

Agent Roles and Obligations in Maryland 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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. What does the term “good faith” mean in agency relationships?**
 - A. Dishonest intentions**
 - B. Uncommunicative dealings**
 - C. Honest intentions and fair dealings**
 - D. Only following the client's instructions**

- 2. What distinguishes express authority from implied authority?**
 - A. Express authority is clearly stated, while implied authority is assumed**
 - B. Implied authority is written, while express authority is verbal**
 - C. Express authority can be revoked, while implied authority cannot**
 - D. Both express and implied authorities require written consent**

- 3. What is the purpose of the Agency Disclosure and Consent form in Maryland?**
 - A. To inform consumers about the nature of the agency relationship**
 - B. To qualify agents for license renewals**
 - C. To evaluate agent performance**
 - D. To protect agents from legal issues**

- 4. Tim is represented by Kayla, and they view a home listed by Tiara. What type of agency exists here?**
 - A. Sub-agency**
 - B. Buyer agency**
 - C. Not sub-agency**
 - D. Dual agency**

- 5. What is the primary role of a real estate agent in Maryland?**
 - A. To act as a fiduciary representing their client's interests**
 - B. To negotiate only on behalf of the buyer**
 - C. To act as a mediator between banks and clients**
 - D. To conduct appraisals for properties**

- 6. What does fiduciary duty imply in agency relationships?**
- A. An obligation to act in the principal's best interests**
 - B. A requirement to report all profits to the principal**
 - C. A contract outlining the terms of agency**
 - D. An expectation of mutual benefit**
- 7. Who is an intra-company agent?**
- A. A licensee who works independently of the brokerage.**
 - B. A licensee appointed by the broker to represent a party in a dual agency.**
 - C. A buyer's agent representing only buyers.**
 - D. A general agent representing multiple properties simultaneously.**
- 8. What is the "duty of loyalty" in Maryland agency relationships?**
- A. Allows agents to prioritize their own interests**
 - B. Requires agents to disclose all personal relationships**
 - C. Mandates agents prioritize the principal's interests above their own**
 - D. Gives agents the right to act without informing the principal**
- 9. How is "reasonable care" defined for agents in Maryland?**
- A. As acting without any errors**
 - B. As performing duties without supervision**
 - C. As applying care that a reasonable person would exercise**
 - D. As completing tasks quickly**
- 10. Which practice is NOT advisable when handling a potential conflict of interest?**
- A. Seeking consent from all parties**
 - B. Ensuring transparency**
 - C. Relying on personal judgment**
 - D. Documenting all disclosures**

Answers

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

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Explanations

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1. What does the term “good faith” mean in agency relationships?

- A. Dishonest intentions**
- B. Uncommunicative dealings**
- C. Honest intentions and fair dealings**
- D. Only following the client's instructions**

In the context of agency relationships, the term "good faith" fundamentally refers to the expectation that the agent will act with honest intentions and engage in fair dealings on behalf of the principal. It embodies a commitment to integrity and trust, which are essential elements in agency law. This means that the agent is obligated to put the principal's interests first, maintain transparency in their actions, and avoid any behavior that could harm the relationship or the principal's interests. Good faith is crucial because it ensures that the principal can rely on the agent to act in a manner that is not only truthful but also equitable, which fosters confidence and effectiveness in the agency relationship. Agents who operate in good faith help uphold legal standards and ethical practices, which can protect both parties involved in the relationship. In contrast, dishonest intentions or uncommunicative dealings would violate the principles of good faith, undermining trust between the agent and the principal. Additionally, merely following the client's instructions does not encompass the broader obligation of acting in the client's best interest, which includes the necessity of exercising judgment and discretion.

2. What distinguishes express authority from implied authority?

- A. Express authority is clearly stated, while implied authority is assumed**
- B. Implied authority is written, while express authority is verbal**
- C. Express authority can be revoked, while implied authority cannot**
- D. Both express and implied authorities require written consent**

Express authority is clearly stated, typically through written or verbal communication, providing the agent with specific power to act on behalf of the principal in particular situations. This clarity delineates the agent's role and the limits of their authority, making it evident what actions they are permitted to take. On the other hand, implied authority refers to the powers that are not explicitly granted but are inferred from the actions or circumstances surrounding the relationship between the agent and the principal. This type of authority arises from the necessity to carry out the express authority or from the customary practices in specific contexts. Thus, the critical distinction is that express authority is explicitly communicated, while implied authority is derived from the nature of the agent's role and the needs of the principal, making the first option accurate and affirming the difference between these two forms of agency relationships.

