

APPLIED MEASUREMENT PROFESSIONALS (AMP) REAL ESTATE SALESPERSON PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

SAMPLE

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

SAMPLE

- 1. Which of the following is included in escrow money?**
 - A. Broker fees
 - B. Earnest money
 - C. Rent payments
 - D. Agent salaries
- 2. Which property valuation method considers the income generated by the property?**
 - A. Cost approach
 - B. Sales comparison approach
 - C. Income approach
 - D. Market value approach
- 3. If a buyer arranges for a seller's pet to be kidnapped until the seller accepts the offer, what happens to the contract after ratification?**
 - A. Agreement is firm.
 - B. Seller is required to perform.
 - C. Participating agents are entitled to their compensation.
 - D. Contract is voidable at the option of the seller.
- 4. Which of the following is the most important factor for a lender in determining creditworthiness?**
 - A. Applicant's age
 - B. Applicant's source of income
 - C. Applicant's credit history
 - D. Applicant's gender
- 5. If a person dies without a will and no heirs, to whom does the property pass?**
 - A. Local charities
 - B. The state
 - C. The Internal Revenue Service
 - D. The Department of Housing and Urban Development

6. An investor criterion for a home mortgage specifies a loan-to-value ratio of 90% of an appraisal valued at \$180,000. If a buyer qualifies for a loan of \$145,000, how much of the purchase will be financed by the investor?
- A. \$180,000
 - B. \$162,000
 - C. \$145,000
 - D. \$135,000
7. How much of Shari Larson's next monthly payment will be applied to her mortgage principal, if the balance is \$185,500 with an interest rate of 8.5%?
- A. \$1,426.50.
 - B. \$112.54.
 - C. \$1,313.96.
 - D. \$121.25.
8. What financial tool can elderly homeowners use to access equity without monthly payments?
- A. Wraparound mortgage
 - B. Reverse mortgage
 - C. Purchase option
 - D. Blanket mortgage
9. Which of the following describes a nonconforming use in real estate?
- A. A use that is allowed despite being inconsistent with current zoning.
 - B. A use that complies with all local zoning laws.
 - C. A use that is restricted by a property deed.
 - D. A temporary use permitted in a residential area.
10. What advantage does hypothecation provide to a borrower?
- A. Full ownership of an asset while using it as collateral
 - B. Lower interest rates on all types of loans
 - C. Immediate access to cash without having to sell the property
 - D. Ability to refinance without additional collateral

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Which of the following is included in escrow money?

- A. Broker fees
- B. Earnest money**
- C. Rent payments
- D. Agent salaries

Earnest money is a key component of escrow money. It is a deposit made by a potential buyer to demonstrate their serious intent to purchase a property. This money is held in an escrow account, which serves as a neutral third party during the transaction process, ensuring that funds are managed properly and disbursed appropriately upon closing. The purpose of earnest money is to provide assurance to the seller that the buyer is genuinely interested in the property. If the transaction proceeds to closing, this money is typically applied to the purchase price. Conversely, if the sale does not go through due to contingencies outlined in the agreement, the disposition of the earnest money is determined by those terms. Other options, such as broker fees, rent payments, and agent salaries, do not belong in the category of escrow money. Broker fees are compensatory amounts paid for the services of a broker, rent payments are regular payments made by tenants to landlords, and agent salaries refer to the remuneration of real estate agents for their work, none of which are associated with the earnest money that confirms a buyer's intention in a real estate transaction.

2. Which property valuation method considers the income generated by the property?

- A. Cost approach
- B. Sales comparison approach
- C. Income approach**
- D. Market value approach

The income approach is a property valuation method that specifically focuses on the income that a property can generate, making it particularly relevant for investment properties. This method estimates the value of a property based on the income it produces, typically through rental income. By analyzing the expected net operating income (NOI) and applying a capitalization rate, appraisers can derive a value that reflects the property's income potential. This approach is especially useful for commercial real estate or any property intended to generate revenue, as it provides a direct correlation between the property's cash flow and its market value. In contrast, other valuation methods like the cost approach focus on the cost to replace the property, and the sales comparison approach relies on recent sales of similar properties, neither of which directly considers the income aspect. The market value approach is a broader term that generally incorporates various methods to estimate property value but does not specifically emphasize income generation. Thus, the income approach stands out as the only method intended to evaluate the worth of a property based on its ability to generate income.

