

FBLA REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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. Which of the following is NOT considered a protected class under the Fair Housing Act?**
 - A. Race
 - B. Color
 - C. Employment Status
 - D. Familial Status
- 2. What kind of agency is created through a written or verbal agreement?**
 - A. Implied Agency
 - B. Express Agency
 - C. Agency by Necessity
 - D. Agency by Ratification
- 3. What is a significant implication of dual agency for REALTORS®?**
 - A. The need for increased fees
 - B. The requirement for full disclosure
 - C. Limiting the number of clients
 - D. Exclusivity to one side of the transaction
- 4. Which term refers to the most profitable and legal use of a property?**
 - A. Optimal Use
 - B. Best Fit Use
 - C. Highest and Best Use
 - D. Permitted Use
- 5. Which valuation approach is often considered the most objective method of estimating property value?**
 - A. Sales Comparison Approach
 - B. Cost Approach
 - C. Income Approach
 - D. Market Analysis Approach

- 6. Who provides an independent valuation of property while adhering to USPAP standards?**
- A. Broker
 - B. Evaluator
 - C. Appraiser
 - D. Realtor
- 7. What type of property includes both tangible and intangible aspects?**
- A. Real Property
 - B. Hereditaments
 - C. Personal Property
 - D. Fixtures
- 8. What must an agent avoid in order to maintain ethical standards?**
- A. Providing competitive analysis
 - B. Accepting undisclosed compensation
 - C. Communicating regularly with the principal
 - D. Advising clients on real estate trends
- 9. What is the difference between a client and a customer in real estate?**
- A. A client has agency relationship; a customer does not
 - B. A customer has more rights than a client
 - C. Clients cannot be treated fairly
 - D. Customers pay agents higher commissions
- 10. Which of the following can help ensure an Open House is successful?**
- A. Scheduling it during holidays
 - B. Providing printed materials about the property
 - C. Limiting visitor interaction
 - D. Choosing a time with known conflicts

Answers

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

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Explanations

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1. Which of the following is NOT considered a protected class under the Fair Housing Act?

- A. Race
- B. Color
- C. Employment Status**
- D. Familial Status

The Fair Housing Act includes several protected classes to ensure that individuals cannot be discriminated against in housing based on certain characteristics. These protected classes specifically include race, color, religion, sex, national origin, familial status, and disability. Employment status, however, is not included in this list. This means that landlords and real estate professionals cannot legally consider an individual's employment status when making housing decisions, such as whether to grant a lease. Therefore, identifying employment status as a criterion for discrimination falls outside the scope of protections established by the Fair Housing Act. Understanding this legal framework is crucial for anyone involved in real estate, as it helps protect individuals from discriminatory practices and ensures fair treatment in housing opportunities.

2. What kind of agency is created through a written or verbal agreement?

- A. Implied Agency
- B. Express Agency**
- C. Agency by Necessity
- D. Agency by Ratification

The correct answer is that express agency is created through a written or verbal agreement between the principal and the agent. This type of agency is established when the principal clearly defines the relationship and the agent's authority to act on their behalf. This clarity is often documented in writing — for example, in a real estate listing agreement — but it can also be established verbally if the terms are adequately discussed and agreed upon. In express agency, both parties have a mutual understanding of the responsibilities and expectations involved, making it a more straightforward and legally binding arrangement. The clear communication of duties and powers protects both the agent and the principal, allowing for better trust and efficiency in the transactions that follow. Other forms of agency, such as implied agency, agency by necessity, and agency by ratification, do not typically involve a clear, mutual agreement. Implied agency arises through the actions of the parties rather than explicit terms, agency by necessity occurs in urgent situations where the agent must act without prior consent, and agency by ratification involves the principal confirming an action performed without prior agreement. These distinctions highlight why express agency is recognized for its explicit and formalized nature.

3. What is a significant implication of dual agency for REALTORS®?

- A. The need for increased fees
- B. The requirement for full disclosure**
- C. Limiting the number of clients
- D. Exclusivity to one side of the transaction

A significant implication of dual agency for REALTORS® is the requirement for full disclosure. In a dual agency situation, a real estate agent represents both the buyer and the seller in a transaction. This arrangement creates a potential conflict of interest, as the agent must navigate the competing goals and needs of both parties. To ensure transparency and maintain trust, it is crucial for the agent to disclose their dual agency status to both clients. Full disclosure involves informing both the buyer and the seller about the dual agency and what that means for their individual interests. This means clearly communicating any potential conflicts of interest, as well as how the agent will manage the transaction without favoring one party over the other. Without this disclosure, the agent could face legal repercussions and damage their professional reputation. The other aspects, such as increased fees, limiting the number of clients, and exclusivity to one side of the transaction, are not inherent implications of dual agency. Instead, they pertain to other business strategies or practices in real estate that may not directly relate to the dual agency model. The primary focus in dual agency remains on ensuring both clients are informed and protected through full disclosure.

4. Which term refers to the most profitable and legal use of a property?

- A. Optimal Use
- B. Best Fit Use
- C. Highest and Best Use**
- D. Permitted Use

The term that refers to the most profitable and legal use of a property is known as "Highest and Best Use." This concept is crucial in real estate valuation and planning, as it considers not only the legal restrictions in place on a property, such as zoning laws, but also the physical characteristics of the property, market trends, and potential financial return. The "Highest and Best Use" analysis determines the use that would result in the greatest overall benefit, which includes maximizing property value and ensuring that the intended use aligns with the rights and regulations governing the property. Contextually, while "Optimal Use" and "Best Fit Use" might suggest desirable usages of a property, they don't encompass the full criteria of legality, profitability, and feasibility required for real estate assessments. "Permitted Use" addresses legal allowances but does not necessarily include profitability or market viability, which are essential components of determining the highest and best use.

