

# Florida Realtor Sales Associate 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**

- 1. In real estate, what concept refers to reduced property value resulting from external factors?**
  - A. Functional Obsolescence**
  - B. External Obsolescence**
  - C. Investment Risk**
  - D. Economic Storage**
- 2. What is the maximum amount a broker would normally receive as damages from a defaulted sales contract?**
  - A. Equal to one-fourth of the deposit**
  - B. The total deposit**
  - C. Equal to one-half of the deposit**
  - D. Equal to the amount of his or her agreed upon commission**
- 3. When a builder constructs a home on their land without a specific buyer, this is referred to as:**
  - A. spec building**
  - B. custom building**
  - C. commercial building**
  - D. residential building**
- 4. What is the maximum punishment for committing a first degree misdemeanor in real estate?**
  - A. Fine of up to \$500.**
  - B. Fine of up to \$1,000 and/or imprisonment for up to one year.**
  - C. Revocation of license for one year.**
  - D. Permanent loss of all licensing privileges.**
- 5. What is the gross rent multiplier for a house valued at \$65,000 with a monthly rent of \$500?**
  - A. 75**
  - B. 80**
  - C. 130**
  - D. 175**

- 6. If a property is purchased for 60% of its asking price and resold for 100% of the original asking price, what is the profit percentage?**
- A. 20%**
  - B. 33.33%**
  - C. 40%**
  - D. 66.66%**
- 7. Which type of lender does NOT participate in the actual lending but instead deals in the secondary market?**
- A. Primary lender**
  - B. Private lender**
  - C. Secondary lender**
  - D. Commercial lender**
- 8. Which of the following would NOT typically be prorated on a closing statement?**
- A. Property taxes**
  - B. Rental income**
  - C. Homeowner's insurance premium**
  - D. Mortgage interest**
- 9. What is the consequence for a broker selling outdated rental lists?**
- A. This is illegal.**
  - B. This is a form of fraud.**
  - C. This is a first degree misdemeanor.**
  - D. His license is now null and void.**
- 10. Deed preparation and documentary stamps on the deed are customarily a:**
- A. Debit to the seller**
  - B. Credit to the seller**
  - C. Debit to the buyer**
  - D. Credit to the buyer**

## **Answers**

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

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## **Explanations**

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**1. In real estate, what concept refers to reduced property value resulting from external factors?**

**A. Functional Obsolescence**

**B. External Obsolescence**

**C. Investment Risk**

**D. Economic Storage**

The concept that refers to the reduction in property value due to external factors is known as external obsolescence. This occurs when changes outside of the property itself adversely affect its value. For example, factors such as increased traffic in the area, the opening of undesirable businesses nearby, or environmental issues can diminish the desirability of a location, leading to a decrease in property value. External obsolescence is particularly significant because, unlike other forms of obsolescence which may be tied to the property itself, this form is tied to external influences that homeowners or investors may have little control over. Understanding this concept is crucial for real estate professionals as it affects property assessments, investment decisions, and market analysis. Recognizing external obsolescence helps realtors advise clients accurately on property values and potential investment risks.

**2. What is the maximum amount a broker would normally receive as damages from a defaulted sales contract?**

**A. Equal to one-fourth of the deposit**

**B. The total deposit**

**C. Equal to one-half of the deposit**

**D. Equal to the amount of his or her agreed upon commission**

The maximum amount a broker would normally receive as damages from a defaulted sales contract is equal to the amount of his or her agreed upon commission. This reflects the value of the broker's efforts in facilitating the transaction, which were jeopardized due to the buyer's default. In many cases, the terms of the brokerage agreement outline that if a sale does not go through because of the buyer's actions, the broker may be entitled to recover the commission they would have earned had the transaction been successful. Thus, when a sales contract is defaulted and there is no completion of the sale, the broker seeks compensation based on the commission rather than a percentage of the deposit, as the deposit typically represents funds placed for earnest money during negotiations rather than the total financial expectations for the agent's services. This principle serves to ensure that brokers are compensated for the time, effort, and resources they invest in facilitating real estate transactions, even in the event of a default by one of the parties involved.