3. If a buyer arranges for a seller's pet to be kidnapped until the seller accepts the offer, what happens to the contract after ratification?

- A. Agreement is firm.
- B. Seller is required to perform.
- C. Participating agents are entitled to their compensation.

D. Contract is voidable at the option of the seller.

When examining a scenario where a buyer engages in an unethical act, such as arranging for a seller's pet to be kidnapped to coerce the seller into accepting an offer, the integrity of the contract is significantly compromised. In legal terms, such conduct demonstrates the lack of good faith and fair dealing, which are fundamental principles in contract law. Once the contract is ratified, if it is discovered that the agreement was reached under duress or as a result of manipulative tactics, the seller has the right to declare the contract voidable. This means that the seller can choose to void the contract because it was not entered into freely or fairly. The seller's option to void the contract reflects the principle that contracts must be entered into voluntarily and without undue pressure or coercion. Other choices may suggest that the agreement is firm or that the seller is obligated to perform, but they do not account for the impact of unethical behavior on the enforceability of the contract. Additionally, options that imply agents are entitled to compensation do not address the ethical implications that arise from the circumstances surrounding the agreement. Thus, given the nature of the buyer's actions, the contract would indeed be voidable at the seller's discretion, allowing them to escape the agreement made under such adverse

4. Which of the following is the most important factor for a lender in determining creditworthiness?

- A. Applicant's age
- B. Applicant's source of income
- C. Applicant's credit history**
- D. Applicant's gender

The most important factor for a lender in determining creditworthiness is the applicant's credit history. Lenders use credit history to assess how reliably a borrower has repaid debts in the past, which is a strong indicator of their likelihood to repay a loan in the future. A good credit history reflects an individual's financial behavior, including on-time payments, the total amount of debt, and the mix of credit types previously utilized. This information helps lenders gauge risk and make informed decisions about extending credit. While an applicant's source of income is also relevant, as it indicates the ability to make payments moving forward, it does not provide the retrospective insight that credit history does. Factors like age and gender are generally not used as indicators of creditworthiness by lenders, as they do not directly correlate with an individual's financial responsibility or reliability in repaying debts.

5. If a person dies without a will and no heirs, to whom does the property pass?

- A. Local charities
- B. The state**
- C. The Internal Revenue Service
- D. The Department of Housing and Urban Development

When an individual dies intestate, meaning without a will, and does not have any legal heirs, the principle of escheat applies. This legal doctrine allows the state to claim ownership of the deceased person's property. In such cases, the state takes over the property because there are no identifiable heirs or beneficiaries designated to inherit that property. This means that if a person passes away without a will or any relatives to inherit their estate, the property automatically transfers to the state government, which will manage it according to its laws. Local charities, the Internal Revenue Service, and the Department of Housing and Urban Development are not designated to receive property in intestacy situations. Charities would require a will or some form of legal bequest to receive property; the IRS typically deals with tax obligations rather than claiming property, and the Department of Housing and Urban Development does not claim properties in the absence of heirs. Therefore, the correct answer reflects the process established by law for situations involving deceased individuals without a will or heirs.

6. An investor criterion for a home mortgage specifies a loan-to-value ratio of 90% of an appraisal valued at \$180,000. If a buyer qualifies for a loan of \$145,000, how much of the purchase will be financed by the investor?

- A. \$180,000
- B. \$162,000
- C. \$145,000**
- D. \$135,000

To determine how much of the purchase will be financed by the investor using the provided loan-to-value (LTV) ratio, we start by calculating the maximum amount the investor would finance based on the appraised value of the property. The appraised value is stated to be \$180,000, and the LTV ratio specified by the investor is 90%. To find the maximum loan amount, we calculate 90% of the appraised value: $90\% \text{ of } 180,000 = 0.90 \times 180,000 = 162,000$. This means that, based on the appraisal, the investor can finance up to \$162,000. However, the amount for which the buyer qualifies is \$145,000, which is below the maximum amount. In this scenario, the investor will finance the lesser of the two amounts (the maximum allowable based on the LTV and the amount the buyer qualifies for). Since the buyer qualifies for a loan of \$145,000, this is the amount that will be financed by the investor. Thus, the amount financed aligns directly with the buyer's qualification rather than the maximum LTV allowance, confirming that the correct answer is that the

7. How much of Shari Larson's next monthly payment will be applied to her mortgage principal, if the balance is \$185,500 with an interest rate of 8.5%?

