

ARIZONA SCHOOL OF REAL ESTATE AND BUSINESS (ASREB) PRACTICE EXAM (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. What is the maximum time allowed for returning a security deposit to a tenant in Arizona?**
 - A. 30 days after the lease ends
 - B. 14 days after the lease ends
 - C. 21 days after the lease ends
 - D. 7 days after the lease ends
- 2. What doctrine governs water usage in Arizona?**
 - A. Riparian
 - B. Prior appropriation
 - C. Reliction
 - D. Littoral
- 3. The state obtains the property of someone who dies intestate through which legal principle?**
 - A. Police power
 - B. Escheat
 - C. Eminent domain
 - D. Taxation
- 4. How can a buyer ensure the return of earnest money if their loan does not get approved?**
 - A. Request the earnest money from the lender
 - B. Request the earnest money from the seller
 - C. Place a stop payment on the check
 - D. Place a contingency clause in the contract
- 5. Which agency relationship is characterized by working exclusively for the seller?**
 - A. Buyer's agency
 - B. Dual agency
 - C. Seller's agency
 - D. Transaction brokerage

- 6. What is meant by property management?**
- A. The selling of properties on behalf of owners
 - B. The operation and oversight of real estate properties for owners
 - C. The construction of new buildings
 - D. The appraisal of properties for market value
- 7. Which of the following is NOT a participant in the secondary mortgage market?**
- A. FNMA
 - B. FHA
 - C. FHLMC
 - D. GNMA
- 8. How many days must a tenant give the owner to cure a minor defect before exercising self-help?**
- A. 3 days
 - B. 5 days
 - C. 7 days
 - D. 10 days
- 9. What does the term "capital gains" refer to?**
- A. A tax on income from real estate transactions
 - B. The profit realized from the sale of an asset that has increased in value
 - C. A fee associated with obtaining a mortgage loan
 - D. The cost incurred when buying a property
- 10. Water rights for which Arizona rivers are being adjudicated in court?**
- A. Gila and Salt Rivers
 - B. Gila and Little Colorado Rivers
 - C. Gila and Santa Cruz Rivers
 - D. Gila and Colorado Rivers

Answers

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

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Explanations

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1. What is the maximum time allowed for returning a security deposit to a tenant in Arizona?

- A. 30 days after the lease ends
- B. 14 days after the lease ends**
- C. 21 days after the lease ends
- D. 7 days after the lease ends

In Arizona, the law requires landlords to return a security deposit to a tenant within 14 days after the lease ends and the tenant has vacated the premises. This timeframe is designed to ensure that tenants receive their deposits back in a reasonable period, allowing them to secure funds for moving or other essential expenses. The 14-day limit provides landlords sufficient time to conduct necessary inspections of the rental property to assess for any damages or necessary cleaning that may need to be deducted from the security deposit. It balances the interests of both parties, as it protects tenants from delayed returns while allowing landlords the opportunity to manage their properties responsibly. Understanding this timeline is essential for both landlords and tenants in Arizona, as it is a matter of legal compliance and can lead to disputes if not followed correctly.

2. What doctrine governs water usage in Arizona?

- A. Riparian
- B. Prior appropriation**
- C. Reliction
- D. Littoral

The doctrine that governs water usage in Arizona is the Prior Appropriation doctrine. This principle is based on the idea of "first in time, first in right," meaning that the earliest users of water have preferential rights over those who come later. In arid regions like Arizona, where water is a limited and valuable resource, this doctrine is particularly important as it establishes a clear legal framework for allocating water rights among users, such as farmers, cities, and industries. Under the Prior Appropriation doctrine, users must demonstrate beneficial use of the water, which can include agricultural, domestic, industrial, or recreational purposes. This requirement ensures that water is not wasted and is used in ways that support the community's needs. While riparian rights apply to areas with abundant water bodies, they do not govern water allocation in Arizona, aligning the state's water regulation more closely with the realities of its climate and hydrology. Littoral rights pertain to properties adjacent to lakes or oceans, which is also not relevant to Arizona's water law. Reliction involves the gradual withdrawal of water, which can affect property boundaries but does not govern water usage rights directly.

3. The state obtains the property of someone who dies intestate through which legal principle?

- A. Police power
- B. Escheat**
- C. Eminent domain
- D. Taxation

The correct principle that allows the state to obtain the property of someone who dies intestate is escheat. Escheat occurs when a person dies without a valid will and without identifiable heirs. In such cases, the state has the right to take ownership of the decedent's property. This legal concept exists to prevent property from being unclaimed and ensures that it is put to public use, often reverting to the state for management and potential redistribution. In situations where individuals die intestate, the legal framework guiding the distribution of their assets follows the principle of escheat, protecting the interests of the community and state by managing unassigned or orphans property. Other options, such as police power, eminent domain, and taxation, relate to different circumstances involving government authority or property use but do not pertain to the condition where property reverts to the state due to a lack of heirs.

4. How can a buyer ensure the return of earnest money if their loan does not get approved?

- A. Request the earnest money from the lender
- B. Request the earnest money from the seller
- C. Place a stop payment on the check
- D. Place a contingency clause in the contract**

A buyer can ensure the return of earnest money if their loan does not get approved by including a contingency clause in the purchase contract. This contingency clause serves to protect the buyer in the event that they are unable to secure financing for the property. By including this clause, the buyer stipulates that if their financing falls through, they have the right to back out of the deal and receive their earnest money back. This contractual protection creates a clear understanding between the buyer and seller about the conditions that would lead to a refund of the earnest money, thus minimizing the buyer's risk and ensuring they are not penalized in situations beyond their control, like loan denial. Options such as requesting the earnest money from the lender or the seller differ fundamentally because those are not guaranteed routes or may not align with the contractual framework established. Placing a stop payment on a check does not address the fundamental agreement about the earnest money and might lead to complications or disputed claims between the parties involved.

