

# FBLA Real Estate Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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 benefit does a property manager provide to property owners?**
  - A. They assist in initial property purchases**
  - B. They manage tenant relations and property maintenance**
  - C. They provide financing options for owners**
  - D. They are responsible for selling the property**
  
- 2. What kind of agent works under another agent or broker?**
  - A. Buyer's Agent**
  - B. Seller's Agent**
  - C. Subagent**
  - D. Independent Agent**
  
- 3. What term refers to the legal right of ownership of property?**
  - A. Title**
  - B. Land Ownership**
  - C. Property Rights**
  - D. Deed of Ownership**
  
- 4. What is essential regarding the handling of earnest money in a real estate transaction?**
  - A. Deposit must be paid in cash**
  - B. Deposit must be placed in escrow or trust account promptly**
  - C. Deposit must be returned only to the seller**
  - D. Deposit can be held by the buyer's agent**
  
- 5. What is the legal duty of an agent to inform parties about who they legally represent called?**
  - A. Confidentiality**
  - B. Disclosure of Agency**
  - C. Transparency in Dealings**
  - D. Informed Consent**

- 6. What practice involves generating fear in homeowners that prices will drop due to racial integration?**
- A. Steering**
  - B. Blockbusting**
  - C. Redlining**
  - D. Discrimination**
- 7. What is the name of the contract between a seller and a broker to market property?**
- A. Listing Agreement**
  - B. Marketing Contract**
  - C. Broker Agreement**
  - D. Sales Contract**
- 8. Which term is used for a financial obligation against a property that may limit ownership rights?**
- A. Lien**
  - B. Appurtenance**
  - C. Easement**
  - D. Fixture**
- 9. What is the term for an agent's responsibility not to reveal their client's private information?**
- A. Confidentiality**
  - B. Transparency**
  - C. Disclosure**
  - D. Obedience**
- 10. What is the name given to a right or privilege that transfers with property ownership, like an easement?**
- A. Hereditaments**
  - B. Appurtenance**
  - C. Bundle of Rights**
  - D. Personal Property**

## Answers

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

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## **Explanations**

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**1. What benefit does a property manager provide to property owners?**

- A. They assist in initial property purchases**
- B. They manage tenant relations and property maintenance**
- C. They provide financing options for owners**
- D. They are responsible for selling the property**

A property manager plays a crucial role in managing the day-to-day operations of a rental property, which includes handling tenant relations and coordinating property maintenance. This is important because property owners often do not have the time or expertise to effectively manage these tasks. By fostering positive relationships with tenants, a property manager helps ensure tenant satisfaction, which can lead to higher occupancy rates and reduced turnover. Additionally, a property manager handles maintenance issues, ensuring that the property remains in good condition and compliant with safety regulations. This proactive management not only protects the owner's investment but also enhances the overall value of the property. Therefore, the essential functions of a property manager provide significant value to property owners, allowing them to focus on other responsibilities while maintaining their investment efficiently.

**2. What kind of agent works under another agent or broker?**

- A. Buyer's Agent**
- B. Seller's Agent**
- C. Subagent**
- D. Independent Agent**

The correct answer pertains to the role of a subagent in real estate transactions. A subagent is typically a licensed agent who acts on behalf of a primary agent or broker, effectively working under their supervision. This structure allows the subagent to help facilitate transactions and provide services to clients while being part of a larger team headed by the primary agent or broker. The role of a subagent is crucial because they can assist in various tasks, such as showing properties, communicating with potential buyers or sellers, and processing necessary documentation. Importantly, any duties performed by the subagent are done in alignment with the goals and directives of the primary agent or broker, who retains overall responsibility for the transaction and client representation. In contrast, other types of agents mentioned do not operate under this hierarchical relationship. For example, a buyer's agent exclusively represents the interests of buyers, and a seller's agent focuses on representing sellers, both acting independently within their designated roles. An independent agent operates autonomously, without being under the influence or control of another broker or agent. Thus, they do not fit the description of working under someone else, making the subagent the clear choice in this scenario.