- A. \$1,426.50.
- B. \$112.54.**
- C. \$1,313.96.
- D. \$121.25.

To determine how much of Shari Larson's next monthly payment will go towards her mortgage principal, we first need to calculate her monthly mortgage payment using the loan balance, interest rate, and loan term. 1.

****Determine the Monthly Interest Rate**:** The annual interest rate is 8.5%. To find the monthly interest rate, divide by 12: $\text{Monthly interest rate} = \frac{8.5\%}{12} = \frac{0.085}{12} \approx 0.0070833$ 2.

****Monthly Payment Calculation**:** The formula for calculating the monthly payment (PMT) on an amortizing loan is: $PMT = P \frac{r(1+r)^n}{(1+r)^n - 1}$ Where: - P is the loan amount (\$185,500). - r is the monthly interest rate (0.0070833). - n is the total number of payments (for example, 30 years would be $30 \times 12 = 360$ payments). 3. ****Principal**

8. What financial tool can elderly homeowners use to access equity without monthly payments?

- A. Wraparound mortgage
- B. Reverse mortgage**
- C. Purchase option
- D. Blanket mortgage

Elderly homeowners can use a reverse mortgage to access equity in their homes without the requirement of monthly payments. This financial tool allows homeowners, typically aged 62 and older, to convert part of the equity in their home into cash. Unlike traditional mortgages where the homeowner makes regular mortgage payments, in a reverse mortgage, the lender pays the homeowner, thus providing them with income while they continue to live in their home. The amount that can be borrowed depends on various factors, including the homeowner's age, the home's value, and current interest rates. This arrangement means that repayment of the loan, which includes both the amount borrowed and interest, is deferred until the homeowner either moves, sells the home, or passes away. This is particularly appealing for elderly homeowners who may have fixed incomes and need additional financial support without the burden of monthly payments. In contrast, the other financial tools mentioned do not serve the same purpose or have different payment structures. For instance, a wraparound mortgage involves a new mortgage wrapping around an existing mortgage and typically requires monthly payments. A purchase option refers to an agreement that gives a buyer the right but not the obligation to purchase a property, and a blanket mortgage is used to finance multiple properties, generally requiring regular payments as well

9. Which of the following describes a nonconforming use in real estate?

A. A use that is allowed despite being inconsistent with current zoning.

B. A use that complies with all local zoning laws.

C. A use that is restricted by a property deed.

D. A temporary use permitted in a residential area.

A nonconforming use in real estate refers to a situation where a property is used in a way that does not comply with current zoning regulations, yet is allowed to continue operating under specific conditions. This typically occurs when zoning laws change after a property has already been developed and is in use. Initially, the use of the property may have been in line with the zoning laws, but if those laws change, the property may still be permitted to continue its existing use as a nonconforming use to avoid causing disruption to established businesses or residences. This concept is essential in understanding zoning dynamics, as it maintains a level of stability for property owners who would otherwise have to conform to new rules that could be financially burdensome or practically unfeasible. The other options do not accurately capture the essence of nonconforming use. Compliance with local zoning laws, restrictions by property deeds, or temporary uses permitted in a residential area, do not define a nonconforming use because they either align with zoning regulations or describe different types of zoning situations.

10. What advantage does hypothecation provide to a borrower?

A. Full ownership of an asset while using it as collateral

B. Lower interest rates on all types of loans

C. Immediate access to cash without having to sell the property

D. Ability to refinance without additional collateral

Hypothecation offers borrowers the ability to retain full ownership of an asset while using it as collateral for a loan. This means that the borrower can continue to use the property or asset without transferring its title to the lender. The borrower remains responsible for the asset, maintaining its value and benefits, while also being able to access funds through borrowing. This is advantageous because it allows the borrower flexibility and liquidity without losing control or ownership of the asset. In the context of the other options, the assertion regarding lower interest rates on all types of loans is not specifically tied to hypothecation, as interest rates can vary based on a variety of factors, including borrower creditworthiness and lender policies. While immediate access to cash without selling the property is indeed a benefit of hypothecation, it doesn't encompass the full ownership aspect that is foundational to the concept. Lastly, refinancing without additional collateral does not relate directly to hypothecation, as the terms of refinancing depend on the lender's criteria and the borrower's financing circumstances, not just the hypothecated asset itself.

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://amprealestatesalesperson.examzify.com>

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

SAMPLE