BURK BAKER NATIONAL PRACTICE TEST (SAMPLE)

STUDY GUIDE

Prepare with structure. Pass with confidence

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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. **Which situation is a typical example of termination by operation of law due to debtor inabilty to perform (e.g., bankruptcy)?**
   A. Minor
   B. Bankruptcy
   C. Fraud
   D. Accord & satisfaction

2. **Prepaid taxes are recorded as what in the closing entries?**
   A. Debit to Buyer & Credit to Seller
   B. Credit to Buyer & Debit to Seller
   C. Debit to Seller & Credit to Buyer
   D. Credit to Seller & Debit to Buyer

3. **Under a sale with appraisement, the debtor has the right to bid only if the bid equals which fraction of the appraised value?**
   A. 1/2
   B. 2/3
   C. 3/4
   D. 4/5

4. **Under an installment contract, what title does the buyer hold before full performance?**
   A. Equitable Title
   B. Legal Title
   C. No Title
   D. Title in Trust

5. **An agency relationship based on a formal agreement between the parties, either written or verbal, is**
   A. Express agency
   B. Implied agency
   C. Ostensible agency
   D. Agency by necessity

6. Which will is made orally by a testator near death and may transfer only personal property, requiring witnesses?

A. Formal will

B. Holographic will

C. Nuncupative will

D. Mystic will

7. Which statement best describes a fee simple defeasable estate?

A. An estate that ends after a fixed number of years.

B. An estate that may be subject to conditions or limitations attached to ownership.

C. An estate with possibility of reversion automatically to grantor.

D. An estate with no limitations on ownership.

8. Which element of comparison deals with the conditions of sale?

A. Conditions of sale

B. Location

C. Financing terms

D. Physical characteristics

9. In a single agency transaction, which statement is true?

A. The agent owes fiduciary duties to both parties in a transaction.

B. The agent owes fiduciary duties to the party the agent represents.

C. The agent owes fiduciary duties to the public.

D. The agent owes no fiduciary duties.

10. Which deed is used to place property into a land trust?

A. Deed in Trust

B. Deed of Trust

C. Quitclaim Deed

D. Administrators Deed

Answers

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

Explanations

1. Which situation is a typical example of termination by operation of law due to debtor inabilty to perform (e.g., bankruptcy)?

A. Minor

B. Bankruptcy

C. Fraud

D. Accord & satisfaction

When a contract ends automatically because a party can't perform due to circumstances outside their control, that is termination by operation of law. Bankruptcy is the clear example of this. When someone files for bankruptcy, their ability to fulfill contracts is interrupted by the bankruptcy process—obligations can be discharged or contracts can be rejected under bankruptcy law—so the contract is treated as terminated by law, even without the other party's consent. This isn't about a party choosing to end the deal or about a minor's capacity, or about deceit or a voluntary settlement. A minor's contracts can be voided or avoided by the minor, fraud concerns a breach that requires remedy, and accord and satisfaction is a voluntary settlement that changes or releases obligations by agreement, not an automatic legal termination due to the debtor's incapacity.

2. Prepaid taxes are recorded as what in the closing entries?

A. Debit to Buyer & Credit to Seller

B. Credit to Buyer & Debit to Seller

C. Debit to Seller & Credit to Buyer

D. Credit to Seller & Debit to Buyer

Prepaid taxes are an asset representing taxes paid in advance. When a property is sold, any portion of prepaid taxes that will benefit the buyer after closing is transferred to the buyer. In the closing entries you reflect this by debiting the buyer's Prepaid Taxes (increasing the buyer's asset) and crediting the seller (removing the prepaid tax asset from the seller's books). This shows the buyer now owns the benefit of those prepaid taxes. Debiting the seller and crediting the buyer would imply the opposite transfer, which doesn't match the actual settlement.

3. Under a sale with appraisement, the debtor has the right to bid only if the bid equals which fraction of the appraised value?

A. 1/2

B. 2/3

C. 3/4

D. 4/5

In a sale with appraisement, there is a specific minimum the debtor must meet to bid in order to keep the property. That minimum is two-thirds of the appraised value. The idea is to give the debtor a fair chance to redeem the property without allowing bids that fall well below what the property is judged to be worth. For example, if the property is appraised at 600,000, the debtor would need to bid at least 400,000 to qualify. Bids below that floor aren't eligible for the debtor, while bids at or above that level proceed with the sale process. The other fractions would set different floor levels and aren't the established rule.

4. Under an installment contract, what title does the buyer hold before full performance?

A. Equitable Title

B. Legal Title

C. No Title

D. Title in Trust

In an installment contract, the buyer's interest in the property is equitable title. The seller keeps the legal title as security until all payments are made, while the buyer may possess the property and enforce the contract to obtain full ownership. This means the buyer has a recognized ownership stake and the right to obtain the deed to convey legal title once performance is complete. If the buyer defaults, the seller can terminate the contract and retake the property, since the legal title remains with the seller until full performance.

