

75 Hour Broker Pre Licensing Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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.

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!

Questions

- 1. What is a codicil?**
 - A. A type of trust**
 - B. An addition to a will**
 - C. A power of attorney**
 - D. A real estate agreement**
- 2. An encumbrance is described as?**
 - A. A restriction that increases property value**
 - B. A lien that diminishes property value**
 - C. A contract for property sale**
 - D. A component of zoning laws**
- 3. What defines an exclusive agency listing?**
 - A. The owner pays a commission if sold by any broker**
 - B. The owner has the right to sell without paying commission**
 - C. The broker holds exclusive rights indefinitely**
 - D. The listing is open to all brokers without restrictions**
- 4. Who is referred to as the principal in a real estate transaction?**
 - A. Client**
 - B. Agent**
 - C. Broker**
 - D. Vendor**
- 5. Which gas is naturally occurring and has been linked to lung cancer?**
 - A. Carbon monoxide**
 - B. Radon**
 - C. Chlorofluorocarbon**
 - D. Asbestos**
- 6. What does the gross rent multiplier (GRM) estimate?**
 - A. The gross annual income of a property**
 - B. The gross monthly income of a property**
 - C. The net income of a property**
 - D. The operating expenses of a property**

- 7. What does the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) primarily address?**
- A. Housing market regulations**
 - B. Environmental hazard clean-up responsibilities**
 - C. Taxation for environmental resources**
 - D. Real estate development permits**
- 8. What type of tax is imposed on the real and personal property of a decedent?**
- A. Income tax**
 - B. Estate taxes**
 - C. Capital gains tax**
 - D. Property tax**
- 9. Which term refers to the person who creates a will, particularly in relation to real estate?**
- A. Executor**
 - B. Devisor**
 - C. Devisee**
 - D. Heir**
- 10. How is 'land' legally defined in real estate?**
- A. As the total area of a parcel regardless of topography**
 - B. As any property developed for economic use**
 - C. As the earth's surface, including natural attachments**
 - D. As a designated space for human habitation**

Answers

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

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Explanations

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1. What is a codicil?

- A. A type of trust
- B. An addition to a will**
- C. A power of attorney
- D. A real estate agreement

A codicil is indeed an addition to a will. It allows a person to make changes or updates to their existing will without having to completely rewrite it. This can include altering beneficiaries, changing executors, or modifying specific provisions. By using a codicil, the testator can maintain the original document while making necessary adjustments that reflect their current wishes and circumstances. This function is vital in estate planning, as it offers flexibility in managing a person's intentions concerning the distribution of their assets upon their passing. A well-documented codicil must meet the same formal requirements as a will to ensure it is legally binding—usually requiring witness signatures, for example.

2. An encumbrance is described as?

- A. A restriction that increases property value
- B. A lien that diminishes property value**
- C. A contract for property sale
- D. A component of zoning laws

An encumbrance refers to a claim, liability, or restriction on a property that typically impacts the owner's ability to use or transfer the property freely. In this case, a lien is a type of encumbrance that can diminish property value because it represents a legal right or interest that a lender or creditor has in the property until the debt obligation is satisfied. This means that an existing lien must be resolved (usually paid off) before the property can be sold or otherwise transferred and, consequently, can lower the property's market value in the eyes of potential buyers who consider the lien as a financial burden. The other options do not accurately reflect the nature of encumbrances. A restriction that increases property value is not characteristic of encumbrances, as encumbrances typically represent limitations rather than enhancements. A contract for property sale does not capture the essence of an encumbrance, as it pertains to a transaction rather than an ongoing claim or restriction on the property. Lastly, while zoning laws involve governmental regulations that can affect property use, they are not classified as encumbrances as defined within property law. Thus, the understanding of encumbrances is critical for evaluating how they affect property ownership and marketability.

3. What defines an exclusive agency listing?

- A. The owner pays a commission if sold by any broker
- B. The owner has the right to sell without paying commission**
- C. The broker holds exclusive rights indefinitely
- D. The listing is open to all brokers without restrictions

An exclusive agency listing is characterized by the owner's right to sell the property independently without incurring a commission if the sale occurs without broker involvement. This means that while the broker has the right to earn a commission if they are the one to facilitate the sale, the owner retains the option to sell the property on their own terms without paying the broker a fee if a sale is executed without their assistance. This arrangement provides the owner with greater flexibility compared to other listing types, specifically allowing them to avoid a commission cost while still giving the broker a chance to earn a fee if they secure a buyer. Other options describe aspects that do not align with the concept of an exclusive agency listing: some suggest an indefinite control by a broker or unrestricted access to multiple brokers, which is not applicable in this context.

4. Who is referred to as the principal in a real estate transaction?

- A. Client**
- B. Agent
- C. Broker
- D. Vendor

In a real estate transaction, the principal is referred to as the client. The principal is the individual or entity that gives authority to another party (the agent or broker) to act on their behalf in the transaction. This role involves entering into a contractual relationship with the agent or broker, who then represents the principal's interests, whether in buying, selling, or leasing property. The relationship is characterized by trust, as the agent is expected to act in the best interest of the principal, adhering to fiduciary duties such as loyalty, disclosure, confidentiality, and accounting. The principal is typically the one who compensates the agent or broker for their services in the transaction. This dynamic establishes a vital foundation within the real estate industry, emphasizing the importance of the client's position in the process.

