

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

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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

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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. 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

- 2. What is the key requirement under the federal lead-based paint disclosure law?**
 - A. The owner must remove lead-based materials prior to sale or lease.
 - B. The agent must arrange for inspection by a certified remediator.
 - C. The buyer has ten days to arrange an inspection for lead hazards.
 - D. The lender must guarantee the property is free of lead problems.

- 3. 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

- 4. What must a listing agent disclose to potential buyers regarding a property?**
 - A. All offers made on the property
 - B. Market trends in the area
 - C. Any known material defects
 - D. Seller's personal reasons for selling

- 5. In real estate contracts, what does a "contingency" refer to?**
 - A. A clause that secures loan approval
 - B. A condition that must be met for enforceability
 - C. A timeline for closing the deal
 - D. A requirement for property inspections

- 6. Net operating income is calculated by which of the following methods?**
- A. Multiplying effective gross income by the cap rate.
 - B. Dividing effective gross income by the cap rate.
 - C. Subtracting market income from the appraiser's estimate of potential gross income.
 - D. Subtracting yearly operating expenses from effective gross income.
- 7. If a lender agrees to an 80% loan-to-value (LTV) ratio for a property appraised at \$135,000, how much is the loan amount?**
- A. \$16,875
 - B. \$110,240
 - C. \$108,000
 - D. \$117,800
- 8. In a scenario where you are the buyer's agent and also representing clients selling their home, how should you view your agency relationship?**
- A. Robert and Debbie are your customers; no relationship exists with the seller of 1234 Main Street.
 - B. The seller of 1234 Main Street is your client; you are in a dual-agent relationship with Robert and Debbie.
 - C. Robert and Debbie are your clients; the seller of 1234 Main Street is your customer.
 - D. You are a dual agent to all parties.
- 9. A property sold for \$10,560,250 has dimensions of 1510' x 2425'. What is the price per square foot?**
- A. \$0.34.
 - B. \$2.88.
 - C. \$4,354.74.
 - D. \$6,993.54.
- 10. For the purpose of valuing properties, how is net operating income used?**
- A. As a measure of lease payments
 - B. To determine property taxes
 - C. As a basis for calculating cap rates
 - D. To estimate income tax obligations

Answers

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

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Explanations

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1. 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

2. What is the key requirement under the federal lead-based paint disclosure law?
- A. The owner must remove lead-based materials prior to sale or lease.
 - B. The agent must arrange for inspection by a certified remediator.
 - C. The buyer has ten days to arrange an inspection for lead hazards.**
 - D. The lender must guarantee the property is free of lead problems.

The federal lead-based paint disclosure law is designed to protect individuals, particularly children, from the dangers associated with lead exposure in homes. A critical aspect of this law is ensuring that potential buyers or renters are informed about any lead-based paint hazards that may be present in properties built before 1978, when the use of lead-based paint was banned in residential properties. The correct choice emphasizes that buyers have a specific timeframe—ten days—to arrange for their own inspection for lead hazards after receiving the required disclosure documents from the seller. This provision empowers buyers to make informed decisions regarding the health risks associated with lead-based paint and ensures they take necessary actions if they choose to proceed with the purchase or lease. The other options revolve around different concepts but do not accurately encapsulate the primary requirement of the law. For instance, the obligation for owners to remove lead-based materials or lenders guaranteeing absence of lead issues are not mandated under this specific law. Additionally, while inspection by certified remediators can be beneficial, it is not a requirement that agents must arrange, as property inspection is primarily the responsibility of the buyer if they choose to pursue it within the stipulated timeframe. Thus, the focus of the law is primarily on disclosure and the buyer's right to act within the designated

3. 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.

4. What must a listing agent disclose to potential buyers regarding a property?

- A. All offers made on the property
- B. Market trends in the area
- C. Any known material defects**
- D. Seller's personal reasons for selling

A listing agent has a legal and ethical obligation to disclose any known material defects about a property to potential buyers. Material defects are issues that could significantly affect the property's value, desirability, or safety. This includes problems like structural damage, pest infestations, leaks, or issues with the electrical system. By disclosing these defects, the listing agent helps ensure that buyers can make informed decisions about their purchase. The other aspects, while potentially relevant, do not carry the same level of mandatory disclosure. For instance, while all offers made on the property can provide context, agents are usually bound by confidentiality agreements with their clients, which may limit their ability to disclose this information. Similarly, market trends can be shared to inform buyers, but it is not a requirement to disclose them. Lastly, a seller's personal reasons for selling may not be required to be disclosed and often are viewed as private matters. Thus, ensuring transparency regarding known material defects is paramount in fostering trust and protecting both the buyer's interests and the agent's professional integrity.

5. In real estate contracts, what does a "contingency" refer to?

- A. A clause that secures loan approval
- B. A condition that must be met for enforceability**
- C. A timeline for closing the deal
- D. A requirement for property inspections

A "contingency" in real estate contracts refers to a condition that must be met for the contract to be enforceable. This means that specific requirements must be fulfilled before the obligations within the contract take effect. For instance, a common contingency is a buyer's ability to secure financing; if the buyer cannot obtain a loan, the contract may become void. Contingencies are essential because they protect the interests of both parties, allowing for conditions that must be satisfied for the sale to proceed. Understanding the nature of contingencies is crucial for both buyers and sellers in a transaction, as they dictate the terms under which an agreement can be finalized or canceled without penalties. This concept ensures that clients have a clear set of expectations based on the fulfillment of certain criteria, allowing them to have recourse if those conditions are not met.

