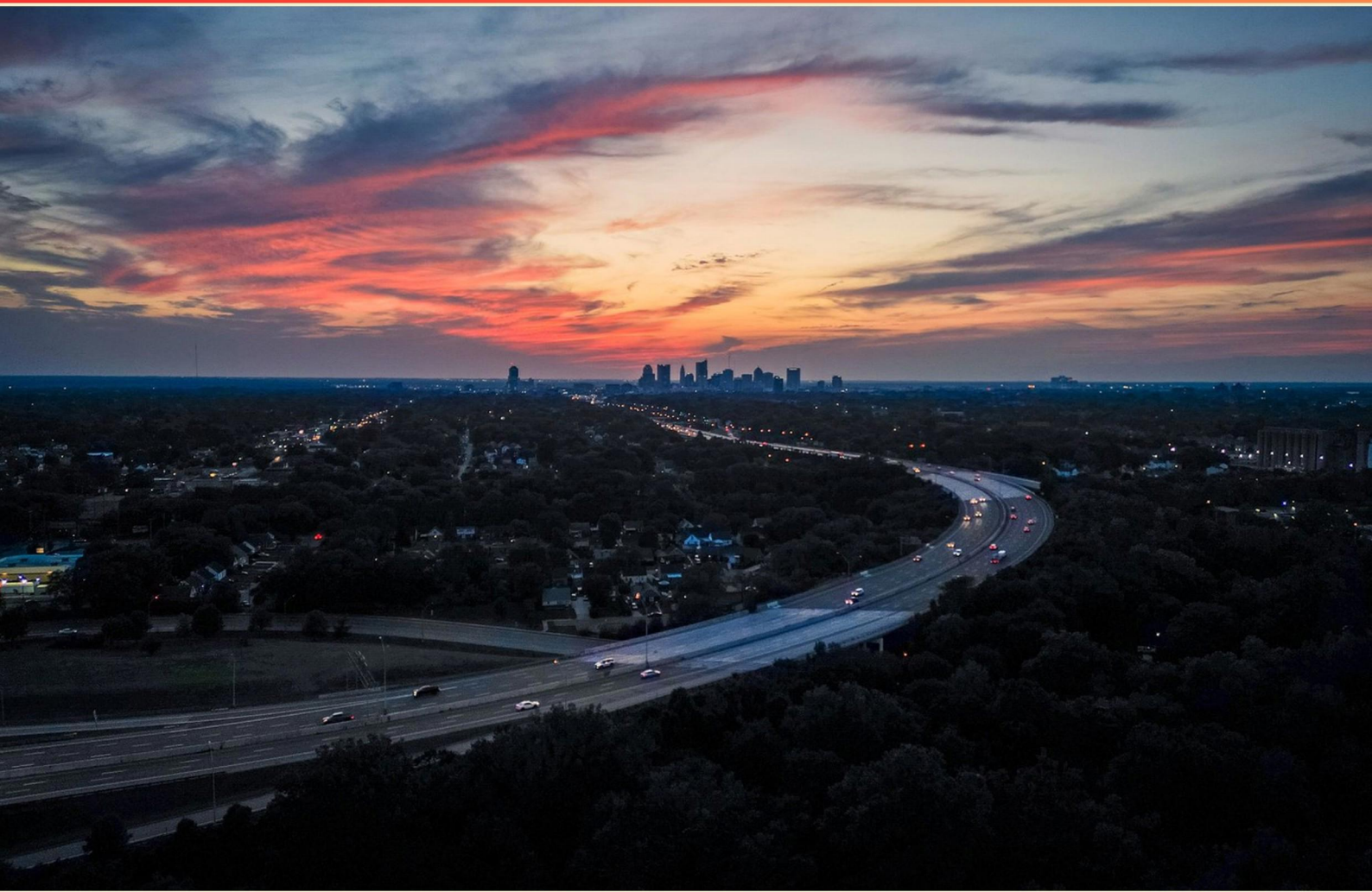


ALABAMA 60-HOUR REAL ESTATE COURSE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://al60hrrealestate.examzify.com>



