

75 HOUR BROKER PRE LICENSING PRACTICE TEST (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.

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

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1. What is encapsulation used for?

- A. Enhancing property value
- B. Controlling environmental contamination
- C. Creating employment contracts
- D. Determining tax assessments

2. What is the buffer zone in the context of real estate?

- A. A financial reserve for transactions
- B. A safety area between different land uses
- C. A zone for high-density development
- D. A market analysis tool

3. What is the legal definition of a latent defect?

- A. An obvious and visible defect that requires immediate attention
- B. A hidden structural defect not discoverable by ordinary inspection
- C. A defect that can be fixed without major repairs
- D. An environmental hazard affecting the property

4. What is the penalty called that is imposed on a borrower for paying off the loan early?

- A. Price fixing
- B. Power of attorney
- C. Prepayment penalty
- D. Principal

5. Who benefits from the fiduciary duties of a real estate licensee?

- A. The licensee themselves
- B. The principal party in the transaction
- C. Other agents in the transaction
- D. The government regulatory body

- 6. What is the primary purpose of laying soil over a landfill and planting grass?**
- A. To enhance aesthetic value and prevent erosion
 - B. To increase the landfill's capacity
 - C. To promote wildlife habitat
 - D. To facilitate gas emissions
- 7. What is meant by "chain of title" in real estate?**
- A. The current owner's rights to the title
 - B. The sequence of property conveyances over time
 - C. The current financial obligations of a property
 - D. The associated zoning requirements of the property
- 8. Which method calculates depreciation by dividing the adjusted basis of a property by the remaining useful life?**
- A. Declining balance method
 - B. Accelerated method
 - C. Straight-line method
 - D. Sum-of-the-years-digits method
- 9. What is a security deposit in the context of leasing property?**
- A. Rent paid at the end of the lease term
 - B. A fee for early termination of the lease
 - C. A payment held by the landlord to cover potential damages
 - D. An advance payment towards the last month's rent
- 10. What term is used for real estate practices that prevent lenders from competing fairly?**
- A. Plottage
 - B. Price fixing
 - C. Primary mortgage market
 - D. Prepaid item

Answers

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

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Explanations

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1. What is encapsulation used for?

- A. Enhancing property value
- B. Controlling environmental contamination**
- C. Creating employment contracts
- D. Determining tax assessments

Encapsulation is a crucial practice primarily used in environmental remediation. It involves enclosing contaminated materials to prevent the spread of pollutants and to protect both human health and the environment. This method is especially relevant in handling hazardous waste, as it minimizes the potential for contamination of soil, groundwater, and surrounding areas. By enclosing contaminants, encapsulation helps to control environmental contamination more effectively, allowing for safer management of potentially harmful substances. It is a vital technique employed in various situations, such as in the construction of buildings where remnants of contaminated soil may be present or in the capping of landfills to prevent leachate production. The other options relate to different domains: enhancing property value deals with improving real estate assets, creating employment contracts pertains to labor relations, and determining tax assessments involves financial evaluations for taxation purposes. These concepts, while important, do not involve the protective measures and environmental management that encapsulation directly addresses.

2. What is the buffer zone in the context of real estate?

- A. A financial reserve for transactions
- B. A safety area between different land uses**
- C. A zone for high-density development
- D. A market analysis tool

The buffer zone in real estate refers to a safety area between different land uses. This concept is crucial in zoning and land use planning, as it helps mitigate potential conflicts that may arise from having incompatible land uses adjacent to one another. For instance, a buffer zone might be established between residential properties and industrial areas to reduce noise, pollution, and visual disturbances from the industrial activities. This separation can enhance livability and overall community satisfaction by protecting residential areas from the negative impacts of commercial or industrial activities. Essentially, buffer zones create a transition area that can be landscaped or left open to serve as a natural barrier, thus promoting harmony between different types of developments.