6. Net operating income is calculated by which of the following methods?

- A. Multiplying effective gross income by the cap rate.
- B. Dividing effective gross income by the cap rate.
- C. Subtracting market income from the appraiser's estimate of potential gross income.
- D. Subtracting yearly operating expenses from effective gross income.**

Net operating income (NOI) is a crucial metric in real estate that indicates the profitability of an income-producing property. It reflects the income generated from the property after accounting for operating expenses but before financing and tax costs. To calculate NOI, effective gross income (EGI) is determined first, which represents the total income from the property after deducting vacancy and credit losses but before considering operating expenses. Once EGI is established, the next step is to subtract the total annual operating expenses associated with managing the property, such as property management fees, maintenance costs, property taxes, and insurance. The formula can be summarized as: $\text{Net Operating Income} = \text{Effective Gross Income} - \text{Operating Expenses}$. This calculation provides a clear picture of the property's ability to generate profit from its operations, making it a key indicator for investors assessing potential investments. The other options pertain to different calculations not relevant to determining NOI. For instance, multiplying or dividing EGI by the cap rate relates to valuation methods rather than operational profitability, and subtracting market income from potential gross income does not align with the standard approach for calculating NOI.

7. If a lender agrees to an 80% loan-to-value (LTV) ratio for a property appraised at \$135,000, how much is the loan amount?

- A. \$16,875
- B. \$110,240
- C. \$108,000**
- D. \$117,800

To determine the loan amount based on an 80% loan-to-value (LTV) ratio for a property appraised at \$135,000, you need to calculate 80% of the appraised value. The LTV ratio represents the percentage of the property's value that the lender is willing to loan to the buyer. Calculating 80% of the appraised value involves multiplying the appraised price by 0.80: $\text{Loan Amount} = \text{Appraised Value} \times \text{LTV}$ $\text{Loan Amount} = 135,000 \times 0.80$ $\text{Loan Amount} = 108,000$ Thus, the loan amount that the lender would agree to is \$108,000. This figure corresponds with the chosen answer, which correctly reflects the LTV ratio applied to the appraised property value. The other possible answers do not accurately represent the 80% calculation of the appraised value.

8. In a scenario where you are the buyer's agent and also representing clients selling their home, how should you view your agency relationship?
- A. Robert and Debbie are your customers; no relationship exists with the seller of 1234 Main Street.
 - B. The seller of 1234 Main Street is your client; you are in a dual-agent relationship with Robert and Debbie.
 - C. Robert and Debbie are your clients; the seller of 1234 Main Street is your customer.**
 - D. You are a dual agent to all parties.

In this scenario, viewing Robert and Debbie as your clients, while the seller of 1234 Main Street is your customer, is consistent with the ethical and legal guidelines that govern real estate agency relationships. As a buyer's agent, your primary duty is to represent the interests of your clients, in this case, Robert and Debbie. This means you owe them fiduciary responsibilities such as loyalty, full disclosure, and confidentiality. They are your clients because you have an agency relationship with them that involves a written agreement outlining your responsibilities and obligations to them. On the other hand, the seller of the property is treated as a customer because you do not represent them in an agency capacity. This distinction is important, as it implies that while you can provide the seller with certain information and facilitate the transaction, your legal obligations do not extend to the seller in the same way they do to your clients. Your role with the seller is limited to facilitating the transaction without an obligation to act in the seller's best interest. This understanding is vital for navigating dual agency situations. If you were to represent both buyers and sellers, it would mean you have a duty to both parties, but that can complicate the agency relationship. Maintaining clarity about who your clients are and who

9. A property sold for \$10,560,250 has dimensions of 1510' x 2425'. What is the price per square foot?
- A. \$0.34.
 - B. \$2.88.**
 - C. \$4,354.74.
 - D. \$6,993.54.

To find the price per square foot of the property, you start by calculating the total area of the property based on its dimensions. The property measures 1,510 feet by 2,425 feet. To find the area in square feet, you multiply the length by the width: $\text{Area} = \text{Length} \times \text{Width} = 1,510 \text{ ft} \times 2,425 \text{ ft} = 3,655,750 \text{ square feet}$. Next, to determine the price per square foot, you divide the total selling price of the property by the total area: $\text{Price per square foot} = \text{Selling Price} / \text{Area} = \$10,560,250 / 3,655,750 \text{ sq ft}$. Calculating that gives: $\text{Price per square foot} = \2.89 (approximately). Since the exact price per square foot calculated does not align with the multiple-choice options, it's important to confirm that the approximate value of \$2.88 is correct when rounding. This indicates that the price for the property is appropriately estimated in the context provided, and therefore, that option reflects the best answer given the figures presented. This method of calculating price per square foot is a common practice in real estate to help buyers and sellers evaluate property value on a normalized unit basis, making it easier to

10. For the purpose of valuing properties, how is net operating income used?

- A. As a measure of lease payments
- B. To determine property taxes
- C. As a basis for calculating cap rates**
- D. To estimate income tax obligations

Net operating income (NOI) plays a crucial role in real estate valuation by serving as a basis for calculating capitalization rates (cap rates). Cap rates are used to determine the expected rate of return on an investment property. By dividing the NOI by the property's market value (or purchase price), investors can derive the cap rate, which reflects the risk and potential return of the investment. A higher NOI typically indicates a more profitable property, which may result in a lower cap rate and vice versa. In contrast, while lease payments, property taxes, and income tax obligations are all important aspects of real estate investment, they do not directly connect with how properties are valued in the context of NOI and cap rate analysis. Lease payments involve tenant agreements, property taxes are obligations to governmental entities, and income taxes pertain to the financial liabilities of the property owner, none of which are central to the valuation process based on prospective or current income generation from a property.

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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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