

Georgia Broker 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. What is a home warranty?**
 - A. A contract covering repair or replacement of home systems**
 - B. A guarantee of property's resale value**
 - C. A loan agreement for home purchases**
 - D. A type of homeowners insurance policy**
- 2. Which of the following actions may be considered discriminatory in housing practices?**
 - A. Requiring a security deposit**
 - B. Advertising exclusive access**
 - C. Vetting applicants carefully**
 - D. Conducting background checks**
- 3. What is the purpose of a material adverse fact disclosure in Georgia?**
 - A. To increase property value**
 - B. To inform buyers of significant issues with a property**
 - C. To provide a summary of the property's history**
 - D. To report fair housing complaints**
- 4. What is considered "overpricing" in real estate?**
 - A. Listing a property at market value**
 - B. Listing a property for sale below market value**
 - C. Listing a property significantly above its fair market value**
 - D. Valuing a property based on seller's emotional attachment**
- 5. A federal lead-based disclosure gives the buyer how many days to conduct inspections for lead-based paint unless waived in writing?**
 - A. 5 days**
 - B. 10 days**
 - C. 15 days**
 - D. 30 days**

- 6. What characterizes a residential lease?**
- A. It is for business properties only**
 - B. It is a contract for living space rental**
 - C. It requires a commercial license**
 - D. It is typically shorter than a commercial lease**
- 7. What is the maximum profit per couple on a second home that can be exempt from capital gains tax?**
- A. \$250,000**
 - B. \$500,000**
 - C. none of the above**
 - D. \$100,000**
- 8. In real estate, what does "due diligence" often require from buyers?**
- A. A thorough investigation of the property**
 - B. A setting of sale price before listing**
 - C. A direct negotiation with the seller**
 - D. A mandatory financial assessment**
- 9. Which insurance protects real estate brokers from potential lawsuits?**
- A. Workers Compensation Insurance**
 - B. Commercial Auto Insurance**
 - C. Errors and Omissions Insurance**
 - D. Property Damage Insurance**
- 10. Which of the following is a duty a broker has to a seller but not to a landlord?**
- A. Exercise reasonable care**
 - B. Comply with BRRETA**
 - C. Disclose adverse material facts**
 - D. Provide property management services**

Answers

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

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Explanations

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1. What is a home warranty?

A. A contract covering repair or replacement of home systems

B. A guarantee of property's resale value

C. A loan agreement for home purchases

D. A type of homeowners insurance policy

A home warranty is specifically defined as a contract that covers the repair or replacement of various home systems and appliances that may malfunction due to age or wear and tear. This typically includes major systems such as heating, electrical, plumbing, and various appliances like refrigerators or dishwashers. The purpose of a home warranty is to provide financial protection to homeowners, allowing them to manage the costs of repairs or replacements that can arise throughout the ownership of a home. In contrast, the other options reflect concepts that are quite different. A guarantee of a property's resale value would pertain to market conditions and is not related to the functioning or maintenance of home systems. A loan agreement for home purchases refers to the financing aspect of buying real estate but does not cover the maintenance or repair of home components. Lastly, homeowners insurance policies are designed to protect against loss from certain risks like fire, theft, or natural disasters and are not focused on the repair or replacement of home systems and appliances as a home warranty is. Understanding the purpose of a home warranty enhances a homeowner's ability to make informed decisions regarding maintenance and repair, ultimately providing peace of mind and potential cost savings.

2. Which of the following actions may be considered discriminatory in housing practices?

A. Requiring a security deposit

B. Advertising exclusive access

C. Vetting applicants carefully

D. Conducting background checks

Advertising exclusive access can be considered discriminatory in housing practices because it can imply that certain groups are being excluded from opportunities for housing based on protected characteristics, such as race, color, religion, sex, national origin, familial status, or disability. This type of advertisement may create a perception that specific groups are not welcomed or are intentionally being left out, which runs counter to fair housing laws designed to ensure equal opportunity in housing access. In contrast, requiring a security deposit, vetting applicants carefully, and conducting background checks are generally standard practices in the housing industry. These actions are typically viewed as necessary steps for ensuring tenant reliability and property safety, provided they are applied uniformly to all applicants without bias. Discrimination becomes a concern primarily when actions or practices are selectively enforced or communicated in a way that suggests preference or exclusion based on a protected characteristic.