### 3. What term refers to the legal right of ownership of property?

- A. Title**
- B. Land Ownership**
- C. Property Rights**
- D. Deed of Ownership**

The term that refers to the legal right of ownership of property is "title." In real estate, "title" signifies a person's legal claim to ownership of a property, encompassing the rights to use, enjoy, and sell that property. It is an essential concept in property law, as it establishes who has the authority to transfer ownership, enforce rights, and make decisions regarding the property. When a person holds the title to a property, this means they have a recognized legal interest in it. Title can be conveyed through various means, including sales or gifts, and can be affected by factors such as liens or encumbrances. This fundamental distinction is crucial in real estate transactions and property management, as it determines who holds the rights associated with the property. While terms like "land ownership" and "property rights" might be related concepts, they don't precisely define the legal claim or the documented evidence of ownership that "title" does. Similarly, a "deed of ownership" refers to the instrument used to convey title but is not the term that signifies the legal right itself. Thus, "title" is the most accurate term for identifying the legal right of ownership.

### 4. What is essential regarding the handling of earnest money in a real estate transaction?

- A. Deposit must be paid in cash**
- B. Deposit must be placed in escrow or trust account promptly**
- C. Deposit must be returned only to the seller**
- D. Deposit can be held by the buyer's agent**

In a real estate transaction, the handling of earnest money is crucial for establishing the buyer's serious intent to purchase the property. The correct choice emphasizes that the earnest money deposit must be placed in an escrow or trust account promptly. This is essential for several reasons. Firstly, placing the earnest money in escrow ensures that the funds are held securely and managed by a neutral third party until the transaction is finalized. This prevents any potential disputes over the earnest money and protects both the buyer and seller's interests. It also demonstrates professionalism and compliance with real estate regulations, which often require that earnest money be held in a designated account. Additionally, prompt placement in escrow builds trust among all parties involved. Buyers can feel secure knowing their deposit is safeguarded, while sellers can be assured that the buyer is committed and has taken the necessary steps in the transaction process. This practice also aligns with fiduciary duties that real estate agents owe to their clients, further ensuring that the transaction progresses smoothly. The other options do not reflect the standard practices or requirements for handling earnest money. For example, stating that the deposit must be paid in cash neglects the fact that other forms of payment, such as personal checks or wire transfers, are often acceptable. Similarly, the idea that the deposit

**5. What is the legal duty of an agent to inform parties about who they legally represent called?**

- A. Confidentiality**
- B. Disclosure of Agency**
- C. Transparency in Dealings**
- D. Informed Consent**

The legal duty of an agent to inform parties about who they legally represent is known as Disclosure of Agency. This duty ensures that all parties involved in a real estate transaction are fully aware of the relationships and agreements in place. It serves to clarify the agent's role, whether they are representing the buyer, the seller, or acting as a dual agent representing both parties. By fulfilling this obligation, agents uphold ethical standards and promote transparency throughout the transaction process. This not only protects the interests of the client being represented but also helps prevent potential conflicts of interest by ensuring that all parties are aware of the agent's loyalties. The other concepts, while related to agency relationships, do not specifically address the duty to inform parties about representation. Confidentiality focuses on protecting the client's private information, while Transparency in Dealings pertains more broadly to honest and open communication. Informed Consent involves ensuring that all parties understand the implications of their decisions and actions, but it does not directly emphasize the duty of agents to disclose their representation.

**6. What practice involves generating fear in homeowners that prices will drop due to racial integration?**

- A. Steering**
- B. Blockbusting**
- C. Redlining**
- D. Discrimination**

Blockbusting is the practice that involves creating fear among homeowners that their property values will decrease due to the influx of racially integrated communities. This tactic often encourages homeowners to sell their properties quickly and at lower prices. The practice is typically initiated by real estate agents or developers who exploit racial fears to profit from the subsequent buying and selling of homes. By instilling anxiety about potential decreases in property value, blockbusting manipulates the market and induces panic selling, which can destabilize neighborhoods and contribute to segregation. This practice not only harms the homeowners involved but also exacerbates racial tensions and undermines the goal of integrated communities. In contrast, steering refers to the practice of directing homebuyers toward or away from specific neighborhoods based on their race, while redlining involves denying or limiting financial services based on the racial or ethnic composition of a neighborhood. Discrimination encompasses more general biases and prejudicial behavior in housing practices, but the specific act of using fear about property values in the context of racial integration is best defined as blockbusting.

