

ACEABLEAGENT PROMULGATED CONTRACTS PRACTICE TEST (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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. If a buyer wants to change the zoning of a previously farmed property to residential, who is liable for rollback taxes?**
 - A. Seller
 - B. Government
 - C. Buyer
 - D. Real Estate Agent

- 2. How many days does a seller have to cure a valid objection listed by the buyer?**
 - A. 10 days
 - B. 15 days
 - C. 30 days
 - D. 5 days

- 3. What happens when an offer is countered?**
 - A. The original offer stands
 - B. The acceptance is implied
 - C. The original offer is effectively rejected
 - D. The counteroffer must be accepted immediately

- 4. What role does title insurance serve in real estate transactions?**
 - A. It guarantees the property value remains constant
 - B. It protects the buyer and lender from financial loss due to title defects
 - C. It acts as a payment method between buyer and seller
 - D. It provides legal representation during the transaction

- 5. Why is "property description" critical in a contract?**
 - A. It outlines the tax liabilities associated with the property.
 - B. It provides a precise and legally recognizable description of the property being sold.
 - C. It specifies the market value of the property in question.
 - D. It includes the seller's contact information for future reference.

6. Which paragraph details that a buyer accepts property "as is" and with all defects?
- A. 4B
 - B. 7D
 - C. 10A
 - D. 5F
7. What is meant by "specific performance" as a legal remedy?
- A. A financial compensation for damages incurred.
 - B. A court order compelling a party to fulfill their contractual obligations.
 - C. A temporary measure to secure performance until the case is resolved.
 - D. A method for amending contract terms after a breach.
8. What is the purpose of a contingency addendum in a residential contract?
- A. To specify loan terms
 - B. To allow for property inspection
 - C. To facilitate the sale of another property
 - D. To define closing procedures
9. What defines a "listing agreement"?
- A. A contract that outlines the fees associated with using a broker.
 - B. A contract between a property owner and a broker authorizing the broker to market and sell the property.
 - C. An agreement that specifies the time frame for selling a property.
 - D. A legal document that provides title insurance to buyers.
10. What does an upfront mortgage insurance premium (UFMIP) pertain to?
- A. A fee paid annually on all mortgage loans
 - B. A one-time payment for FHA loans at closing
 - C. A monthly service charge for homeowners
 - D. An interest rate reduction strategy

Answers

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

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Explanations

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1. If a buyer wants to change the zoning of a previously farmed property to residential, who is liable for rollback taxes?

- A. Seller
- B. Government
- C. Buyer**
- D. Real Estate Agent

When a buyer decides to change the zoning of a property from agricultural to residential, they may be subject to rollback taxes. Rollback taxes are typically assessed by the local government and are due when property that has been receiving agricultural tax assessments is converted to a different use, in this case, residential purposes. In this scenario, the buyer is liable for the rollback taxes because they are the party initiating the change in use. As the new owner, the buyer must assume responsibility for any tax implications arising from that change. These taxes are designed to recover the difference in tax revenues that the local government would have collected had the property been classified as residential from the beginning, rather than benefiting from lower agricultural tax rates. The seller is not liable for these taxes since the liability shifts to the buyer once the zoning change is requested and enacted. Similarly, the government is merely the authority that assesses these taxes and is not responsible for their payment. Real estate agents also do not bear responsibility for rollback taxes, as their role is to facilitate the transaction rather than to manage tax obligations associated with property changes. Thus, the buyer assumes this liability as part of the property ownership and zoning change process.

2. How many days does a seller have to cure a valid objection listed by the buyer?

- A. 10 days
- B. 15 days**
- C. 30 days
- D. 5 days

The seller has a specific timeframe to address a valid objection raised by the buyer in a real estate transaction, which is 15 days. This period is crucial as it allows the seller to resolve any issues that may hinder the sale process. The timeframe for curing objections is often stipulated in the contract to ensure clarity and fairness for both parties involved. Understanding the importance of this period is essential for both sellers and buyers. It not only reflects the seller's responsibility to respond to concerns but also keeps the transaction moving forward. If the seller fails to remedy the objection within the allocated 15 days, this may allow the buyer to potentially terminate the contract or pursue other remedies as specified in the agreement.