3. What is the purpose of a material adverse fact disclosure in Georgia?

- A. To increase property value
- B. To inform buyers of significant issues with a property**
- C. To provide a summary of the property's history
- D. To report fair housing complaints

The purpose of a material adverse fact disclosure in Georgia is to inform buyers of significant issues with a property. This requirement is rooted in the state's commitment to transparency in real estate transactions. Material adverse facts are defined as those that could significantly affect the value of the property, or the buyer's decision to purchase it. This disclosure ensures that buyers are fully aware of any defects or problems that may not be easily observable during a property viewing, such as structural issues, environmental hazards, or legal problems related to the property. By providing this critical information, sellers and agents uphold ethical standards and protect consumers from making uninformed decisions that could lead to financial loss or safety concerns. In contrast, other options do not capture this primary intent. Increasing property value is not relevant to the disclosure requirement, nor is providing a summary of the property's history, which could be useful but does not specifically address the immediate concerns about adverse material facts. Additionally, reporting fair housing complaints deals with discriminatory practices in housing, which is separate from the obligation to disclose material defects about the property itself.

4. What is considered "overpricing" in real estate?

- A. Listing a property at market value
- B. Listing a property for sale below market value
- C. Listing a property significantly above its fair market value**
- D. Valuing a property based on seller's emotional attachment

Overpricing in real estate refers to the practice of setting a listing price for a property that exceeds its fair market value by a significant margin. This can lead to difficulties in selling the property, as buyers will often compare it to similar properties in the area and may be deterred by the inflated price. Fair market value is typically determined by a combination of factors such as recent sales of comparable properties, current market conditions, and the property's unique features. When a property is priced significantly above its fair market value, it can lead to extended market time, reduced buyer interest, and the potential for price reductions after the property has been on the market for a while. In contrast, listing a property at market value reflects accurate pricing based on objective valuation methods, while listing it below market value can attract quick offers, but it also means the seller might not realize the full potential for profit. Valuing a property based on the seller's emotional attachment can lead to subjective overpricing, but it does not necessarily align with established market mechanisms and can result in similar overpricing issues. Therefore, the identification of overpricing is primarily concerned with the significant disparity between a property's listed price and its fair market value.

5. A federal lead-based disclosure gives the buyer how many days to conduct inspections for lead-based paint unless waived in writing?

- A. 5 days
- B. 10 days**
- C. 15 days
- D. 30 days

The federal lead-based paint disclosure, which is a requirement for transactions involving properties built before 1978, grants buyers a period of 10 days to conduct inspections for lead-based paint hazards unless they choose to waive this right in writing. This provision is designed to ensure that buyers have ample opportunity to assess the presence of lead-based paint, which can pose serious health risks, particularly to young children and pregnant women. By allowing a full 10 days, the regulation balances the need for necessary due diligence with the practical aspects of real estate transactions, giving buyers time to arrange for professional inspections or testing.

6. What characterizes a residential lease?

- A. It is for business properties only
- B. It is a contract for living space rental**
- C. It requires a commercial license
- D. It is typically shorter than a commercial lease

A residential lease is fundamentally characterized as a contract for living space rental. This type of agreement specifically pertains to the leasing of properties that are intended for individuals and families to reside in, such as apartments, houses, or condos. The key aspect of a residential lease is that it provides the tenant with the right to occupy a living space, which is distinct from other types of leases that may be designed for business purposes or commercial activities. In contrast, leases that pertain to business properties or require a commercial license have different regulations, terms, and purposes. For example, a commercial lease typically details terms suited for businesses, such as longer terms and provisions specific to business use. Furthermore, while some residential leases may indeed be shorter in duration compared to commercial leases, this is not a defining characteristic of a residential lease. The primary identifying feature is its role as a legal contract that allows individuals or families to rent a place to live. This fundamental definition distinguishes it from other leasing types and reflects the essence of what a residential lease represents in real estate practice.