5. Which agency relationship is characterized by working exclusively for the seller?

- A. Buyer's agency
- B. Dual agency
- C. Seller's agency**
- D. Transaction brokerage

In real estate, the agency relationship characterized by working exclusively for the seller is known as seller's agency. This type of relationship establishes that the agent represents the seller's interests above all else, providing fiduciary duties such as loyalty, confidentiality, and full disclosure to the seller. The seller's agent is tasked with advocating for the seller's goals in the transaction, whether that involves getting the best price, negotiating terms, or marketing the property effectively. Other agency types differ in their approach. For example, buyer's agency focuses on representing the interests of the buyer instead of the seller, while dual agency involves the agent representing both the buyer and the seller simultaneously, which can create potential conflicts of interest. Transaction brokerage, on the other hand, acts as a neutral facilitator between both parties without advocating for either side. Therefore, in the context of representing solely the seller's interests, seller's agency is the correct designation.

6. What is meant by property management?

- A. The selling of properties on behalf of owners
- B. The operation and oversight of real estate properties for owners**
- C. The construction of new buildings
- D. The appraisal of properties for market value

Property management refers to the operation and oversight of real estate properties for owners. This role encompasses a wide range of responsibilities, including maintaining the property, managing tenant relationships, handling leasing and renewals, collecting rent, ensuring compliance with local regulations, and protecting the owner's investment. Effective property management aims to maximize the value of the property while ensuring it is well-maintained and meets the needs of its occupants. The other options describe different real estate functions: selling properties relates to real estate brokerage, constructing buildings pertains to the construction industry, and appraising properties involves assessing their market value for various purposes. These functions, while related to real estate, do not capture the comprehensive nature of property management, which is specifically focused on the ongoing care and operation of existing rental properties.

7. Which of the following is NOT a participant in the secondary mortgage market?

- A. FNMA
- B. FHA**
- C. FHLMC
- D. GNMA

The Federal Housing Administration (FHA) is not a participant in the secondary mortgage market. Instead, the FHA plays a critical role in the primary mortgage market by insuring loans. This insurance protects lenders against losses if a borrower defaults on a mortgage loan, thereby encouraging lenders to offer loans to borrowers who may not qualify for conventional financing. In contrast, organizations like the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Government National Mortgage Association (GNMA) are all active in the secondary mortgage market. They buy loans from primary lenders, package them into mortgage-backed securities, and sell these securities to investors. This process provides liquidity to the mortgage market, allowing lenders to continue issuing new loans. Understanding the distinct roles played by these entities in the mortgage market is crucial for anyone studying real estate finance, as it helps clarify how various institutions contribute to loan availability and the overall health of the housing market.

8. How many days must a tenant give the owner to cure a minor defect before exercising self-help?

- A. 3 days
- B. 5 days
- C. 7 days
- D. 10 days**

A tenant is required to give the owner a specific amount of time to remedy a minor defect before the tenant can take matters into their own hands, often referred to as exercising self-help. According to Arizona law, a tenant must provide the landlord with a notice that identifies the minor defect and allows for a curing period. This period is set at ten days, giving the landlord sufficient time to correct the issue before the tenant resorts to self-help measures. Allowing ten days recognizes the landlord's right to address the property issue in a reasonable timeframe while balancing the tenant's need for a safe and functional living environment.

9. What does the term "capital gains" refer to?

- A. A tax on income from real estate transactions
- B. The profit realized from the sale of an asset that has increased in value**
- C. A fee associated with obtaining a mortgage loan
- D. The cost incurred when buying a property

The term "capital gains" specifically refers to the profit that an individual makes from the sale of an asset, such as real estate, when its value has increased since the time of purchase. This profit is significant because it represents the financial gain realized when an asset is sold for more than its original purchase price. For instance, if a property was bought for \$200,000 and sold for \$300,000, the capital gain would be \$100,000. This concept is particularly relevant in real estate transactions, as it affects how individuals and investors manage their finances and understand potential returns on their investments. In many jurisdictions, capital gains may also be subject to taxation, which varies based on the holding period of the asset and local tax laws. Understanding capital gains is essential for real estate professionals, as it informs clients about potential tax implications and investment outcomes when buying or selling properties.

10. Water rights for which Arizona rivers are being adjudicated in court?

- A. Gila and Salt Rivers
- B. Gila and Little Colorado Rivers**
- C. Gila and Santa Cruz Rivers
- D. Gila and Colorado Rivers

The correct response is that the water rights for the Gila and Little Colorado Rivers are currently being adjudicated in court. This situation arises from the state's complex history of water allocation and the necessity to resolve competing claims to water resources. In Arizona, the Gila River is a significant water source that supports agriculture and urban development. The Little Colorado River also contributes to the region's water supply. Both rivers play critical roles in the management of water rights in the state, which are essential for meeting the needs of various stakeholders, including tribes, municipalities, and agricultural entities. The adjudication process addresses legal and administrative challenges concerning water rights, ensuring that all claims are evaluated appropriately. This is particularly important in areas where water scarcity is a concern, as it helps to establish clear guidelines for water usage and access rights. Understanding the adjudication of these specific rivers is vital for real estate professionals and those involved in property development, as water rights can significantly affect property value and land use options within the state.

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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://arizonaasreb.examzify.com>

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

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