3. What happens when an offer is countered?

- A. The original offer stands
- B. The acceptance is implied
- C. The original offer is effectively rejected**
- D. The counteroffer must be accepted immediately

When an offer is countered, the original offer is effectively rejected. This means that when one party presents a counteroffer, it terminates the original offer made by the other party. The counteroffer introduces new terms that the original offeror can accept, reject, or negotiate further but does not leave the initial offer on the table for consideration. In contract law, this principle is significant because it clarifies the dynamics of negotiation between the parties. By countering an offer, the understanding is that the initial terms are no longer valid, and any agreement will need to be formed on the basis of the new terms proposed. This process is essential in forming a legally binding contract, as both parties must agree on the same terms for a contract to exist. The other options do not align with the principles of contract negotiation and formation regarding counteroffers. The original offer does not stand when countered, acceptance is not implied with a counteroffer, and there is no requirement for immediate acceptance of a counteroffer.

4. What role does title insurance serve in real estate transactions?

- A. It guarantees the property value remains constant
- B. It protects the buyer and lender from financial loss due to title defects**
- C. It acts as a payment method between buyer and seller
- D. It provides legal representation during the transaction

Title insurance plays a crucial role in identifying and addressing issues related to property ownership. Specifically, it protects the buyer and lender from financial loss arising from title defects. These defects may include issues such as liens, encumbrances, or errors in public records, which could potentially impact the rightful ownership of the property. When a buyer purchases a property, they want assurance that they are acquiring clear and marketable title. Title insurance provides this assurance by conducting a thorough title search before the transaction is completed. If any problems are discovered, they can often be resolved prior to closing. Additionally, in the event that a claim arises after the purchase, title insurance will provide defense against legal challenges and cover associated costs, protecting the financial investment of both the buyer and lender. The other choices do not accurately describe the function of title insurance. While property values can fluctuate, title insurance does not guarantee a property's value will remain constant. It also does not serve as a payment method between the buyer and seller, nor does it offer legal representation during the transaction; rather, it is a financial safeguard focused on title integrity. This unique aspect highlights why title insurance is a fundamental component of real estate transactions, ensuring peace of mind for all parties involved.

5. Why is "property description" critical in a contract?

- A. It outlines the tax liabilities associated with the property.
- B. It provides a precise and legally recognizable description of the property being sold.**
- C. It specifies the market value of the property in question.
- D. It includes the seller's contact information for future reference.

The relevance of "property description" in a contract lies in its role as a precise and legally recognizable description of the property being sold. This is crucial because it ensures that all parties involved have a clear understanding of what property is being discussed. A well-defined property description minimizes confusion and disputes regarding boundaries, rights, and characteristics of the property. It typically includes details such as the property's address, lot number, and any other identifiable features that would distinguish it from other properties. This clarity helps facilitate the transaction and ensures legal enforceability, as contracts must reference specific, tangible items. When potential disputes arise over what property was meant to be conveyed, a well-crafted property description serves as a key point of reference, preventing or resolving conflicts effectively. Other options, while potentially relevant in different contexts, do not focus on the fundamental purpose of accurately defining the property involved in a real estate transaction.

6. Which paragraph details that a buyer accepts property "as is" and with all defects?

- A. 4B
- B. 7D**
- C. 10A
- D. 5F

The correct choice pertains to a section in the contract that specifically addresses the buyer's acknowledgment of the property's condition. In this context, the relevant paragraph clarifies that the buyer is accepting the property in its current state, which includes any existing defects, regardless of whether those defects are known or unknown at the time of sale. The language often used in such paragraphs emphasizes that the buyer is making a decision to proceed with the purchase without imposing an obligation on the seller to repair or address any issues with the property. This understanding is crucial in real estate transactions as it delineates the responsibilities of both parties and assures that the buyer is informed of, and agrees to, the property's condition before finalizing the purchase. This acceptance 'as is' helps protect sellers from future claims related to undisclosed defects, as the buyer has agreed to accept the property with any and all imperfections as part of the purchase agreement. Understanding this clause is vital since it impacts the buyer's due diligence responsibilities and reinforces the importance of thorough inspections prior to closing a deal.