5. Which valuation approach is often considered the most objective method of estimating property value?

- A. Sales Comparison Approach**
- B. Cost Approach
- C. Income Approach
- D. Market Analysis Approach

The sales comparison approach is often deemed the most objective method of estimating property value because it relies on actual sales data from comparable properties in the same market area. By analyzing recent transactions of similar properties, this approach provides a direct measurement of what buyers are willing to pay, ensuring that the valuation is grounded in real market activity rather than theoretical or indirect methods. This approach uses comparable properties—often referred to as "comps"—to find a market-influenced value for the property in question. Adjustments can be made for differences in size, location, condition, and other factors, but the foundation is based on observable data, making it a transparent and reliable method. In contrast, the cost approach primarily estimates value by totaling the cost of land plus construction, minus depreciation, which can sometimes lead to theoretical biases based on replacement costs rather than actual market conditions. The income approach estimates value based on the income generated by the property, which can vary greatly with factors such as market fluctuations and property management efficiency, introducing a level of subjectivity. Therefore, the sales comparison approach is lauded for its groundedness in the realities of market behavior, making it a widely accepted standard for professional appraisals.

6. Who provides an independent valuation of property while adhering to USPAP standards?

- A. Broker
- B. Evaluator
- C. Appraiser**
- D. Realtor

The correct choice is an appraiser, as appraisers are licensed professionals who specialize in assessing the value of real estate. They conduct thorough evaluations of properties, considering various factors such as location, size, condition, and market trends. One of the key aspects of their role is to adhere to the Uniform Standards of Professional Appraisal Practice (USPAP), which sets the ethical and performance standards for appraisers in the United States. By following these standards, appraisers provide objective and impartial valuations that are necessary for transactions, lending, and various legal purposes. In contrast, brokers and realtors primarily focus on facilitating the buying and selling of properties rather than providing valuations based on standardized criteria. While evaluators do perform assessments, they do not necessarily adhere to the USPAP standards like certified appraisers do—making appraisers the distinct choice for independent property valuations.

7. What type of property includes both tangible and intangible aspects?

- A. Real Property
- B. Hereditaments**
- C. Personal Property
- D. Fixtures

The correct answer is that heritaments encompass both tangible and intangible aspects of property. In legal terms, heritaments refer to any property or rights that can be inherited. This includes both physical objects like land and buildings (tangible property) and rights or interests associated with them, such as easements, leases, or air rights, which are considered intangible property. Real property typically refers to land and anything permanently attached to it, emphasizing the physical aspect rather than the rights associated with it. Personal property is usually classified as movable items that aren't permanently affixed to land. Fixtures are items that were once personal property but have been attached to real property in such a manner that they are considered part of the real estate, focusing again on the tangible side and leaving behind the rights associated with the property. Thus, heritaments uniquely incorporate both the physical and legal, or intangible, elements of property ownership, making it the best answer in this context.

8. What must an agent avoid in order to maintain ethical standards?

- A. Providing competitive analysis
- B. Accepting undisclosed compensation**
- C. Communicating regularly with the principal
- D. Advising clients on real estate trends

Accepting undisclosed compensation is crucial to maintaining ethical standards in real estate. Transparency is fundamental to the trust that underpins the relationship between agents and their clients. When an agent accepts compensation without disclosing it to the principal, it creates a conflict of interest. The agent may be incentivized to act in a way that does not align with the best interests of the client, potentially leading to unethical behavior. This lack of disclosure undermines the integrity of the real estate profession and can lead to legal repercussions, damage to reputation, and loss of client trust. In contrast, providing competitive analysis, communicating regularly with the principal, and advising clients on real estate trends are all behaviors that promote ethical practice and help agents serve their clients effectively. These actions enhance the agent's ability to inform and guide clients responsibly in their real estate decisions.

9. What is the difference between a client and a customer in real estate?

- A. A client has agency relationship; a customer does not**
- B. A customer has more rights than a client
- C. Clients cannot be treated fairly
- D. Customers pay agents higher commissions

In real estate, the distinction between a client and a customer primarily revolves around the nature of the relationship and the level of representation provided. A client is someone who has entered into an agency relationship with a real estate professional. This means that the agent has a formal agreement to represent the client's interests, providing them with fiduciary duties such as loyalty, confidentiality, and full disclosure. On the other hand, a customer is not represented by the agent in the same capacity and does not have the same rights associated with agency. The agent may provide basic services or information to a customer, but they do not owe the same ethical or legal duties that they owe to a client. Thus, the correct choice emphasizes the fundamental nature of the agency relationship, confirming that the client receives more comprehensive support and advocacy from their agent compared to a customer.

10. Which of the following can help ensure an Open House is successful?

- A. Scheduling it during holidays
- B. Providing printed materials about the property**
- C. Limiting visitor interaction
- D. Choosing a time with known conflicts

Providing printed materials about the property is essential for ensuring an Open House is successful because it allows potential buyers to have tangible information they can refer to at their convenience. These materials often include key details such as the property's features, attractive photographs, floor plans, and any other pertinent information that highlights the home's advantages. Well-prepared printed materials can also reinforce the agent's professionalism and help answer potential buyers' questions, enabling them to feel more engaged and informed during their visit. When potential buyers can take this information home, it aids in their decision-making process and can significantly contribute to making a memorable impression about the property. This practice supports a more effective connection between the buyers and the property, ultimately increasing the likelihood of offers being made.

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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://fblarealestate.examzify.com>

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

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