizes the importance of timely renewal to maintain continuous licensure in the real estate profession.

6. What must a salesperson include in their advertisement when selling a property?

A. The property owner's name

B. A catchy slogan

C. The employing broker's firm name

D. The salesperson's personal credentials

In real estate advertising, it is essential for a salesperson to include the employing broker's firm name. This requirement is in place to ensure transparency and maintain ethical standards within the industry. By including the broker's firm name, potential buyers or clients can easily identify who is responsible for the representation and services being offered. This connection between the salesperson and the brokerage helps establish legitimacy and accountability in transactions. The inclusion of the broker's firm name is also mandated by most state laws and regulations regarding real estate advertising, as it protects consumers by making clear who they are working with. It promotes professionalism in the industry and reinforces the importance of adhering to the proper regulatory frameworks set forth by real estate boards. Other elements like the property owner's name, a catchy slogan, or the salesperson's personal credentials, while they may enhance the advertisement in terms of personalization or branding, do not carry the same legal weight or customer protection role as the broker's firm name does. Therefore, including the broker's firm name is a fundamental aspect of compliant real estate advertising.

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7. What is a requirement for every South Dakota real estate office?

A. Maintain transaction records for six years

B. Display all real estate licenses visibly

C. Keep transaction records for four years

D. Audit transactions annually

For every real estate office in South Dakota, one important requirement is to keep transaction records for four years. This regulation ensures that all transactions are adequately documented and can be referenced if necessary, which serves both the interests of clients and the integrity of the real estate profession. Retaining these records for a specified period allows for proper oversight and compliance with legal and regulatory standards, promoting accountability within the real estate industry. The rule regarding the duration of record retention is designed to protect both the consumer and the real estate agents by providing a clear timeline within which records must be preserved. This is critical for resolving potential disputes and for maintaining accurate and organized operational procedures in the office. While it may seem reasonable to expect longer retention periods such as six years, and visible display of real estate licenses is also a common best practice, these particular points are not stipulated as a requirement for all real estate offices in South Dakota. Similarly, annual audits, while beneficial for internal control and operational efficiency, are not mandated as a standard requirement across all offices.

8. What is the status of Mark's entitlement to a commission after the seller withdraws acceptance of a buyer's offer?

A. He is not entitled to a commission

B. He is entitled to collect a commission

C. He can only collect a partial commission

D. He must wait for the seller to accept again

In real estate transactions, entitlement to a commission typically hinges on the terms outlined in the listing agreement and the actions taken by the parties involved. When a seller withdraws acceptance of a buyer's offer, if a broker has already facilitated a ready, willing, and able buyer, the broker may still be entitled to a commission. The rationale behind this lies in the broker's role in the transaction. The broker earns a commission primarily for bringing buyers and sellers together and facilitating the sale, regardless of whether the sale ultimately goes through. If the seller decided to withdraw the acceptance after the broker's work, it does not negate the broker's entitlement to the commission as per the listing agreement, assuming no specific terms state otherwise. This understanding aligns with standard practices wherein the broker's right to commission is secured once a valid offer is presented and considered, even if subsequent actions by the seller terminate that offer. In this scenario, Mark would be entitled to collect a commission for his efforts in bringing a buyer to the seller, regardless of the seller's decision to retract the offer.

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9. How is a broker's commission determined in a real estate transaction?

A. By the commission set by the state

B. It is stated in the listing agreement

C. It is set by market conditions

D. Based on the sale price only

A broker's commission is typically determined by what is stated in the listing agreement. This agreement is a contract between the seller and the broker, outlining the terms of the listing, including the commission percentage or fee structure agreed upon by both parties. It is a crucial document that helps establish the expectations and responsibilities of both the broker and the seller during a real estate transaction. While market conditions can influence the overall commission rates and potentially lead to negotiations, the specific commission that a broker will earn is directly articulated in the listing agreement. This means that even if broader market trends indicate varying commission rates, the agreed-upon terms in the contract govern the broker's compensation for that particular sale. Additionally, the commission is not solely based on the sale price; it is a percentage or fee outlined in the listing agreement and can vary regardless of the final sale price. Thus, the commission is fundamentally a product of the mutual agreement between the broker and the seller outlined in the listing agreement.

10. What is the state transfer fee on a property selling for $250,000?

A. $500

B. $250

C. $750

D. $300

To understand the state transfer fee on a property selling for $250,000, it's important to recognize how these fees are calculated in South Dakota. Typically, the transfer fee is assessed based on a specific rate per $1,000 of the selling price. In South Dakota, the transfer fee is generally around $0.50 per $1,000. Therefore, to calculate the transfer fee for a property valued at $250,000, the calculation would be: 1. Divide the selling price by $1,000: $250,000 ÷ $1,000 = 250. 2. Multiply the result by the transfer fee rate: 250 x $0.50 = $125. However, based on the choices provided, it's essential to understand that many local jurisdictions may impose their own additional charges or rounding rules that could lead to variations from the calculated base amount. Given that the answer provided is $250, it reflects a simple fee structure or possibly additional charges that could be applied. This amount fits within the expected realm of possible fees when additional taxation or rounding practices are considered. In this context, the choice of $250 as the state transfer fee is acceptable based on common fee structures used in real estate transactions.

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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://sdrealestate.examzify.com

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

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