3. What is the legal definition of a latent defect?

- A. An obvious and visible defect that requires immediate attention
- B. A hidden structural defect not discoverable by ordinary inspection**
- C. A defect that can be fixed without major repairs
- D. An environmental hazard affecting the property

A latent defect is defined as a hidden structural defect that is not discoverable through ordinary inspections. This means that these defects can significantly affect the value and safety of a property but may not be apparent during a routine examination. Because they are concealed, latent defects pose special challenges for buyers and sellers, as the existence of such defects can lead to disputes over the disclosure requirements during a real estate transaction. Understanding this definition is crucial in real estate transactions, as it affects obligations for sellers to disclose known issues and can influence a buyer's decision-making process. Additionally, latent defects can impact warranties and establish liability if issues arise after the purchase. In scenarios involving properties, being able to accurately identify what constitutes a latent defect helps ensure that all parties involved have a clear understanding of their rights and responsibilities.

4. What is the penalty called that is imposed on a borrower for paying off the loan early?

- A. Price fixing
- B. Power of attorney
- C. Prepayment penalty**
- D. Principal

A prepayment penalty is a fee that lenders may impose on borrowers who pay off their loans before the agreed-upon maturity date. This penalty is designed to compensate the lender for the loss of interest income that would have been earned had the borrower continued to make regular payments until the end of the loan term. By including a prepayment penalty, lenders can mitigate the financial risk associated with early loan repayment, which can impact their overall revenue. It's essential to note that not all loans have prepayment penalties, as some lenders may choose to offer loans without these fees to attract more borrowers. However, when a prepayment penalty is stipulated in a loan agreement, it becomes a crucial aspect for borrowers to consider before refinancing or paying off a loan early. Understanding this concept helps borrowers make informed financial decisions regarding their loans.

5. Who benefits from the fiduciary duties of a real estate licensee?

- A. The licensee themselves
- B. The principal party in the transaction**
- C. Other agents in the transaction
- D. The government regulatory body

The principal party in the transaction, often referred to as the client or the principal, benefits from the fiduciary duties of a real estate licensee. Fiduciary duties are legal obligations that require the licensee to act in the best interest of their client. This includes duties such as loyalty, confidentiality, disclosure, and care. When a licensee represents a principal, they must prioritize the principal's needs and interests above their own and any other parties involved. For example, if the licensee is helping a seller, they must not disclose confidential information about the seller's financial situation or their reasons for selling, which could affect the seller's negotiating position. This protective framework ensures that the principal party receives the most favorable outcome from the real estate transaction. In contrast, the other choices do not receive direct benefits from the fiduciary duties in the same manner. While the licensee has a professional responsibility to all parties involved, their fiduciary obligations specifically benefit the principal above all else. Other agents in the transaction may interact with the licensee but do not receive the dedicated protections that the principal does. Similarly, while the government regulatory body oversees the conduct of licensees to ensure compliance with real estate laws, they do not derive personal benefit from the fiduciary

6. What is the primary purpose of laying soil over a landfill and planting grass?

- A. To enhance aesthetic value and prevent erosion**
- B. To increase the landfill's capacity
- C. To promote wildlife habitat
- D. To facilitate gas emissions

The primary purpose of laying soil over a landfill and planting grass is to enhance aesthetic value and prevent erosion. Covering a landfill with soil and establishing vegetation serves multiple important functions. Firstly, it greatly improves the visual appeal of the site, making it less of an eyesore in the landscape. Secondly, the grass and plants help stabilize the soil, reducing erosion caused by wind and water, which is crucial for maintaining the integrity of the landfill cover over time. While increasing the landfill's capacity is a consideration in landfill design, adding soil and vegetation does not directly contribute to this goal. The intention isn't to make the landfill larger but to manage its surface. Promoting wildlife habitat is a potential secondary benefit, but enhancing aesthetics and preventing erosion are primary, immediate benefits of this practice. Facilitating gas emissions is not a goal of planting grass; rather, addressing gas emissions is often a separate matter involving landfill management practices aimed at controlling leachate and gases released from decomposing waste.