3. What is the purpose of the Agency Disclosure and Consent form in Maryland?

- A. To inform consumers about the nature of the agency relationship**
- B. To qualify agents for license renewals**
- C. To evaluate agent performance**
- D. To protect agents from legal issues**

The Agency Disclosure and Consent form in Maryland serves a crucial role in informing consumers about the nature of the agency relationship. This document clarifies the duties and responsibilities of the agent towards the client and outlines how the agent will represent the client in real estate transactions. It is essential for establishing transparency in the agent-consumer relationship, thereby enabling consumers to make informed decisions when entering agreements. This form is a statutory requirement in Maryland, and its primary purpose is to ensure that consumers understand whether the agent is acting as a representative of the buyer, the seller, or both (dual agency), and what that means for their rights and obligations. By clearly explaining these aspects, the form protects consumers and promotes fair practice within the real estate industry. The other options do not accurately reflect the primary purpose of the Agency Disclosure and Consent form. It is not focused on qualifying agents for license renewals, evaluating agent performance, or specifically protecting agents from legal issues, although providing a clear understanding of relationships may have some ancillary legal protection.

4. Tim is represented by Kayla, and they view a home listed by Tiara. What type of agency exists here?

- A. Sub-agency**
- B. Buyer agency**
- C. Not sub-agency**
- D. Dual agency**

In this scenario, the relationship between Tim, who is the buyer, and Kayla, who is his representative, establishes a buyer agency. This means that Kayla has a fiduciary duty to represent Tim's interests in the real estate transaction. When Tim views a home listed by Tiara, who is likely the seller's agent, it reinforces that Kayla is acting on behalf of Tim as his agent in the transaction. The concept of sub-agency would apply if Kayla were acting as an agent for the seller as well or if a second agent were involved in representing the seller without primary authority. In this case, however, there is no indication that Kayla is acting on behalf of Tiara or the seller; her role is strictly to represent Tim. Therefore, since the situation clearly defines Kayla's agency relationship solely with Tim, it does not fit the definition of sub-agency or dual agency. Additionally, dual agency would occur if Kayla represented both the buyer and seller in the same transaction, which is not the case here, as *she is only representing Tim*. The correct identification of the type of agency is necessary for understanding the roles and obligations that each party has in this real estate context, leading us to recognize that the

5. What is the primary role of a real estate agent in Maryland?

- A. To act as a fiduciary representing their client's interests**
- B. To negotiate only on behalf of the buyer**
- C. To act as a mediator between banks and clients**
- D. To conduct appraisals for properties**

The primary role of a real estate agent in Maryland is to act as a fiduciary representing their client's interests. A fiduciary relationship is one in which the agent is legally obligated to act in the best interest of their client, maintaining loyalty, confidentiality, and full disclosure. This relationship is fundamental in real estate transactions, as agents guide their clients through complex processes, advocate for their needs, and provide essential expertise to help achieve favorable outcomes. The other options, while they might reflect certain functions within the real estate industry, do not encompass the primary role of a real estate agent in Maryland. Negotiating only on behalf of the buyer does not capture the complete spectrum of an agent's responsibilities since agents can represent both buyers and sellers. Acting as a mediator between banks and clients or conducting appraisals are specific tasks that may be part of the broader real estate process but do not define the central duty of a real estate agent. Thus, the fiduciary responsibility truly encapsulates the essence of what a real estate agent is obligated to do in Maryland.

6. What does fiduciary duty imply in agency relationships?

- A. An obligation to act in the principal's best interests**
- B. A requirement to report all profits to the principal**
- C. A contract outlining the terms of agency**
- D. An expectation of mutual benefit**

Fiduciary duty in agency relationships entails an obligation for the agent to act in the best interests of the principal. This foundational principle means that the agent must prioritize the principal's interests above their own and provide loyalty, full disclosure, and care in managing the principal's affairs. The relationship is built on trust, and the agent must avoid any conflicts of interest or self-dealing that may harm the principal. While the other options touch upon aspects of agency, they do not encapsulate the essence of fiduciary duty. Reporting profits or maintaining a contract are transactional or procedural elements but do not reflect the deeper ethical obligation inherent in fiduciary relationships. The expectation of mutual benefit also does not capture the one-sided responsibility that the agent has towards the principal, which is at the core of fiduciary duty.

