

# Arkansas Real Estate Practice Exam (Sample)

## Study Guide



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## **Questions**

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- 1. Can pre-licensing education requirements count towards Continuing Education?**
  - A. Yes**
  - B. No**
  - C. Only in specific states**
  - D. If approved by the director**
- 2. What is NOT the responsibility of a principal broker regarding trust funds?**
  - A. Funds delivered to an escrow agent selected by the parties**
  - B. Accountability for all trust funds received**
  - C. Management of the trust account**
  - D. Ensuring funds are deposited in three days**
- 3. When must the licensee's agency relationship with the buyer or lessee be disclosed?**
  - A. At the time of signing the contract**
  - B. At the first contact with the seller, lessor, or their agent**
  - C. Within 20 days after first contact**
  - D. After closing the deal**
- 4. When property managers receive cash under a property management agreement, what is specifically required among the receipt details?**
  - A. The identity of the property**
  - B. The bank's name where the cash will be deposited**
  - C. A photograph of the cash received**
  - D. Witness signatures**
- 5. Are application fees for broker's license refundable?**
  - A. Yes**
  - B. No**
  - C. Refundable only in special circumstances**
  - D. Refundable within 30 days of payment**

- 6. How much is the annual renewal broker fee?**
- A. 50.00**
  - B. 60.00**
  - C. 80.00**
  - D. 110.00**
- 7. How much is the broker licensee fee?**
- A. 50.00**
  - B. 70.00**
  - C. 80.00**
  - D. 110.00**
- 8. What rights does the charged person have?**
- A. The right to a speedy trial**
  - B. The right to cross-examine witnesses and examine evidence**
  - C. The right to a public defender**
  - D. The right to silence**
- 9. What information must ledgers contain regarding each deposit of funds?**
- A. Amount, purpose, check number, deposit date, balance**
  - B. Check number, deposit date, payer's name, ledger number**
  - C. Deposit date, balance, payer's name, account number**
  - D. Amount, ledger number, account number, payer's name**
- 10. When can closing arguments be dispensed with?**
- A. At the discretion of the appellant**
  - B. Never**
  - C. At the discretion of the Commission**
  - D. After all evidence is presented**

## **Answers**

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

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## **Explanations**

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**1. Can pre-licensing education requirements count towards Continuing Education?**

**A. Yes**

**B. No**

**C. Only in specific states**

**D. If approved by the director**

Typically, pre-licensing education requirements are separate from continuing education requirements. They are designed to prepare individuals for entry into a certain field or profession and do not typically count towards continuing education credits. While some states may allow pre-licensing education to be counted towards continuing education, this is not generally the case. Additionally, approval from the director may be required in order to count pre-licensing education towards continuing education credits. Therefore, option B is the most correct answer as it states that pre-licensing education cannot count towards continuing education.

**2. What is NOT the responsibility of a principal broker regarding trust funds?**

**A. Funds delivered to an escrow agent selected by the parties**

**B. Accountability for all trust funds received**

**C. Management of the trust account**

**D. Ensuring funds are deposited in three days**

A principal broker is responsible for the financial management and accountability of all trust funds received, as stated in option B. This includes managing the trust account, ensuring funds are deposited in a timely manner (option D), and being accountable for all funds received (option B). Option A is incorrect because the principal broker is not responsible for choosing the escrow agent for the funds to be delivered to. That responsibility falls on the parties involved in the transaction.

**3. When must the licensee's agency relationship with the buyer or lessee be disclosed?**

**A. At the time of signing the contract**

**B. At the first contact with the seller, lessor, or their agent**

**C. Within 20 days after first contact**

**D. After closing the deal**

It is important for the licensee's agency relationship with the buyer or lessee to be disclosed at the first contact with the seller, lessor, or their agent. This is because it sets clear expectations and avoids any misunderstandings about who is representing whom in the transaction. Options A and D are incorrect because they are either too early or too late to disclose the agency relationship, potentially causing confusion and legal issues. Option C is also incorrect because 20 days after first contact is too long to wait for disclosure and could lead to misunderstandings in the meantime. Overall, it is best practice to disclose the agency relationship as soon as possible to maintain transparency and trust in the real estate transaction.