5. Which gas is naturally occurring and has been linked to lung cancer?

- A. Carbon monoxide**
- B. Radon**
- C. Chlorofluorocarbon**
- D. Asbestos**

Radon is a naturally occurring radioactive gas that is produced from the decay of uranium found in soil, rock, and water. It is particularly concerning because it can accumulate in homes and buildings, especially in areas with poor ventilation. Long-term exposure to elevated levels of radon has been linked to an increased risk of lung cancer, making it a significant public health hazard. The U.S. Environmental Protection Agency (EPA) has set guidelines to mitigate radon levels in indoor environments, emphasizing the importance of testing homes for this gas. The other options, while they can have harmful effects, do not specifically carry the same strong association with lung cancer as radon does. For instance, carbon monoxide is primarily known as a poisonous gas that can cause harmful health effects but is not directly linked to cancer. Chlorofluorocarbons (CFCs) are compounds that were commonly used in refrigerants and aerosol propellants and are more known for their role in ozone depletion rather than as carcinogens. Asbestos, while a known carcinogen linked to lung cancer and mesothelioma, is not classified as a gas; it is a mineral that can become airborne under certain conditions. Therefore, radon stands out as the correct choice regarding its natural occurrence.

6. What does the gross rent multiplier (GRM) estimate?

- A. The gross annual income of a property**
- B. The gross monthly income of a property**
- C. The net income of a property**
- D. The operating expenses of a property**

The gross rent multiplier (GRM) is a calculation used primarily in real estate to estimate the potential income a property can generate from rents. Specifically, it provides an estimate of the gross monthly income of a property by analyzing the relationship between the purchase price of the property and its rental income. To use the GRM, you divide the property's sale price by the gross monthly rent it generates. This ratio helps investors quickly assess the value of a rental property based on its income, allowing for easier comparisons among similar investments. While gross annual income and net income are important metrics in real estate, they are not directly conveyed by the GRM. Gross annual income would require an adjustment to the monthly figures, and net income accounts for operating expenses, which are not reflected in the simple GRM calculation. Therefore, the correct option focuses on the gross monthly income, which is the primary use of the GRM in evaluating investment properties.

7. What does the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) primarily address?

- A. Housing market regulations**
- B. Environmental hazard clean-up responsibilities**
- C. Taxation for environmental resources**
- D. Real estate development permits**

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund, primarily addresses the cleanup of sites contaminated with hazardous substances and pollutants. The act was established to provide a federal response to the release of hazardous wastes and to ensure that responsible parties bear the costs of cleanup. It empowers the government to identify and manage contaminated sites and outline the responsibilities of various parties involved, including past and present owners of the property. Through CERCLA, the Environmental Protection Agency (EPA) can take necessary actions to protect public health and the environment from hazardous waste. This underscores the act's primary focus on ensuring proper environmental management and remediation rather than housing regulations, taxation, or permitting for real estate development.

8. What type of tax is imposed on the real and personal property of a decedent?

- A. Income tax**
- B. Estate taxes**
- C. Capital gains tax**
- D. Property tax**

The correct answer is estate taxes, which are specifically imposed on the transfer of a decedent's assets upon death. Estate taxes are based on the total value of the deceased person's property and assets, which may include real estate, personal property, cash, and investments. This tax is assessed before the assets are distributed to the heirs or beneficiaries, and it is typically calculated on the gross value of the estate, minus any allowable deductions, such as debts and certain expenses. These taxes are distinct from income tax, which is levied on earnings, and capital gains tax, which applies to profits from the sale of an asset. Property tax generally refers to taxes imposed on real estate owned by an individual, based on the assessed value of that property, but does not apply to an estate as a whole when transferred after death. Estate taxes specifically address the financial implications of transferring ownership of the decedent's estate, highlighting the need for effective estate planning to possibly minimize this tax obligation.

9. Which term refers to the person who creates a will, particularly in relation to real estate?

- A. Executor**
- B. Devisor**
- C. Devisee**
- D. Heir**

The term that specifically refers to the person who creates a will, especially in relation to real estate, is "devisor." A devisor is someone who bequeaths real property through the provisions of their will. They determine how their real estate will be distributed after their death, which is a significant aspect of estate planning. Understanding this role is essential when discussing wills and their impact on property ownership and inheritance. The other terms relate to different roles within the context of a will: the executor is responsible for carrying out the instructions in the will, ensuring that the deceased's wishes are honored and that assets are distributed appropriately. The devisee, on the other hand, refers to the person who receives the property as specified by the devisor in the will. Lastly, an heir is someone who stands to inherit assets by law if there is no will. Thus, the focus on the creator of the will and their intentions distinctly identifies the role of the devisor.

10. How is 'land' legally defined in real estate?

- A. As the total area of a parcel regardless of topography**
- B. As any property developed for economic use**
- C. As the earth's surface, including natural attachments**
- D. As a designated space for human habitation**

The legal definition of 'land' in real estate is focused on the earth's surface and encompasses not only the ground itself but also any natural attachments that it may have, such as trees, minerals, and water. This definition is foundational in real estate because it clarifies what constitutes land as a physical entity and as a legal concept. Natural attachments are significant because they can affect property rights, ownership, and value. This definition establishes a clear boundary that differentiates land from other types of property, such as buildings or improvements made on that land, which are considered separate from the land itself. Understanding this comprehensive definition is essential for real estate professionals as it influences property transactions, land use regulations, and property rights. The other choices do not accurately capture the legal definition of land. While the concept of total area, development for economic use, and habitation spaces are relevant in discussions about real estate, they do not encompass the full legal description of land as includes its surface and natural features.

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://75hourbroker.examzify.com>

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