7. What is meant by "specific performance" as a legal remedy?

- A. A financial compensation for damages incurred.
- B. A court order compelling a party to fulfill their contractual obligations.**
- C. A temporary measure to secure performance until the case is resolved.
- D. A method for amending contract terms after a breach.

"Specific performance" refers to a legal remedy that involves a court order requiring a party to fulfill their obligations as outlined in a contract. This remedy is often sought in situations where monetary damages would be insufficient to remedy the harm caused by a breach of contract. For example, in real estate transactions, where each property is unique, a court may order the seller to transfer ownership of the property to the buyer rather than simply awarding monetary damages. This remedy underscores the principle that contracts are binding agreements and that parties are expected to honor their commitments. Specific performance is typically used in circumstances where the subject matter of the contract cannot be replicated or where the damages from non-performance would not provide adequate relief. In contrast, financial compensation addresses the loss incurred due to a breach but does not compel the breaching party to fulfill the contract. Temporary measures serve to maintain the status quo pending the outcome of litigation, while amending contract terms after a breach relates to renegotiating the terms rather than enforcing the original agreement.

8. What is the purpose of a contingency addendum in a residential contract?

- A. To specify loan terms
- B. To allow for property inspection
- C. To facilitate the sale of another property**
- D. To define closing procedures

A contingency addendum in a residential contract is primarily designed to outline specific conditions that must be met for the contract to remain valid. One of the common uses of a contingency addendum is to facilitate the sale of another property. This is particularly relevant when a buyer needs to sell their current home in order to finance the purchase of a new one. In this case, the contingency stipulates that the buyer's obligation to complete the purchase of the new property is contingent upon the successful sale of their existing home. If the existing home does not sell within a specified timeframe, the buyer has the right to withdraw from the purchase without facing penalties, thereby protecting their interests. The other options relate to different aspects of a real estate transaction but do not accurately capture the primary function of a contingency addendum. Specifying loan terms primarily falls under loan documentation, while property inspection conditions usually have their own separate clauses. Defining closing procedures is part of the overall contractual agreement but is not the primary purpose of a contingency addendum.

9. What defines a "listing agreement"?

- A. A contract that outlines the fees associated with using a broker.
- B. A contract between a property owner and a broker authorizing the broker to market and sell the property.**
- C. An agreement that specifies the time frame for selling a property.
- D. A legal document that provides title insurance to buyers.

A listing agreement is a fundamental document in real estate transactions, serving as a contract between a property owner and a broker. It grants the broker the authority to market and sell the property on behalf of the owner. This agreement delineates the responsibilities of the broker, including promoting the property, conducting showings, and facilitating negotiations. It establishes a professional relationship where the broker is incentivized to sell the property efficiently and effectively, often in exchange for a commission based on the sale price. While other factors, such as the time frame for selling and associated fees, may be included within the broader context of a listing agreement, the defining characteristic of this document is its role in granting marketing authority to the broker. It is essential for both the property owner and the broker to clearly understand the terms outlined in the listing agreement to ensure a smooth selling process. The mention of title insurance is unrelated to the purpose of a listing agreement, as that pertains more to protecting the buyer's financial interest in the property rather than the marketing and sale process itself.

10. What does an upfront mortgage insurance premium (UFMIP) pertain to?

- A. A fee paid annually on all mortgage loans
- B. A one-time payment for FHA loans at closing**
- C. A monthly service charge for homeowners
- D. An interest rate reduction strategy

An upfront mortgage insurance premium (UFMIP) is specifically associated with Federal Housing Administration (FHA) loans. It is a one-time premium paid by the borrower at the closing of the loan. This premium is required for FHA loans to provide mortgage insurance, which protects the lender in the event of default by the borrower. The UFMIP is essential for facilitating access to mortgage financing for borrowers with lower down payments, making homeownership more attainable. This fee is based on a percentage of the loan amount and is typically added to the total mortgage amount, which means borrowers finance the UFMIP over the life of the loan. In contrast, other options such as an annual fee or monthly service charge do not accurately define UFMIP, which is distinctively a one-time upfront payment. An interest rate reduction strategy is unrelated to UFMIP, as it does not involve mortgage insurance costs but rather focuses on lowering monthly payment obligations through interest rate adjustments.

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://aceablepromulgatedcontracts.examzify.com>

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

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