ARKANSAS REAL ESTATE 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

1. What happens when a Broker is deceased, unavailable, unwilling, or unable to act?

A. The license gets suspended

B. A family member takes over

C. The Commission may allow the firm to operate under direction of an approved person

D. The firm must immediately close

2. Within how many days must a motion for reconsideration be filed after a decision?

A. 10 days

B. 15 days

C. 20 days

D. 30 days

3. What should be done with funds received in connection with a real estate transaction?

A. Kept in a licensee's personal account until closing

B. Immediately delivered to the principal broker

C. Can be held by the licensee until the transaction is complete

D. Deposited into the licensee's personal account

4. What is the desired process for the review and signing of real estate contracts?

A. The supervising brokers of both the selling and listing licensee should review and sign as soon as possible

B. Only the broker involved in the transaction needs to sign

C. The client must review and sign prior to the brokers

D. Not necessary for brokers to sign real estate contracts

5. What efforts are expected regarding knowledge of property?

A. Minimal efforts

B. No effort, unless specifically asked

C. Reasonable efforts to ascertain facts material to value or desirability

D. Only efforts required by law

6. **How is a former licensee regarded if they fail to apply for renewal of an expired license?**

A. As having a suspended license

B. As an original applicant

C. As a delinquent applicant

D. As a non-compliant licensee

7. **What must be included in a tenant agreement?**

A. Only the tenant's name and the rental property address.

B. Name and address of property manager and tenant, payment conditions, security deposit details, and signatures.

C. Only the payment conditions and amounts.

D. Only the signatures of the property manager and tenant.

8. **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

9. **What authority does the director have in the investigative process?**

A. Making the final decision on complaints

B. Changing the laws as needed

C. Utilizing subpoena powers of the Commission

D. Ignoring complaints deemed irrelevant

10. **What can an owner do if there is no broker to take the place of a terminated broker?**

A. Close the firm

B. Request the Commission allows the firm to continue operating

C. Operate without a broker

D. Hire a temporary broker without notifying the Commission

Answers

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

Explanations

1. What happens when a Broker is deceased, unavailable, unwilling, or unable to act?

A. The license gets suspended

B. A family member takes over

C. The Commission may allow the firm to operate under direction of an approved person

D. The firm must immediately close

When a Broker is deceased, unavailable, unwilling, or unable to act, the Commission may allow the firm to continue operating under direction of an approved person. This means that the firm can still conduct business, but someone else who has been approved by the Commission will take over the role of the Broker. This option allows for the smooth continuation of operations and ensures that clients are not left without a point of contact. Options A, B, and D are incorrect because they do not address the situation of the Broker being unable to act. A suspended license, family member taking over, and immediate closure are all extreme outcomes that do not consider the possibility of an approved substitute stepping in.

2. Within how many days must a motion for reconsideration be filed after a decision?

A. 10 days

B. 15 days

C. 20 days

D. 30 days

A motion for reconsideration must be filed within 15 days after a decision has been made. A, C, and D are incorrect because they do not fall within this 15-day time period. Filing outside of this time frame could result in the motion being rejected or not considered by the court. Therefore, it is crucial to abide by this time limit for filing a motion for reconsideration.

3. What should be done with funds received in connection with a real estate transaction?

A. Kept in a licensee's personal account until closing

B. Immediately delivered to the principal broker

C. Can be held by the licensee until the transaction is complete

D. Deposited into the licensee's personal account

Funds received in connection with a real estate transaction should be immediately delivered to the principal broker. This is to ensure that the funds are properly accounted for and not commingled with the licensee's personal funds. Keeping the funds in a personal account, as suggested in options A and D, can lead to potential ethical and legal issues. Holding the funds until the transaction is complete, as stated in option C, is also not recommended as it can delay the closing process and put the funds at risk if anything were to happen to the licensee. Therefore, the best course of action is to deliver the funds to the principal broker as soon as possible.