**3. When a builder constructs a home on their land without a specific buyer, this is referred to as:**

- A. spec building**
- B. custom building**
- C. commercial building**
- D. residential building**

The term used for when a builder constructs a home on their land without having a specific buyer lined up is "spec building." This practice involves the builder taking the risk of financing the construction of a home based solely on the belief that they will find a buyer once the home is completed. Spec homes are built with the intention of selling them after they are finished, appealing to potential buyers who may not want to wait for a custom home to be built to their specifications. In contrast, custom building involves constructing homes based on specific requests from buyers, who typically provide input on the design and features. Commercial building pertains to properties intended for business use rather than residential purposes, while residential building is a broad category that encompasses all types of homes but does not specifically refer to the process of building without a pre-sold buyer in mind. Thus, spec building accurately describes the scenario presented.

**4. What is the maximum punishment for committing a first degree misdemeanor in real estate?**

- A. Fine of up to \$500.**
- B. Fine of up to \$1,000 and/or imprisonment for up to one year.**
- C. Revocation of license for one year.**
- D. Permanent loss of all licensing privileges.**

The maximum punishment for committing a first degree misdemeanor in real estate includes a fine of up to \$1,000 and/or imprisonment for up to one year. This reflects the severity associated with first degree misdemeanors, which are considered more serious than second or third degree misdemeanors. The penalties are structured to deter unlawful behavior in real estate transactions and protect the integrity of the industry. In this context, the law acknowledges that while the offense does not reach the level of a felony, it still warrants significant consequences due to the potential for harm to consumers and the overall real estate market. The imposition of both fines and potential imprisonment underscores the seriousness with which these violations are treated, reinforcing the importance of ethical conduct and compliance with real estate regulations.

5. What is the gross rent multiplier for a house valued at \$65,000 with a monthly rent of \$500?

- A. 75
- B. 80
- C. 130**
- D. 175

To determine the gross rent multiplier (GRM), you need to divide the value of the property by the annual rental income. The GRM is a useful tool in real estate investment, as it provides a simple way to evaluate the value of rental properties based on their income-producing potential. In this scenario, the property is valued at \$65,000, and the monthly rent is \$500. First, calculate the annual rental income by multiplying the monthly rent by 12:  $\text{Annual Rent} = \text{Monthly Rent} \times 12$   $\text{Annual Rent} = \$500 \times 12 = \$6,000$  Next, to find the gross rent multiplier, divide the property value by the annual rental income:  $\text{GRM} = \text{Property Value} / \text{Annual Rent}$   $\text{GRM} = \$65,000 / \$6,000$  Calculating this gives:  $\text{GRM} = 10.83$  It seems there may have been a miscalculation with the values provided. If you were considering the correct options, you might want to double-check the accuracy of the house valuation or the rent to ensure that the numbers correspond correctly with standard GRM values, as they can often point to significant information in investment analysis. In this case, the conclusion was that the GRM should represent a ratio

6. If a property is purchased for 60% of its asking price and resold for 100% of the original asking price, what is the profit percentage?

- A. 20%
- B. 33.33%
- C. 40%
- D. 66.66%**

To determine the profit percentage from this real estate transaction, we first need to understand how profit is calculated based on the costs involved in the purchase and the selling price. When the property is purchased for 60% of its asking price, let's denote the asking price as  $(P)$ . The purchase price would thus be  $(0.6P)$ . The property is then resold for 100% of the original asking price, which is  $(P)$ . To find the profit, we subtract the purchase price from the selling price:  $\text{Profit} = \text{Selling Price} - \text{Purchase Price} = P - 0.6P = 0.4P$  Now that we have the profit, we can find the profit percentage relative to the purchase price. The profit percentage is calculated using the formula:  $\text{Profit Percentage} = \left( \frac{\text{Profit}}{\text{Purchase Price}} \right) \times 100$  Substituting the values we have:  $\text{Profit Percentage} = \left( \frac{0.4P}{0.6P} \right) \times 100 =$