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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. In the cost approach, what are the two important tasks in identifying value?**
 - A. Estimating the cost of the land and its accrued depreciation
 - B. Estimating the value of the improvements and the obsolescence of the land
 - C. Estimating the cost and depreciation of the land and improvements
 - D. Estimating the cost of the land and the depreciation of the improvements
- 2. In real estate transactions, what is earnest money primarily used for?**
 - A. To pay for closing costs
 - B. To secure a buyer's offer and demonstrate good faith
 - C. To cover real estate taxes
 - D. To pay the agent's commission
- 3. What type of lease allows a tenant to pay a low rental rate while covering all operating expenses?**
 - A. Net Lease
 - B. Percentage Lease
 - C. Gross Lease
 - D. Proprietary Lease
- 4. What are common defects found in properties?**
 - A. Excessive wallpaper and outdated kitchen appliances
 - B. Structural issues, mold, pest infestations, and outdated electrical systems
 - C. Low water pressure and poor landscaping
 - D. Inconsistent paint colors and uncoordinated furniture
- 5. Which of the following items are typically prorated between the buyer and the seller?**
 - A. Real estate taxes
 - B. Inspections
 - C. Survey
 - D. Mortgage origination fees

- 6. What is one of the main purposes of zoning laws?**
- A. To increase property values
 - B. To maintain aesthetics and order in land use
 - C. To control interest rates
 - D. To improve transportation systems
- 7. What might a zoning board of adjustment consider for favorable land use variance?**
- A. Undue and unjustified hardship for the owner
 - B. Preparation by professional land use attorneys
 - C. Demonstration of a valid homestead exemption
 - D. A grandfathering clause
- 8. What is the function of a homeowner association (HOA)?**
- A. An organization that manages property sales
 - B. An entity that enforces rules in a residential community
 - C. A group that advocates for homeowner rights
 - D. A council responsible for property tax assessments
- 9. Which law helps provide transparency for consumers regarding loan terms?**
- A. Truth in Lending Laws
 - B. Equal Credit Opportunity Act
 - C. Federal Fair Housing Laws
 - D. Securities Exchange Act
- 10. What does property management encompass?**
- A. The sale of real estate properties only
 - B. The operations and oversight of real estate properties, including leasing, maintenance, and tenant relations
 - C. The assessment of property taxes
 - D. The marketing of properties exclusively

Answers

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

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Explanations

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1. In the cost approach, what are the two important tasks in identifying value?

- A. Estimating the cost of the land and its accrued depreciation
- B. Estimating the value of the improvements and the obsolescence of the land
- C. Estimating the cost and depreciation of the land and improvements
- D. Estimating the cost of the land and the depreciation of the improvements**

In the cost approach to real estate valuation, it is essential to determine the value of a property by considering both the cost of the land and the value of any improvements made to it. The correct identification of these two components involves estimating the cost of the land separately since land does not depreciate, and evaluating the depreciation associated with the improvements, which do lose value over time due to wear and tear or obsolescence. While estimating the cost of the land is straightforward, understanding the depreciation of the improvements—such as buildings and other structures—allows appraisers to provide an accurate assessment of the property's current value. In this approach, the appraiser typically calculates the total value by adding the estimated land value to the depreciated value of the improvements. This method is particularly useful when there are limited comparable sales for the property, enabling a clearer picture of its value based on the current condition of both land and improvements. A comprehensive understanding of these tasks is crucial for an accurate valuation, especially in a dynamic real estate market.

2. In real estate transactions, what is earnest money primarily used for?

- A. To pay for closing costs
- B. To secure a buyer's offer and demonstrate good faith**
- C. To cover real estate taxes
- D. To pay the agent's commission

Earnest money is primarily used to secure a buyer's offer and demonstrate good faith. When a potential buyer makes an offer on property, they provide earnest money as part of the agreement, indicating their serious intent to follow through with the purchase. This deposit assures the seller that the buyer is committed to completing the transaction, which can often help to make the offer more attractive in a competitive market. The earnest money is typically held in an escrow account until closing, at which point it may be applied toward the purchase price or closing costs. This mechanism helps protect both parties; it provides the seller with some assurance that the buyer is legitimate, while giving the buyer a degree of security that their offer will be handled seriously. In contrast, the other options refer to funds with different purposes: closing costs are typically paid at the time of settlement and cover various fees associated with executing the transaction, real estate taxes are an ongoing obligation and are not linked to the earnest money deposit, and an agent's commission is usually paid by the seller at closing as part of the transaction costs. Thus, the correct choice emphasizes the primary role of earnest money in the initial stages of a real estate offer.

