

AREC ARKANSAS BROKER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. What is the purpose of a property's title search?**
 - A. To verify ownership and identify any liens
 - B. To assess the market value of the property
 - C. To estimate the rental income potential
 - D. To evaluate property condition and repairs needed
- 2. What is the primary goal of the Fair Housing Act?**
 - A. To enhance property values
 - B. To eliminate discrimination in housing sales and rentals
 - C. To establish property zoning
 - D. To regulate mortgage lending
- 3. If a complaint were filed against Broker J for stating that the seller would accept less than the listed price, what action is NOT within the Arkansas Real Estate Commission's authority?**
 - A. Require the broker to sit for another exam.
 - B. Fine the broker up to \$1000.
 - C. Suspend or revoke the broker's license.
 - D. Imprison the broker for 30 to 90 days.
- 4. What is the main purpose of having a performance bond for brokers?**
 - A. To ensure compliance with advertising regulations.
 - B. To protect clients from potential financial loss due to broker misconduct.
 - C. To secure a loan for property purchases.
 - D. To facilitate transaction closing processes.
- 5. What is the primary source of law regulating real estate transactions in Arkansas?**
 - A. The Arkansas Real Estate Code
 - B. The Arkansas Real Estate License Law
 - C. The Arkansas Real Property Act
 - D. The Arkansas Civil Code

- 6. How long does the Real Estate Commission have to investigate a complaint before notifying the licensee?**
- A. Thirty days
 - B. Fifteen days
 - C. Six months
 - D. One month
- 7. What is the primary purpose of the Arkansas Real Estate Commission (AREC)?**
- A. To establish real estate laws
 - B. To promote real estate sales
 - C. To protect the public interest in real estate transactions
 - D. To conduct real estate training programs
- 8. When does a landlord NOT have to provide notice to terminate a lease?**
- A. If the tenant is non-compliant
 - B. If the tenant is making late payments
 - C. When the lease term ends
 - D. Anytime during a month-to-month lease
- 9. What must occur before a license can be revoked or suspended?**
- A. A date for a hearing must be set by the Commission.
 - B. The Commission must prefer charges against you in court.
 - C. You must be given 45 days written notice.
 - D. You must agree to attend the hearing.
- 10. What is required for an associate broker to supervise others under Arkansas Law?**
- A. Completion of a 30-hour broker post-license education
 - B. Completion of 18 hours of broker post-license education
 - C. Authorization from the principal broker
 - D. A minimum of two years as a broker

Answers

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

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Explanations

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1. What is the purpose of a property's title search?

- A. To verify ownership and identify any liens
- B. To assess the market value of the property
- C. To estimate the rental income potential
- D. To evaluate property condition and repairs needed

The purpose of a property's title search is to verify ownership and identify any liens that may exist on the property. Conducting a title search is a crucial step in real estate transactions because it ensures that the seller has the legal right to sell the property and that there are no encumbrances or legal claims against it that could affect the buyer's ownership after the sale. This process involves examining public records to trace the history of the property's title, including previous ownership transfers, any outstanding mortgages, tax liens, or judgments against the property. By confirming clear ownership, the title search provides assurance to all parties involved and helps prevent disputes over property rights in the future. It is an essential step to protect the buyer's investment and secure a smooth transfer of ownership.

2. What is the primary goal of the Fair Housing Act?

- A. To enhance property values
- B. To eliminate discrimination in housing sales and rentals
- C. To establish property zoning
- D. To regulate mortgage lending

The primary goal of the Fair Housing Act is to eliminate discrimination in housing sales and rentals. This landmark legislation, enacted in 1968, aims to ensure that all individuals have equal access to housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. By prohibiting discriminatory practices in the sale, rental, and financing of housing, the Fair Housing Act seeks to create a more equitable and just society, where housing choices are not restricted by personal characteristics. The focus of the Fair Housing Act is clearly on promoting fairness in housing, aiming to dismantle systemic barriers that marginalized groups have faced in obtaining housing. Other options, while related to the housing market, do not reflect the fundamental purpose of the Act. Enhancing property values, establishing property zoning, and regulating mortgage lending are all important aspects of real estate and housing policy, but they do not address the specific mission of protecting individuals from discrimination in housing transactions.

3. If a complaint were filed against Broker J for stating that the seller would accept less than the listed price, what action is NOT within the Arkansas Real Estate Commission's authority?

- A. Require the broker to sit for another exam.
- B. Fine the broker up to \$1000.
- C. Suspend or revoke the broker's license.

D. Imprison the broker for 30 to 90 days.

The Arkansas Real Estate Commission (AREC) is a regulatory body that has specific powers to enforce real estate laws and protect consumers in the industry. In this context, when a complaint is filed against a broker for conduct like stating a seller would accept less than the listed price, the Commission can take various disciplinary actions. One of the key functions of the commission is to sanction brokers who violate real estate regulations. This includes the authority to fine brokers, require retesting for licensure, and even suspend or revoke licenses as necessary. These actions are aimed at ensuring that brokers adhere to professional and ethical standards. Imprisonment, however, is outside the scope of the commission's regulatory powers. Criminal matters, including imprisonment, would fall under the jurisdiction of the legal system, not the regulatory body overseeing real estate practices. Therefore, the commission does not have the authority to impose criminal penalties, like imprisonment, on brokers for regulatory violations. This is why the answer regarding imprisonment is the correct choice, highlighting the limitations of the commission's authority in enforcement actions.