5. An agency relationship based on a formal agreement between the parties, either written or verbal, is

A. Express agency

B. Implied agency

C. Ostensible agency

D. Agency by necessity

Express agency is created by a clear agreement between the principal and the agent, either in writing or orally, that authorizes the agent to act on behalf of the principal within a defined scope. This explicit consent establishes the relationship and the agent's authority. It's different from implied agency, which comes from conduct or circumstances rather than a stated agreement, and from ostensible agency, which occurs when a principal's actions lead a third party to believe the agent has authority even without a real agreement. Agency by necessity arises only in urgent situations where action is needed to protect property or interests, not from a formal contract. Because the scenario describes a formal agreement, either written or verbal, it aligns with express agency.

6. Which will is made orally by a testator near death and may transfer only personal property, requiring witnesses?

A. Formal will

B. Holographic will

C. Nuncupative will

D. Mystic will

Nuncupative will is an oral declaration of testamentary disposition made by a testator who is near death. Because it's spoken, it's prone to misinterpretation, so rules require witnesses who heard the declaration to attest to its content and the testator's capacity. It typically covers only personal property, since transfer of real property usually requires a written instrument. To be enforceable, the oral statement is often required to be reduced to writing and signed by witnesses within a short time after the declaration. The other types differ in form: a holographic will is handwritten by the testator; a formal will is a written instrument executed with statutory formalities; a mystic will involves a sealed declaration and isn't routinely recognized in modern practice.

7. Which statement best describes a fee simple defeasable estate?

A. An estate that ends after a fixed number of years.

B. An estate that may be subject to conditions or limitations attached to ownership.

C. An estate with possibility of reversion automatically to grantor.

D. An estate with no limitations on ownership.

A fee simple defeasible estate is ownership that can be defeated or terminated if a specified condition occurs or a stated limitation is violated. This means the ownership isn't guaranteed forever; it can end or revert when the condition happens. Two common forms illustrate this idea. One ends automatically when the condition occurs, using language like "so long as" or "until," so the property returns to the grantor or a designated person. The other form isn't automatically terminated, but the grantor (or a specified party) has a future interest to reclaim the property if the condition is breached. The statement describing ownership that may be subject to conditions or limitations attached to ownership best captures that defeasibility. The other options describe different types of estates: a term-based arrangement ends after a fixed period, an automatic reversion is a more specific feature of certain forms, and ownership with no limitations describes a fee simple absolute.

8. Which element of comparison deals with the conditions of sale?

A. Conditions of sale

B. Location

C. Financing terms

D. Physical characteristics

In comparing properties, the terms under which a sale occurred are what "conditions of sale" describe. This includes whether the sale was cash or financed, any seller concessions, contingencies, or other special arrangements that could sway the price. That focus on how the sale was arranged is why it best fits the question. Location, financing terms, and physical characteristics each cover other aspects: location is where the property sits and how that affects value; financing terms look at how the buyer paid or the loan details; physical characteristics are the tangible features of the property. Adjusting for sale conditions ensures a fair comparison by accounting for differences in how each transaction was structured.

9. In a single agency transaction, which statement is true?

A. The agent owes fiduciary duties to both parties in a transaction.

B. The agent owes fiduciary duties to the party the agent represents.

C. The agent owes fiduciary duties to the public.

D. The agent owes no fiduciary duties.

In single agency, the agent represents only one party in the transaction and owes fiduciary duties to that client. These duties—loyalty, obedience to lawful instructions, disclosure of all material facts that could influence the client's decision, confidentiality, accounting for funds, and reasonable care—are meant to protect the client's interests above all else. The other party is treated as a customer, not a principal, so the agent does not owe fiduciary loyalty to them, just general duties like honesty and fair dealing. Therefore, the statement that the agent owes fiduciary duties to the party they represent best fits how single agency works.

10. Which deed is used to place property into a land trust?

A. Deed in Trust

B. Deed of Trust

C. Quitclaim Deed

D. Administrators Deed

Placing property into a land trust is about transferring title into the hands of a trustee under a trust arrangement. The instrument that does this directly is the deed in trust, which clearly states that the grantor conveys the property to a named trustee to hold for the benefit of the beneficiary. This creates the legal structure of the land trust, where the trustee holds title and the beneficiary controls or benefits from ownership, often behind the scenes. A quitclaim deed, while it transfers whatever interest the grantor has, provides no warranties and does not establish a trust relationship, so it isn't the tool used to create a land trust. An administrator's deed applies when a property is transferred by an administrator of an estate, not to form a trust. A deed of trust is typically a loan security instrument that secures financing with a lien and a power of sale, rather than the deed that places property into a trust.

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://burkbakernational.examzify.com

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