WASHINGTON STATE MANAGING BROKER 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. Which of the following is NOT protected under ECOA?

A. Race

B. Sex

C. Disability

D. Age

2. How many square feet are in an acre?

A. 10,890 square feet

B. 20,000 square feet

C. 43,560 square feet

D. 60,000 square feet

3. How does an executed contract differ from an executory contract?

A. Executed contracts are verbal while executory contracts are written

B. Executed contracts are fully performed while executory contracts are pending

C. Executed contracts involve more parties than executory contracts

D. There is no difference; they are the same

4. What does a net-net-net (triple-net) lease require from the tenant?

A. Only a fixed rent payment

B. All maintenance, operating expenses, taxes, and insurance premiums

C. Payment of rent and utilities only

D. Just maintenance and repairs

5. What is a key characteristic of a corporation owning property?

A. It can be in joint tenancy with right of survivorship

B. It has limited liability in ownership

C. It cannot take title in joint tenancy

D. It must register the property under a personal name

6. What does CERCLA stand for?

A. Controlled Environmental Regulation and Cleanup Act

B. Comprehensive Environmental Response, Compensation, and Liability Act

C. Construction and Environmental Remediation Compliance Law

D. Clean Energy and Resource Conservation Act

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7. What type of points do lenders use to reduce interest rates on loans?

A. Origination points
B. Adjustment points
C. Discount points
D. Service points

8. What are ad valorem taxes based on?

A. Income level
B. Property location
C. The value of the property
D. Property age

9. Which entity is responsible for writing real estate exam questions?

A. The Department of Accredited Education
B. The State Licensing Board
C. The Real Estate Commission
D. The National Real Estate Association

10. If a licensee fails to attend a scheduled disciplinary hearing, what occurs?

A. The hearing is postponed to a later date
B. The licensee is automatically suspended
C. The hearing is held without the licensee present
D. The licensee is required to reschedule the hearing

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Answers

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

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Explanations

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1. Which of the following is NOT protected under ECOA?

A. Race

B. Sex

C. Disability

D. Age

The correct answer is that disability is not specifically protected under the Equal Credit Opportunity Act (ECOA). The ECOA is designed to prevent discrimination in any aspect of credit transactions based on certain protected classes, which include race, color, religion, national origin, sex, marital status, and age (provided the applicant has the capacity to enter into a contract). Disability, while an important protected class under the Americans with Disabilities Act (ADA) and other related legislation, is not explicitly listed in the ECOA as a category for protection against credit discrimination. Therefore, people with disabilities are not granted the same specific protections under the ECOA as those provided for the other listed classes. Understanding the nuances of legislation such as ECOA and ADA is crucial for professionals in real estate and finance, as it impacts compliance obligations and the treatment of various applicants seeking credit. This distinction highlights the importance of knowing which federal laws apply in specific circumstances, especially when it comes to ensuring equitable access to credit.

2. How many square feet are in an acre?

A. 10,890 square feet

B. 20,000 square feet

C. 43,560 square feet

D. 60,000 square feet

An acre is a unit of land area that equals 43,560 square feet. This measurement is widely accepted and used in real estate, land planning, and agriculture, providing a clear and standardized way to quantify land size. Understanding this measurement is crucial for anyone working in real estate or land management, as it informs decisions regarding property purchases, sales, zoning, and land development. When working with property listings, knowing that an acre consists of 43,560 square feet allows brokers and buyers to accurately assess land and understand its value relative to other properties.

3. How does an executed contract differ from an executory contract?

A. Executed contracts are verbal while executory contracts are written

B. Executed contracts are fully performed while executory contracts are pending

C. Executed contracts involve more parties than executory contracts

D. There is no difference; they are the same

An executed contract is one that has been fully performed by all parties involved, meaning that the obligations and terms outlined in the contract have been completed. This type of contract is finalized, and each party has fulfilled their commitments, whether that involves payment, delivery of goods, or the completion of services. In contrast, an executory contract is still in progress, with some terms yet to be fulfilled. It indicates that there are remaining obligations awaiting completion by one or both parties. Understanding the difference between these two types of contracts is essential in real estate and legal contexts, as it has implications for enforcement, liability, and further actions that may be taken if terms are not met. The other choices do not accurately represent the distinctions between executed and executory contracts. For example, the nature of the contract—whether it is verbal or written—does not determine its status as executed or executory. Also, the number of parties involved is not a defining characteristic of either type of contract, and it's incorrect to claim that there is no difference between the two. Recognizing and distinguishing these terms is crucial for effective contract management in any business scenario.

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4. What does a net-net-net (triple-net) lease require from the tenant?

A. Only a fixed rent payment

B. All maintenance, operating expenses, taxes, and insurance premiums

C. Payment of rent and utilities only

D. Just maintenance and repairs

A net-net-net, or triple-net lease, is a rental agreement where the tenant agrees to pay not only the base rent but also all operating expenses associated with the property. This encompasses maintenance, operating expenses, property taxes, and insurance premiums. The primary characteristic of this lease type is that it shifts the financial responsibilities typically borne by the landlord entirely onto the tenant. In a triple-net lease, the expectation is that the tenant not only pays for the space they occupy but also contributes to the overall operating costs of the property. This arrangement provides predictability in costs for landlords since tenants handle the various expenses involved. This structure is common in commercial real estate and can be appealing to property owners looking for stable cash flow without the burden of managing property expenses. The other choices do not capture the full nature of a net-net-net lease. A fixed rent payment alone does not account for the additional responsibilities of the tenant. Similarly, a lease that specifies payment of rent and utilities only, or just maintenance and repairs, would not fulfill the comprehensive obligations that a triple-net lease entails. Thus, the detailed requirement that encompasses all maintenance, operating expenses, taxes, and insurance premiums makes the choice that states these responsibilities the clearly correct answer.