7. Who is an intra-company agent?

- A. A licensee who works independently of the brokerage.
- B. A licensee appointed by the broker to represent a party in a dual agency.**
- C. A buyer's agent representing only buyers.
- D. A general agent representing multiple properties simultaneously.

The role of an intra-company agent is best described as a licensee appointed by the broker to represent a party in a dual agency. In the context of real estate, this type of agent operates within a single brokerage but can represent more than one party in a transaction, provided that full disclosure and consent are obtained from all involved parties. This arrangement is crucial in dual agency situations, where both the buyer and seller are represented by the same brokerage. The intra-company agent acts as a facilitator of communication and negotiation between the parties while ensuring the obligations of confidentiality and loyalty to both sides are maintained. This role is distinct from a licensee who works independently of the brokerage, as that individual does not have the same obligations or relationships with the brokerage when it comes to client representation. Similarly, a buyer's agent typically represents only buyers, which does not encompass the dual agency aspect of intra-company agency. Lastly, a general agent representing multiple properties simultaneously would not specifically imply the dual representation necessary in intra-company agency situations, as their focus is primarily on managing a range of properties rather than engaging in dual agency relationships.

8. What is the "duty of loyalty" in Maryland agency relationships?

- A. Allows agents to prioritize their own interests
- B. Requires agents to disclose all personal relationships
- C. Mandates agents prioritize the principal's interests above their own**
- D. Gives agents the right to act without informing the principal

The "duty of loyalty" in Maryland agency relationships is a fundamental principle that mandates agents to prioritize the principal's interests above their own. This duty is essential in ensuring that agents act in a manner that is consistent with the best interests of their principals, thereby fostering trust and integrity in the agency relationship. When an agent undertakes the responsibility to act on behalf of the principal, they are expected to refrain from any actions that could potentially harm the principal's interests, even if doing so could benefit the agent personally. This duty encompasses various aspects, such as avoiding conflicts of interest, not competing with the principal, and not misappropriating the principal's resources or opportunities. Understanding this duty is crucial for maintaining ethical standards and legal compliance within agency relationships. It is the foundation upon which the trust between an agent and a principal is built, as it ensures that agents place the needs and objectives of their principals at the forefront of their decision-making.

9. How is "reasonable care" defined for agents in Maryland?

- A. As acting without any errors
- B. As performing duties without supervision
- C. As applying care that a reasonable person would exercise**
- D. As completing tasks quickly

In Maryland, "reasonable care" for agents is defined as the application of care that a reasonable person would exercise in similar circumstances. This concept is rooted in common law principles that require agents to act with the level of skill, care, and diligence that is expected of a reasonably prudent person in the same position. The standard recognizes that agents are expected to perform their duties competently and to protect the interests of their principals to the best of their ability. It accounts for the circumstances surrounding each specific situation, and it does not necessarily require perfection or completion of tasks without errors. By contrast, the other options do not accurately capture the definition of reasonable care. Acting without any errors sets an unrealistic standard, as mistakes can happen even with due diligence. Performing duties without supervision does not necessarily imply that reasonable care is being exercised; rather, agents must still adhere to the standard of care regardless of oversight. Completing tasks quickly could lead to a lack of thoroughness and oversight, which would contradict the obligation to exercise reasonable care.

10. Which practice is NOT advisable when handling a potential conflict of interest?

- A. Seeking consent from all parties
- B. Ensuring transparency
- C. Relying on personal judgment**
- D. Documenting all disclosures

Handling a potential conflict of interest requires careful consideration and adherence to ethical standards to protect all parties involved. Relying solely on personal judgment is not advisable in these situations because it can lead to biased decisions and may not adequately address the complexities of the conflict. Good practice dictates that potential conflicts of interest be managed through established protocols rather than subjective views. Without external checks, personal judgment may overlook important information or fail to consider the perspectives of all parties affected. In contrast, seeking consent from all parties ensures that everyone understands and agrees to how the conflict will be handled, fostering an environment of trust. Ensuring transparency is crucial as it helps maintain open communication, which can mitigate suspicions or concerns about partiality. Documenting all disclosures provides a formal record of the steps taken to manage the conflict, which is essential for accountability and ethical compliance. Each of these practices helps create a framework that supports ethical behavior and protects the interests of all stakeholders involved.

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://agentrolesobligationsmd.examzify.com>

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