**4. When property managers receive cash under a property management agreement, what is specifically required among the receipt details?**

- A. The identity of the property**
- B. The bank's name where the cash will be deposited**
- C. A photograph of the cash received**
- D. Witness signatures**

Property managers are required to include the identity of the property in the receipt details because this specifies which property the cash belongs to. This information is important for record-keeping and tracking purposes. Options B, C, and D are incorrect because including the bank's name, a photograph of the cash, or witness signatures are not necessary for fulfilling the specific requirement of identifying the property receiving the cash.

**5. Are application fees for broker's license refundable?**

- A. Yes**
- B. No**
- C. Refundable only in special circumstances**
- D. Refundable within 30 days of payment**

Broker's licenses have a specific application fee that is typically non-refundable. This fee is used to cover the cost of processing the application and is not dependent on the outcome of the application. Option A is incorrect because, as stated above, the application fee is usually not refundable. Option C is also incorrect because there are no special circumstances in which the fee would be refundable. Option D is incorrect because there is no time limit for the fee to be refunded. Therefore, the most accurate response to the question is option B.

**6. How much is the annual renewal broker fee?**

- A. 50.00**
- B. 60.00**
- C. 80.00**
- D. 110.00**

The best option is C 80.00. This fee is annual, meaning it is paid every year and not a one-time payment. Options A, B, and D are all lower or significantly higher than the correct answer, which suggests they may be for different fees or services. It is important to pay close attention to the wording and specifics of the question to accurately determine the correct answer.

**7. How much is the broker licensee fee?**

- A. 50.00
- B. 70.00**
- C. 80.00
- D. 110.00

The correct answer is B because it is the only option that falls within the common range of broker licensee fees, which typically range from \$50 to \$100. Option A is too low and may not cover the necessary fees and expenses. Option C is a bit high and could be considered unreasonable. Option D is significantly higher and may only apply to certain licenses or circumstances.

**8. What rights does the charged person have?**

- A. The right to a speedy trial
- B. The right to cross-examine witnesses and examine evidence**
- C. The right to a public defender
- D. The right to silence

A The right to a speedy trial is incorrect because this right only applies if the accused individual is being held in custody. If the accused is not in custody, there is no set timeline for the trial to occur. C: The right to a public defender is incorrect because this right only applies if the accused individual cannot afford their own lawyer. If the individual has the means to hire a private attorney, they do not have the right to a public defender. D: The right to silence is incorrect because this is a privilege against self-incrimination, not a right. This means that the accused individual can choose to remain silent and not testify in their own trial, but it is not a guaranteed right.

**9. What information must ledgers contain regarding each deposit of funds?**

- A. Amount, purpose, check number, deposit date, balance**
- B. Check number, deposit date, payer's name, ledger number
- C. Deposit date, balance, payer's name, account number
- D. Amount, ledger number, account number, payer's name

Ledgers contain records of financial transactions and should include important information such as the amount of funds deposited, the purpose behind the deposit, the check number, the date of the deposit, and the resulting balance. These details provide a comprehensive and accurate account of all deposits made into a specific account. The other options do not include all of the necessary information for proper record-keeping. Option B is missing the amount of funds deposited and option C is missing the check number. Option D is missing both the purpose behind the deposit and the check number. Therefore, option A is the best answer as it includes all necessary information for a complete and accurate ledger entry.

**10. When can closing arguments be dispensed with?**

- A. At the discretion of the appellant**
- B. Never**
- C. At the discretion of the Commission**
- D. After all evidence is presented**

Closing arguments can be dispensed with at the discretion of the Commission. This means that the Commission has the authority to decide whether or not to include closing arguments in the trial process. Option A, at the discretion of the appellant, is incorrect because the appellant is not the decision-maker in this situation. Option B, never, is incorrect because there may be instances where closing arguments are not necessary or appropriate. Option D, after all evidence is presented, is also incorrect because the Commission may choose to dispense with closing arguments even before all evidence has been presented. Therefore, the best answer for this question is C, at the discretion of the Commission.