5. What is a key characteristic of a corporation owning property?

A. It can be in joint tenancy with right of survivorship

B. It has limited liability in ownership

C. It cannot take title in joint tenancy

D. It must register the property under a personal name

A corporation is a distinct legal entity that can own property in its own name, separate from its shareholders. One key characteristic of a corporation is limited liability, which protects the personal assets of its shareholders from being used to satisfy corporate debts or liabilities. This means that shareholders are only at risk of losing their investment in the corporation, rather than their personal assets. Regarding the ownership structure, a corporation cannot take title in joint tenancy because joint tenancy is a form of ownership designed for individuals, typically involving two or more persons. Joint tenancy includes the right of survivorship, where the interest of a deceased owner automatically passes to the surviving owners. Since a corporation is a separate legal entity and does not function as an individual, it cannot engage in joint tenancy. Instead, it holds property in a manner most conducive to its status as a corporation, such as outright ownership or tenancy in common with other entities or individuals. In summary, a corporation's ability to own property is characterized by its limited liability, and it cannot hold title through joint tenancy, making it distinct from individual property ownership arrangements.

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6. What does CERCLA stand for?

A. Controlled Environmental Regulation and Cleanup Act

B. Comprehensive Environmental Response, Compensation, and Liability Act

C. Construction and Environmental Remediation Compliance Law

D. Clean Energy and Resource Conservation Act

The correct answer is the Comprehensive Environmental Response, Compensation, and Liability Act. This federal law, enacted in 1980, focuses on the cleanup of sites contaminated with hazardous substances and pollutants. It establishes a framework for the cleanup of such sites and holds responsible parties liable for contamination, ensuring that they contribute to the costs associated with the cleanup. The significance of this act lies in its role in promoting the restoration of contaminated land and protecting human health and the environment. It created the Superfund program, which allocates federal funds for the cleanup of the most hazardous waste sites. Understanding this act is crucial for those involved in real estate and environmental regulation, as it impacts property transactions, particularly in cases where a property may be affected by contamination.

7. What type of points do lenders use to reduce interest rates on loans?

A. Origination points

B. Adjustment points

C. Discount points

D. Service points

Lenders use discount points to reduce interest rates on loans, making this the correct choice. Discount points are essentially upfront fees paid at closing that allow borrowers to "buy down" the interest rate on their mortgage. Each point typically equals 1% of the loan amount and results in a reduced interest rate for the life of the loan. Effectively, this means that by paying points upfront, borrowers can lower their monthly mortgage payments, which can lead to significant savings over time. In contrast, origination points are fees charged by lenders for processing a loan application. Adjustment points are not a standard term commonly used in mortgage financing, and service points typically refer to fees for additional services offered by lenders, but they do not impact the interest rate in the same way discount points do. Thus, understanding the specific function of discount points is key for borrowers looking to manage their mortgage costs effectively.

8. What are ad valorem taxes based on?

A. Income level

B. Property location

C. The value of the property

D. Property age

Ad valorem taxes are taxes based on the value of the property. This means that the amount of tax assessed is directly proportional to the value of the real estate asset. As property values increase, so do the ad valorem taxes, and this system ensures that property owners contribute to local government funding, which is often used for public services such as schools, roads, and emergency services. For example, if a property is appraised at a higher market value, the ad valorem tax levied on that property will also be higher, reflecting its increased worth. This method of taxation ensures equity in the tax system, as owners of more valuable properties are taxed at a rate that corresponds to their ability to pay, as represented by the property's market value. The other options reflect factors that do not directly determine the basis for ad valorem taxes. While income level may inform some forms of taxation, it does not apply to property taxes. Property location can influence property value but is not the basis for the tax itself. Property age may affect value but is not a measure used to assess ad valorem taxes. Therefore, the focus on the property's value as the determining factor for ad valorem taxes is the key reason for selecting that answer.

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9. Which entity is responsible for writing real estate exam questions?

A. The Department of Accredited Education

B. The State Licensing Board

C. The Real Estate Commission

D. The National Real Estate Association

The correct answer is the Real Estate Commission, as this entity has the authority and responsibility to develop the content of licensing examinations for real estate professionals. The Real Estate Commission typically consists of members who are knowledgeable about the industry, and they ensure that the questions reflect current laws, practices, and standards within the field of real estate. This includes crafting questions that assess the competency and understanding required for prospective agents and brokers to operate effectively in the market. The Department of Accredited Education may oversee educational programs but does not create the examination questions. The State Licensing Board might regulate licensing but typically does not write the test questions itself. The National Real Estate Association is more focused on advocacy and professional development and does not have a direct role in formulating licensing exam content at the state level.

10. If a licensee fails to attend a scheduled disciplinary hearing, what occurs?

A. The hearing is postponed to a later date

B. The licensee is automatically suspended

C. The hearing is held without the licensee present

D. The licensee is required to reschedule the hearing

When a licensee does not attend a scheduled disciplinary hearing, the process continues in their absence. This means that the hearing is held regardless of whether the licensee is present, allowing the disciplinary body to evaluate the case based on the evidence and arguments presented by other parties involved. This approach ensures that disciplinary actions can proceed without unnecessary delays, which supports the regulatory goals of maintaining accountability and enforcement within the profession. The option about postponing the hearing does not apply in this situation, as the intention is to resolve matters efficiently. Automatic suspension is also not mandated solely based on absence; the hearing itself determines the consequences based on its findings. Lastly, while it may seem reasonable that a licensee could be required to reschedule, the nature of disciplinary processes typically allows for the hearing to proceed without the individual's presence, emphasizing the importance of accountability even when a party does not engage in the proceedings.

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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://wastatemanagingbroker.examzify.com

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

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