

AGENT ROLES AND OBLIGATIONS IN MARYLAND 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. Which type of agent acts with limited authority and primarily serves as an intermediary?**
 - A. Universal agent
 - B. General agent
 - C. Special agent
 - D. Intra-company agent

- 2. Describe the information that must be disclosed to buyers regarding lead-based paint.**
 - A. Only related knowledge about mold issues
 - B. Known information on lead-based paint hazards in homes built before 1978
 - C. Only cosmetic changes made to the property
 - D. Disclosure is not required for properties built after 1980

- 3. How should an agent handle multiple offers on a property?**
 - A. Present the highest offer first
 - B. Present all offers to the seller
 - C. Present only the agent's preferred offers
 - D. Ignore lowball offers completely

- 4. Which of the following is true regarding the responsibilities of a dual agent?**
 - A. They can act in favor of either party as needed
 - B. They must maintain confidentiality and provide equal treatment
 - C. They can prioritize the needs of the buyer over the seller
 - D. They have the authority to negotiate on behalf of one party

- 5. Why is documenting communications with clients important for agents?**
 - A. It makes the clients feel more involved in the process
 - B. It protects the agent's position and provides clarity
 - C. It is not necessary if the agent is experienced
 - D. It is primarily for the client's benefit only

- 6. Who does a sub-agent owe their duties to in a selling transaction?**
- A. The buyer exclusively
 - B. The listing agent
 - C. The sellers and the seller's agents
 - D. No one
- 7. What does implied agency signify in the context of Maryland real estate?**
- A. It indicates an agency relationship based on verbal agreements.
 - B. It describes a relationship established through the actions of the parties involved.
 - C. It mandates a written contract for all agency relationships.
 - D. It is a term used to signify termination of agency relationships.
- 8. 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
- 9. 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
- 10. How does an agent's misconduct potentially affect the principal's liability?**
- A. The principal is not liable under any circumstances
 - B. The principal may be liable if the agent acted within their authority
 - C. The principal can only be liable for intentional misconduct
 - D. The principal is always liable if the agent is unlicensed

Answers

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

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Explanations

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1. Which type of agent acts with limited authority and primarily serves as an intermediary?

- A. Universal agent
- B. General agent
- C. Special agent**
- D. Intra-company agent

The correct choice, which identifies the type of agent that acts with limited authority and primarily serves as an intermediary, is indeed a special agent. A special agent is appointed for a specific task or transaction and operates within the constraints defined by the principal in that context. This limited authority distinguishes them from other types of agents. Universal agents possess broad authority to act on behalf of the principal in any matter, which is not applicable to the scenario described. General agents, while they can manage a range of activities for a principal, do so with a wider scope of authority than what is described for intermediaries. Intra-company agents generally refer to representatives within an organization facilitating transactions or operations, lacking the intermediary role defined for special agents. In summary, special agents serve specific functions with defined limitations, making them the correct answer for this question.

2. Describe the information that must be disclosed to buyers regarding lead-based paint.

- A. Only related knowledge about mold issues
- B. Known information on lead-based paint hazards in homes built before 1978**
- C. Only cosmetic changes made to the property
- D. Disclosure is not required for properties built after 1980

The correct answer revolves around the requirement to disclose known information regarding lead-based paint hazards in homes built before 1978. This is significant because federal law mandates that sellers and landlords of properties constructed before this cutoff date must provide buyers and tenants with specific information about the potential risks associated with lead-based paint. This requirement stems from the understanding that lead-based paint can pose serious health risks, particularly to young children. Properties built before 1978 are likely to contain lead-based paint, and the law aims to ensure that buyers are informed so they can make educated decisions about the property. Sellers typically must provide a lead warning statement and a pamphlet titled "Protect Your Family from Lead in Your Home," which details this hazard. In contrast to the other options, knowledge about mold issues or cosmetic changes are not the focus of the disclosure requirements related to lead-based paint. Additionally, since properties built after 1978 are generally not subject to the same lead disclosure laws, significant details about lead hazards do not apply to them, affirming why excluding properties built after 1980 is correct in this context.

3. How should an agent handle multiple offers on a property?

- A. Present the highest offer first
- B. Present all offers to the seller**
- C. Present only the agent's preferred offers
- D. Ignore lowball offers completely

Presenting all offers to the seller is the correct approach for handling multiple offers on a property. This ensures that the seller has the complete information necessary to make an informed decision. It is a fundamental duty of the agent to act in the best interest of the client, which includes transparency about all options available. By presenting each offer, the agent allows the seller to consider not only the price but also the terms and conditions associated with each proposal, enabling a well-rounded decision tailored to the seller's goals. This approach fosters a good relationship built on trust and professionalism, adhering to ethical obligations in real estate practice. It also complies with legal requirements that may exist regarding full disclosure to clients, promoting fairness in negotiations. Presenting all offers helps ensure that potential buyers are not unfairly overlooked, adhering to best practices in real estate transactions. Other options, such as presenting only the highest offer or ignoring lowball offers, would limit the seller's options and insight into the market dynamics, possibly detracting from achieving the best overall outcome. Selecting only preferred offers would create bias and undermine the agent's fiduciary duty to their client. Therefore, presenting all offers represents the most responsible and ethical course of action.