**7. What is the name of the contract between a seller and a broker to market property?**

- A. Listing Agreement**
- B. Marketing Contract**
- C. Broker Agreement**
- D. Sales Contract**

The contract between a seller and a broker specifically intended to market the property is known as a listing agreement. This document outlines the terms under which the broker agrees to represent the seller in selling the property. It typically includes details such as the listing price, the duration of the agreement, and the responsibilities of both parties. The listing agreement establishes a formal relationship, giving the broker the authority to market the property and to negotiate on behalf of the seller. This is a fundamental aspect of real estate transactions, as it formalizes the duties and obligations, ensuring that the seller is adequately represented in the market. Other options do not specifically refer to this type of arrangement, as a marketing contract can refer to broader promotional activities, a broker agreement may not be solely focused on property sales, and a sales contract pertains to the agreement for the sale of the property itself rather than its marketing.

**8. Which term is used for a financial obligation against a property that may limit ownership rights?**

- A. Lien**
- B. Appurtenance**
- C. Easement**
- D. Fixture**

A lien is defined as a financial claim or encumbrance on a property, typically used to secure the payment of a debt. This legal right allows creditors to take possession of the property if the debt is not repaid, which can limit the owner's rights to sell or transfer the property until the obligation is settled. Liens can arise from various financial obligations, such as mortgages, tax debts, or judgments, and can significantly impact an owner's ability to leverage or dispose of the property. In contrast, appurtenance refers to a right or privilege associated with a property that typically transfers with the property's title, such as rights to use resources like water. An easement grants one party the right to use another party's property for a specific purpose, but it does not represent a financial obligation against the property itself. A fixture is an item that is permanently attached to a property and is considered part of that property; it is not a financial obligation. Therefore, the term that best describes a financial obligation limiting ownership rights is indeed a lien.

**9. What is the term for an agent's responsibility not to reveal their client's private information?**

- A. Confidentiality**
- B. Transparency**
- C. Disclosure**
- D. Obedience**

The correct term for an agent's responsibility not to reveal their client's private information is confidentiality. Confidentiality is a fundamental principle in the agent-client relationship, ensuring that all communications and sensitive details shared by the client remain protected and are not disclosed to unauthorized parties. This duty protects the client's personal and financial information, which is crucial for maintaining trust and professionalism in real estate transactions. By adhering to confidentiality, agents not only comply with legal and ethical standards but also foster a sense of security for their clients, encouraging open and honest communication. This obligation is paramount because breaches of confidentiality can lead to significant legal repercussions and damage the agent's reputation. In contrast, the other terms provided do not accurately describe this responsibility. Transparency involves openness and clarity with clients but does not pertain specifically to the protection of private information. Disclosure refers to the act of revealing or making information known, which is the opposite of confidentiality. Obedience relates to following a client's lawful instructions but does not directly address the issue of client privacy and information security.

**10. What is the name given to a right or privilege that transfers with property ownership, like an easement?**

- A. Hereditaments**
- B. Appurtenance**
- C. Bundle of Rights**
- D. Personal Property**

The term that refers to a right or privilege that transfers with property ownership, such as an easement, is known as an appurtenance. Appurtenances are rights that are associated with the ownership of the property and benefit the owner in some way. They are not merely attached to the property itself but are considered a part of it for the duration of the property's ownership. This means that when the property is sold or transferred, any appurtenances, including easements, are also transferred to the new owner. Understanding this concept is important in real estate because it highlights the idea that certain rights can continue to exist even as ownership of the property changes hands. This distinguishes appurtenances from personal property, which may not automatically accompany the property upon its sale.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://fblarealestate.examzify.com>**

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

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