3. What type of lease allows a tenant to pay a low rental rate while covering all operating expenses?

- A. Net Lease**
- B. Percentage Lease
- C. Gross Lease
- D. Proprietary Lease

A net lease is characterized by the tenant paying a base rental amount while also covering additional operating expenses associated with the property. These expenses may include property taxes, insurance, and maintenance costs, which can result in a lower base rent compared to other lease types. This arrangement can be advantageous for landlords since it can lead to more predictable cash flow and reduced financial risk, as the tenant takes on additional cost responsibilities. In contrast, a gross lease typically has the landlord cover most or all operating costs, meaning the tenant pays a flat rental rate without worrying about the variable expenses associated with property management. Percentage leases are more common in retail settings where rent is based on a percentage of the tenant's sales, and a proprietary lease relates to the ownership of cooperative apartments. Therefore, the distinguishing feature of a net lease is how it allows the tenant to benefit from a lower base rental rate by taking on more financial responsibility for the property's operating expenses.

4. What are common defects found in properties?

- A. Excessive wallpaper and outdated kitchen appliances
- B. Structural issues, mold, pest infestations, and outdated electrical systems**
- C. Low water pressure and poor landscaping
- D. Inconsistent paint colors and uncoordinated furniture

The identification of common defects in properties is critical for real estate professionals to understand, as these issues can significantly impact a property's value and the safety of its occupants. The correct choice highlights structural issues, mold, pest infestations, and outdated electrical systems as common defects. Structural issues are a major concern because they can compromise the integrity of a building, leading to expensive repairs and potential hazards for occupants. Mold is not only a health risk but can also indicate underlying moisture problems that need to be addressed to prevent further damage. Pest infestations can cause extensive damage to property and pose health risks, making them a serious defect that cannot be overlooked. Outdated electrical systems are also critical, as they may not meet modern safety standards and can pose fire hazards or electrical failures. Each of these issues is significant within the context of home inspections and property evaluations, affecting livability, safety, and the potential for future damage or expensive repairs. Understanding and inspecting for these defects are vital skills for anyone in the real estate profession.

5. Which of the following items are typically prorated between the buyer and the seller?

- A. Real estate taxes**
- B. Inspections
- C. Survey
- D. Mortgage origination fees

Real estate taxes are typically prorated between the buyer and the seller during a real estate transaction because they are expenses related to ownership of the property that can arise at any point during the year. The proration of taxes ensures that each party only pays for the time they own the property within the tax year. For instance, if a property is sold halfway through the tax year, the seller is responsible for the taxes incurred up to the date of the sale, while the buyer is responsible for the taxes incurred from the date of the sale onwards. This adjustment in the closing statement reflects a fair allocation of expenses based on the time of ownership, allowing both parties to settle their financial obligations accurately. In contrast, inspections, surveys, and mortgage origination fees are generally paid directly by either the buyer or the seller according to their prior agreements and are not typically prorated. These costs are considered transactional or service fees rather than ongoing ownership expenses that relate directly to the property's use over time.

6. What is one of the main purposes of zoning laws?

- A. To increase property values
- B. To maintain aesthetics and order in land use**
- C. To control interest rates
- D. To improve transportation systems

One of the main purposes of zoning laws is to maintain aesthetics and order in land use. Zoning laws are regulations set by local governments that dictate how land can be used within specific areas. They help ensure that different types of land uses—such as residential, commercial, and industrial—are appropriately separated or integrated in a way that promotes orderly development, minimizes conflicts, and enhances the overall appearance of communities. For instance, a residential area might have zoning restrictions that prevent the establishment of heavy industrial operations nearby, which could generate noise and pollution, detracting from the quality of life for residents. Additionally, zoning can enforce certain architectural styles or setback requirements, contributing to a neighborhood's character and visual appeal. The orderly placement of buildings and land uses under the guidelines of zoning promotes not only functional planning but also a cohesive community aesthetic, aligning with the goals of urban planning and community development. Other options do not accurately encapsulate the primary purpose of zoning laws. While increasing property values can be a secondary effect of thoughtful zoning, it is not the main goal. Similarly, zoning laws do not control interest rates or directly improve transportation systems, although they can influence traffic patterns through land-use decisions.