**7. Which type of lender does NOT participate in the actual lending but instead deals in the secondary market?**

**A. Primary lender**

**B. Private lender**

**C. Secondary lender**

**D. Commercial lender**

The correct answer is the secondary lender, who typically does not engage directly in the lending process but instead operates in the secondary mortgage market. In this market, these lenders purchase loans that have already been originated by primary lenders. This structure enables primary lenders to free up capital, allowing them to issue more loans, while secondary lenders can package these loans into mortgage-backed securities for sale to investors. This market plays a crucial role in providing liquidity and stability to the mortgage industry, supporting the flow of money and ultimately aiding borrowers in accessing funds for home purchases. The distinction is essential because primary lenders provide loans directly to borrowers, while secondary lenders engage in activities that do not involve borrowers directly but rather focus on the investment and securitization side of mortgage finance. Understanding the roles of different types of lenders in the mortgage process is vital for navigating real estate transactions and financing options in Florida.

**8. Which of the following would NOT typically be prorated on a closing statement?**

**A. Property taxes**

**B. Rental income**

**C. Homeowner's insurance premium**

**D. Mortgage interest**

When preparing a closing statement, certain items are typically prorated because they are ongoing expenses that may need to be divided between the buyer and seller based on the closing date. Homeowner's insurance premium is generally paid in full at the time of renewal and does not usually require proration at closing. Conversely, property taxes, rental income, and mortgage interest are often prorated since these amounts can vary based on the amount of time each party will own or control the property within the current payment period. Property taxes may be adjusted according to how many days each party has owned the property during the tax period. Similarly, rental income would be prorated to account for the days the seller or buyer collects rent after closing. Mortgage interest is also prorated based on the number of days the seller has owned the property in the current payment period up until closing. Therefore, the homeowner's insurance premium stands out as the item that is not typically prorated on a closing statement, as it is commonly handled as a lump-sum payment and does not require adjustment for the closing day.

**9. What is the consequence for a broker selling outdated rental lists?**

- A. This is illegal.**
- B. This is a form of fraud.**
- C. This is a first degree misdemeanor.**
- D. His license is now null and void.**

The consequence for a broker selling outdated rental lists being classified as a first degree misdemeanor is due to the legal standards set by Florida law regarding real estate practices. A first degree misdemeanor in Florida reflects serious offenses that can result in penalties such as fines and potential jail time, indicating that the action is not just a minor violation. Selling outdated rental lists can mislead consumers, constituting a failure to provide accurate and current information necessary for making informed decisions in a rental market. Because real estate brokers have a fiduciary duty to act in the best interest of their clients, failing to provide current data could undermine that duty and diminish trust in the profession, warranting a serious consequence like a first degree misdemeanor. Other options address various concerns but may not capture the specific legal ramifications as thoroughly. For instance, labeling it as illegal emphasizes the unlawful nature but does not specify the level of penalty. Describing it as a form of fraud implies intent to deceive, which could be a separate issue but isn't the primary classification for outdated lists in this context. Asserting that the broker's license is null and void suggests a more severe and immediate consequence that isn't typically applied in this scenario; rather, penalties like a misdemeanor would likely still allow the broker to retain their license under

**10. Deed preparation and documentary stamps on the deed are customarily a:**

- A. Debit to the seller**
- B. Credit to the seller**
- C. Debit to the buyer**
- D. Credit to the buyer**

When it comes to real estate transactions in Florida, the preparation of the deed and the associated documentary stamp taxes are typically the responsibility of the seller. This custom reflects the understanding that the seller is conveying their ownership rights to the buyer, and in doing so, they incur the costs related to the preparation of legal documents. Because the seller is the party providing the deed, it makes sense for the costs related to that deed's preparation to be debited from the seller's proceeds at closing. In real estate terminology, a "debit" represents an amount that is subtracted, which, in this case, corresponds to the seller's total settlement statement where various costs are itemized. This customary practice ensures clarity in financial responsibilities during the transaction process, with the seller being accountable for their share of costs associated with legally transferring property ownership. Understanding this helps in calculating the financial elements involved in closing a real estate deal in Florida.

## 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://floridarealtorsalesassociate.examzify.com>**

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