4. Which of the following is true regarding the responsibilities of a dual agent?

- A. They can act in favor of either party as needed
- B. They must maintain confidentiality and provide equal treatment**
- C. They can prioritize the needs of the buyer over the seller
- D. They have the authority to negotiate on behalf of one party

A dual agent represents both the buyer and the seller in a transaction, which brings with it specific responsibilities and obligations. The correct answer focuses on the dual agent's duty to maintain confidentiality and provide equal treatment to both parties involved. This is vital to uphold fairness and integrity in the transaction, as both the buyer and seller must feel that their interests are being adequately represented. Maintaining confidentiality is especially important; a dual agent cannot disclose sensitive information about one party (like their financial situations or negotiation strategies) to the other party without permission. Additionally, equal treatment ensures that the dual agent does not favor one side over the other, which is crucial for building trust and effective communication throughout the process. The other options convey misunderstandings of a dual agent's duties. For instance, prioritizing one party's needs or negotiating only on behalf of one party goes against the essence of dual agency, which is to balance the interests of both parties. This ensures that the agent remains neutral and fair, avoiding potential conflicts of interest that could arise if one party were favored over the other.

5. Why is documenting communications with clients important for agents?

- A. It makes the clients feel more involved in the process
- B. It protects the agent's position and provides clarity**
- C. It is not necessary if the agent is experienced
- D. It is primarily for the client's benefit only

Documenting communications with clients is essential because it serves as a protective measure for the agent, ensuring that there is a clear record of interactions, decisions, and agreements. This documentation provides clarity on the expectations and understanding between the client and the agent, which can be vital in case of disputes or misunderstandings. Having a written record allows agents to substantiate their actions and decisions, demonstrating that they fulfilled their obligations and communicated effectively. It can also help in mitigating potential liability, as the agent can refer back to documented communications if questions about the client's understanding or agreement arise. While involving clients and benefiting them can be important aspects of communication, the core reason for documentation hinges on safeguarding the agent's position and clarifying the relationship dynamics. Additionally, relying solely on experience without proper documentation can lead to significant risks, making it inadequate to forgo this crucial practice regardless of an agent's level of expertise.

6. Who does a sub-agent owe their duties to in a selling transaction?

- A. The buyer exclusively
- B. The listing agent
- C. The sellers and the seller's agents**
- D. No one

In a selling transaction, a sub-agent has a fiduciary duty primarily to the seller and the seller's agents. This relationship arises from the fact that the sub-agent is appointed by the listing agent to assist in the sale of the property. As a representative of the seller, the sub-agent must act in the best interests of the seller, uphold confidentiality, and work toward fulfilling the seller's goals in the transaction. The sub-agent's obligations to the seller include showing the property, negotiating offers, and providing relevant information, all while maintaining the fiduciary responsibilities established through the agency relationship. Since the primary goal in this context is to facilitate the successful sale of the property for the seller, it is essential that the sub-agent prioritizes the needs and interests of the seller and the listing agent in the process. This understanding clarifies the course of duties for all parties involved. The choice indicating that a sub-agent owes duties exclusively to the buyer, or solely to the listing agent, does not align with the proper agency relationship established in a selling transaction. Additionally, the notion that the sub-agent owes duties to no one overlooks the essential responsibilities inherent in the agency relationship.

7. What does implied agency signify in the context of Maryland real estate?

- A. It indicates an agency relationship based on verbal agreements.
- B. It describes a relationship established through the actions of the parties involved.**
- C. It mandates a written contract for all agency relationships.
- D. It is a term used to signify termination of agency relationships.

Implied agency signifies a relationship that is formed not through explicit written or verbal agreements, but rather through the actions and behaviors of the parties involved. In the context of Maryland real estate, this means that if one party acts in a way that leads another party to reasonably believe that an agency relationship exists, then an implied agency can be established. For instance, if a real estate agent acts on behalf of a client without a formal contract, but the client's actions suggest consent to the agent's actions, an implied agency may arise. This concept is significant because it emphasizes the importance of the behaviors and conduct of the parties, which can create binding obligations even in the absence of a written agreement. It allows for flexibility in real estate transactions, as parties can establish agency relationships through their conduct, provided it is clear and consistent. Understanding this helps real estate professionals navigate their obligations and ensure that they are acting within the boundaries of agency law in Maryland. The other choices do not accurately capture the essence of implied agency: verbal agreements do not establish an implied relationship, written contracts are not a requirement for implied agency, and the term does not pertain to termination of agency relationships.

8. 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.

9. 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.

10. How does an agent's misconduct potentially affect the principal's liability?

- A. The principal is not liable under any circumstances
- B. The principal may be liable if the agent acted within their authority**
- C. The principal can only be liable for intentional misconduct
- D. The principal is always liable if the agent is unlicensed

An agent's misconduct can affect a principal's liability significantly, particularly when the agent acts within the scope of their authority. If the agent is authorized to perform certain tasks or make certain decisions on behalf of the principal, any misconduct that occurs while carrying out those tasks can lead to the principal being held liable for that conduct. This is based on the legal principle of respondeat superior, which holds that an employer (or principal) can be responsible for the actions of their employees (or agents) when those activities are performed within the course of their employment or duties. This option also acknowledges that there are circumstances under which a principal might not be held liable. For example, if the agent acts outside their authority or engages in entirely personal misconduct unrelated to their duties, then the principal is typically not accountable for those actions. The other options present overly restrictive or inaccurate views on the principal's liability. For instance, suggesting that a principal is not liable under any circumstances neglects situations where an agent's actions fall within their granted authority. Indicating that a principal can only be liable for intentional misconduct ignores the potential for liability arising from negligent acts by the agent. Lastly, stating that a principal is always liable if the agent is unlicensed misconstrues the law.

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:

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

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