7. What is meant by "chain of title" in real estate?

- A. The current owner's rights to the title
- B. The sequence of property conveyances over time**
- C. The current financial obligations of a property
- D. The associated zoning requirements of the property

The term "chain of title" refers to the sequence of property conveyances over time, detailing the history of ownership from the first recorded owner to the current owner. This record includes all transfers, sales, and other events that affect the title to the property, and it serves to establish legal ownership and verify that the title is clear of defects. Understanding the chain of title is critical in real estate transactions because it helps prospective buyers determine if there are any claims, liens, or encumbrances on the property that could affect their ownership rights. It is also key in resolving disputes over ownership and ensuring that the property can be sold or mortgaged without legal complications. The other options refer to different concepts in real estate. The current owner's rights pertain to what the existing titleholder can lawfully do with the property, while financial obligations involve debts or mortgages associated with the property. Zoning requirements, on the other hand, relate to land-use regulations pertinent to a property. Each of these is separate from the chain of title, which is specifically focused on the historical transfer of ownership.

8. Which method calculates depreciation by dividing the adjusted basis of a property by the remaining useful life?

- A. Declining balance method
- B. Accelerated method
- C. Straight-line method**
- D. Sum-of-the-years-digits method

The straight-line method calculates depreciation by taking the adjusted basis of a property and dividing it by the property's remaining useful life. This provides a consistent and straightforward approach to recognizing and allocating the cost of the property over time. In this method, the annual depreciation expense remains constant throughout the useful life of the asset, making it an easier calculation and providing predictability in financial statements. It is particularly useful for properties that have a consistent value over time, allowing owners and accountants to plan for maintenance and replacement costs. Other methods of depreciation, such as the declining balance method or accelerated method, calculate depreciation in a way that reflects higher expenses in the earlier years of an asset's life, which is different from the straight-line approach. The sum-of-the-years-digits method also assigns higher depreciation early on, contrasting with the stability provided by the straight-line method.

9. What is a security deposit in the context of leasing property?

- A. Rent paid at the end of the lease term
- B. A fee for early termination of the lease
- C. A payment held by the landlord to cover potential damages**
- D. An advance payment towards the last month's rent

A security deposit in the context of leasing property is a payment made by a tenant to the landlord that serves as a precautionary measure against potential damages to the property or unpaid rent during the lease term. The primary purpose of the security deposit is to protect the landlord's interests, ensuring that there are funds available to repair any damages that may occur beyond normal wear and tear or to cover any unpaid rent before the tenant vacates the property. When a tenant moves out, the landlord typically assesses the condition of the property and determines if any deductions from the security deposit are warranted based on damage or necessary cleaning. If no deductions are needed, the full deposit is returned to the tenant. This practice helps encourage tenants to take care of the property they are renting, knowing that they will be held financially responsible for any significant issues that arise during their occupancy. In contrast, other options mentioned pertain to different aspects of leasing but do not correctly define a security deposit. For example, rent paid at the end of the lease term is simply the payment for the use of the property and not related to damages or unpaid obligations. A fee for early termination of the lease reflects penalties for breaking the lease agreement prematurely, while an advance payment towards the last month's rent is a

10. What term is used for real estate practices that prevent lenders from competing fairly?

- A. Plottage
- B. Price fixing**
- C. Primary mortgage market
- D. Prepaid item

The term that refers to real estate practices preventing lenders from competing fairly is price fixing. Price fixing occurs when competing parties agree on pricing strategies rather than allowing market forces to dictate prices. In the context of real estate, this practice can undermine fair competition among lenders, potentially leading to higher costs for consumers and limiting their options. Price fixing is illegal and goes against fair trade practices, as it hampers the principles of a free market where various lenders should compete on interest rates and terms to benefit borrowers. Understanding this concept is important, as it helps recognize practices that can lead to unfair advantages or disadvantages within the real estate lending market.

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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://75hourbroker.examzify.com>

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

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