4. What is the main purpose of having a performance bond for brokers?

A. To ensure compliance with advertising regulations.

B. To protect clients from potential financial loss due to broker misconduct.

C. To secure a loan for property purchases.

D. To facilitate transaction closing processes.

The main purpose of having a performance bond for brokers is to protect clients from potential financial loss due to broker misconduct. A performance bond acts as a financial guarantee that ensures that the broker will perform their duties and obligations as agreed. If the broker fails to meet these obligations or engages in unethical or illegal activities, the bond offers a source of compensation for affected clients. This requirement helps instill trust and confidence in real estate transactions, providing a safety net that encourages clients to engage in business with brokers while also promoting higher standards of professionalism within the industry. This financial security mechanism thus safeguards client interests and enhances the overall credibility of brokers.

5. What is the primary source of law regulating real estate transactions in Arkansas?

- A. The Arkansas Real Estate Code
- B. The Arkansas Real Estate License Law**
- C. The Arkansas Real Property Act
- D. The Arkansas Civil Code

The primary source of law regulating real estate transactions in Arkansas is the Arkansas Real Estate License Law. This law outlines the licensing requirements for real estate professionals, the standards they must adhere to while conducting business, and the regulatory framework governing real estate transactions within the state. It establishes guidelines that ensure ethical practices, consumer protection, and professional accountability, which are vital for fostering trust in real estate dealings. In contrast, while the Arkansas Real Estate Code provides more comprehensive legislation covering various aspects of real estate practices, it does not specifically focus solely on licensing requirements as the Real Estate License Law does. The Arkansas Real Property Act and the Arkansas Civil Code also contain relevant information regarding property rights and legal remedies but are not exclusively focused on real estate transactions in the context of licensing and regulation. Therefore, the Real Estate License Law stands out as the most pertinent source of law specifically governing real estate professionals and transactions in Arkansas.

6. How long does the Real Estate Commission have to investigate a complaint before notifying the licensee?

- A. Thirty days
- B. Fifteen days
- C. Six months
- D. One month**

The correct answer is that the Real Estate Commission has one month to investigate a complaint before notifying the licensee. This timeframe allows the Commission to conduct a thorough investigation while also ensuring that the licensee is informed in a timely manner. The intention behind this policy is to balance the interests of both the complainant and the licensee, allowing sufficient time to collect relevant information and evidence about the complaint before proceeding with any communication. This one-month period is established to uphold standards of fairness and due process in the investigative process within the real estate industry.

7. What is the primary purpose of the Arkansas Real Estate Commission (AREC)?

- A. To establish real estate laws
- B. To promote real estate sales
- C. To protect the public interest in real estate transactions**
- D. To conduct real estate training programs

The primary purpose of the Arkansas Real Estate Commission (AREC) is to protect the public interest in real estate transactions. This focus on public protection is crucial because it ensures that consumers are engaging in real estate activities within a framework of fairness, transparency, and professionalism. AREC regulates the real estate industry by overseeing licensees, enforcing compliance with relevant laws and regulations, and addressing complaints to safeguard consumers from fraud or unethical practices. This commitment to protecting the public also involves setting standards for education and professional conduct among real estate professionals. By prioritizing the interests of the public, the commission fosters a trusted environment in which individuals can buy, sell, or lease property with confidence. Other aspects, such as establishing real estate laws, promoting sales, or conducting training programs, are important activities within the broader scope of the commission's functions, but they ultimately support the overarching goal of public protection in real estate transactions.

8. When does a landlord NOT have to provide notice to terminate a lease?

- A. If the tenant is non-compliant
- B. If the tenant is making late payments
- C. When the lease term ends**
- D. Anytime during a month-to-month lease

A landlord does not have to provide notice to terminate a lease when the lease term ends because the expiration of the lease is typically specified in the lease agreement itself. When a lease reaches its designated end date, the landlord is not required by law to give additional notice; the tenancy simply concludes as agreed upon in the contract. This is distinct from situations involving non-compliance or late payments, where landlords are often required to provide notice prior to termination to allow tenants a chance to rectify the issues. In the case of a month-to-month lease, although a landlord might terminate the agreement with notice, it is still necessary to provide advance notice of termination. Thus, the end of a lease term stands apart as a clear, straightforward termination point without the need for notification.

9. What must occur before a license can be revoked or suspended?

- A. A date for a hearing must be set by the Commission.**
- B. The Commission must prefer charges against you in court.
- C. You must be given 45 days written notice.
- D. You must agree to attend the hearing.

Before a license can be revoked or suspended, it is essential that a date for a hearing is set by the Commission. This process ensures that the licensee has an opportunity to defend themselves and present their case in front of the Commission. It is a fundamental aspect of due process, allowing for a fair and impartial review of the circumstances leading to the potential disciplinary action. Setting a hearing date follows the initial steps of investigation and review of the conduct in question. It provides a structured environment where both the Commission and the licensee can engage in the hearing process, allowing the Commission to make informed decisions based on the evidence presented during the hearing. This procedure protects the rights of the licensee while enabling the Commission to fulfill its regulatory responsibilities.

10. What is required for an associate broker to supervise others under Arkansas Law?

- A. Completion of a 30-hour broker post-license education**
- B. Completion of 18 hours of broker post-license education**
- C. Authorization from the principal broker**
- D. A minimum of two years as a broker**

To supervise others under Arkansas Law, an associate broker must complete a 30-hour broker post-license education course. This requirement ensures that the associate broker has received the necessary training and knowledge in areas relevant to supervising licensed personnel effectively. The comprehensive nature of the 30-hour course covers essential topics that prepare the associate broker for the responsibilities that come with supervision, including understanding ethical practices, compliance with laws, and management techniques that foster a productive work environment. The emphasis on this educational requirement reflects the state's commitment to ensuring that individuals in supervisory roles are adequately equipped to lead and mentor other real estate professionals. This training is critical for maintaining high standards within the real estate industry and protecting the interests of clients and the public at large.

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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:

<https://arecarkansasbroker.examzify.com>

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

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