4. What is the desired process for the review and signing of real estate contracts?

A. The supervising brokers of both the selling and listing licensee should review and sign as soon as possible

B. Only the broker involved in the transaction needs to sign

C. The client must review and sign prior to the brokers

D. Not necessary for brokers to sign real estate contracts

The desired process for the review and signing of real estate contracts involves the supervising brokers of both the selling and listing licensee reviewing and signing as soon as possible. This ensures that both parties have thoroughly reviewed and approved the contract, as the brokers are responsible for overseeing the transaction. The other options are incorrect because option B only involves one broker in the process, which may not provide a comprehensive review. Option C puts the responsibility solely on the client, whereas it is the broker's duty to ensure all legal requirements are met. Option D is incorrect because it is necessary for brokers to sign real estate contracts as they are legally binding documents.

5. What efforts are expected regarding knowledge of property?

A. Minimal efforts

B. No effort, unless specifically asked

C. Reasonable efforts to ascertain facts material to value or desirability

D. Only efforts required by law

Efforts are expected in terms of knowledge of property in order to determine its value or desirability. Option A is incorrect as minimal efforts may not provide an accurate understanding of the property. Option B is incorrect as proper knowledge of the property is required, regardless of being asked or not. Option D is incorrect as the efforts required by law may not be enough to fully understand the property. Therefore, option C is the correct answer as it emphasizes the need for reasonable efforts to ascertain all facts that are important in determining the value or desirability of a property.

6. How is a former licensee regarded if they fail to apply for renewal of an expired license?

A. As having a suspended license

B. As an original applicant

C. As a delinquent applicant

D. As a non-compliant licensee

A A former licensee is considered to have a suspended license if their license was valid at some point but is no longer valid due to some violation or failure to renew. C: A former licensee would be considered delinquent if they failed to renew their license in a timely manner. D: If a former licensee fails to renew their license and continues to conduct business, they would be considered non-compliant as they are operating without a valid license. Choosing option B is the correct answer as a former licensee is someone who had a license at some point but is no longer licensed, and would need to reapply as an original applicant if they wanted to obtain a license again. The other options do not accurately describe the status of a former licensee.

7. What must be included in a tenant agreement?

A. Only the tenant's name and the rental property address.

B. Name and address of property manager and tenant, payment conditions, security deposit details, and signatures.

C. Only the payment conditions and amounts.

D. Only the signatures of the property manager and tenant.

A tenant agreement is a legally binding contract between a landlord and a tenant. It outlines the terms and conditions of the rental agreement and is meant to protect both parties. While option A may seem like it covers the basics, it is important to include details such as payment conditions, security deposit information, and signatures of both parties. Option C is also incorrect because it only covers payment conditions and amounts, neglecting other important details. Option D is incorrect because it leaves out important information such as the names and addresses of both parties and the security deposit details. Therefore, the most complete and accurate answer is B, which includes all of the necessary information for a tenant agreement.

8. 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.

9. What authority does the director have in the investigative process?

A. Making the final decision on complaints

B. Changing the laws as needed

C. Utilizing subpoena powers of the Commission

D. Ignoring complaints deemed irrelevant

The director has the authority to utilize subpoena powers of the Commission in the investigative process. This means they can legally request information and documents from individuals or organizations relevant to the investigation. Option A is incorrect because while the director may make the final decision on complaints, this does not specifically pertain to their authority in the investigative process. Option B is also incorrect because changing laws is not within the scope of the director's authority in the investigative process. Option D is incorrect because ignoring complaints deemed irrelevant does not pertain to the director's authority in the investigative process.

10. What can an owner do if there is no broker to take the place of a terminated broker?

A. Close the firm

B. Request the Commission allows the firm to continue operating

C. Operate without a broker

D. Hire a temporary broker without notifying the Commission

An owner of a firm can request the Commission to allow the firm to continue operating if there is no broker to take the place of a terminated broker. This option is best because it ensures that the firm is still able to conduct business while finding a new broker. Option A is incorrect because the firm does not have to close down just because a broker has been terminated. Option C is incorrect because it is illegal to operate a real estate firm without a broker. Option D is incorrect because the Commission must be notified of any changes in broker representation. This could result in penalties or fines for the firm if not done properly.

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://arkansasrealestate.examzify.com

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