7. What might a zoning board of adjustment consider for favorable land use variance?

- A. Undue and unjustified hardship for the owner**
- B. Preparation by professional land use attorneys
- C. Demonstration of a valid homestead exemption
- D. A grandfathering clause

A zoning board of adjustment typically considers the concept of undue and unjustified hardship for the owner when evaluating requests for a land use variance. This principle is fundamentally important because it ensures that property owners are not unduly burdened by the zoning laws. To grant a variance, the board often assesses whether strict adherence to the zoning regulations would result in significant difficulties or hardships for the property owner that are not self-imposed. The notion of hardship refers to situations where complying with the zoning ordinance would prevent the owner from making reasonable use of their property. For example, if a property is situated in such a way or has unique characteristics that make it difficult to comply with the zoning rules, the board may find that a variance is justified. Furthermore, the board must ensure that such hardships are both undue and unjustified, meaning that they were not created by the owner through their own actions. This consideration helps maintain the integrity of the zoning laws while still accommodating the legitimate needs of property owners. In contrast, factors like preparation by professional land use attorneys or demonstrating a valid homestead exemption do not directly address the core reason why a variance would be needed, as they do not reflect the property's specific circumstances. A grandfathering clause typically applies to properties that were in compliance

8. What is the function of a homeowner association (HOA)?

- A. An organization that manages property sales
- B. An entity that enforces rules in a residential community**
- C. A group that advocates for homeowner rights
- D. A council responsible for property tax assessments

A homeowner association (HOA) primarily serves as an entity that enforces rules and regulations within a residential community. This includes establishing guidelines on property appearance, maintenance standards, noise levels, and other community-specific requirements to ensure a harmonious living environment for all residents. The HOA usually has the authority to impose fines or take action against homeowners who do not comply with its rules, thus helping to maintain property values and community standards. Moreover, HOAs often provide additional services such as maintaining common areas, managing community amenities like pools or gyms, and organizing community events. All these functions contribute to the overall goal of fostering a cohesive community and enhancing the quality of life for its members. This is why defining the role of an HOA around rule enforcement is essential to understand its impact on residential living.

9. Which law helps provide transparency for consumers regarding loan terms?

- A. Truth in Lending Laws**
- B. Equal Credit Opportunity Act
- C. Federal Fair Housing Laws
- D. Securities Exchange Act

The Truth in Lending Laws are designed specifically to promote transparency and protect consumers by requiring lenders to disclose the terms, costs, and key factors related to loans. This includes vital information such as the annual percentage rate (APR), finance charges, and the total amount financed. By ensuring that this information is clearly laid out, consumers are better equipped to understand the true cost of borrowing and can make more informed decisions regarding loans. These laws help to eliminate any potential confusion or ambiguity surrounding loan agreements, ensuring borrowers are aware of what they are committing to before finalizing their loans. This transparency is crucial in promoting fair lending practices and building trust between consumers and financial institutions. The other options focus on different aspects of consumer protection: the Equal Credit Opportunity Act prohibits discrimination in lending, the Federal Fair Housing Laws address discrimination in housing, and the Securities Exchange Act regulates the trading of securities to protect investors—not specifically focusing on the transparency of loan terms.

10. What does property management encompass?

- A. The sale of real estate properties only
- B. The operations and oversight of real estate properties, including leasing, maintenance, and tenant relations**
- C. The assessment of property taxes
- D. The marketing of properties exclusively

Property management encompasses a comprehensive range of responsibilities that involve the operations and oversight of real estate properties. This includes essential activities such as leasing, which involves finding and screening tenants; maintenance, which ensures that the property is in good condition and compliant with safety regulations; and tenant relations, which focuses on communication and resolving issues that may arise during a tenant's occupancy. Understanding these aspects is crucial because effective property management directly impacts tenant satisfaction and property value. It combines various functions that ensure the property is well-managed and profitable while providing a positive living or business environment for tenants. This holistic view of property management sets it apart from more specialized roles, such as sales or marketing, which focus on particular aspects of real estate transactions rather than the ongoing management and operational needs of properties.

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://al60hrrealestate.examzify.com>

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

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