7. What is the maximum profit per couple on a second home that can be exempt from capital gains tax?

A. \$250,000

B. \$500,000

C. none of the above

D. \$100,000

The maximum profit per couple on a second home that can be exempt from capital gains tax is indeed not listed among the provided choices, which makes the option stating "none of the above" appropriate. Capital gains tax exemptions typically apply to the sale of a primary residence rather than a second home. For a primary residence, the exemption allows couples to exclude up to \$500,000 of gain if they meet specific ownership and use requirements. However, this exemption does not extend to second homes; therefore, any profit realized from the sale of a second home would generally be subject to capital gains tax. Understanding these distinctions is crucial for homeowners and investors when they are planning the sale of their properties, as it impacts their tax liabilities. Thus, since the correct maximum exemption for a second home is technically zero, "none of the above" correctly identifies that the provided figures do not accurately reflect the reality of capital gains tax exemptions for second-home sales.

8. In real estate, what does "due diligence" often require from buyers?

A. A thorough investigation of the property

B. A setting of sale price before listing

C. A direct negotiation with the seller

D. A mandatory financial assessment

Due diligence in real estate refers to the process of conducting a comprehensive investigation of a property before finalizing a transaction. This is crucial for buyers to uncover any potential issues or risks associated with the property that could affect its value or their decision to proceed with the purchase. Such investigations might include examining the property's physical condition, verifying property boundaries, checking for liens or title issues, and reviewing any zoning regulations or restrictions. By conducting a thorough investigation, buyers can make informed decisions, negotiate terms effectively, and avoid unpleasant surprises after closing. This aspect of due diligence aligns closely with the responsibilities buyers have to protect their interests in a real estate transaction.

9. Which insurance protects real estate brokers from potential lawsuits?

- A. Workers Compensation Insurance**
- B. Commercial Auto Insurance**
- C. Errors and Omissions Insurance**
- D. Property Damage Insurance**

Errors and Omissions Insurance is specifically designed to protect professionals, including real estate brokers, from claims of negligence, mistakes, or failures to perform their duties in a professional manner. This type of insurance covers legal costs and damages that may arise from lawsuits related to the services provided by the broker, such as misrepresentation, failure to disclose information, or inadequate advice given to clients. In the real estate industry, brokers face various risks due to the nature of their work, which involves substantial financial transactions and client interactions. Errors and Omissions Insurance helps mitigate the financial risks associated with these potential lawsuits, ensuring brokers can operate with a degree of security. Other types of insurance mentioned do not provide the same level of protection for brokers in terms of professional liability. Workers Compensation Insurance addresses workplace injuries to employees, Commercial Auto Insurance covers vehicle-related incidents, and Property Damage Insurance pertains to damage to physical properties rather than liability related to professional services. Thus, Errors and Omissions Insurance is the most relevant and crucial form of protection for real estate brokers against lawsuits.

10. Which of the following is a duty a broker has to a seller but not to a landlord?

- A. Exercise reasonable care**
- B. Comply with BRRETA**
- C. Disclose adverse material facts**
- D. Provide property management services**

A broker's duty to a seller includes a broader range of responsibilities, particularly the obligation to market and sell the property effectively. Providing property management services typically pertains to an ongoing relationship with a landlord, who may engage a broker to manage tenants and property operations. However, when representing a seller in a transaction, the broker does not provide property management services, as the relationship is centered around the sale of the property rather than managing it. In contrast, exercising reasonable care, complying with the Brokerage Relationships in Real Estate Transactions Act (BRRETA), and disclosing adverse material facts are fundamental duties applicable to both sellers and landlords. These responsibilities ensure that both parties are treated fairly and squarely informed throughout the real estate transaction process. Thus, providing property management services is uniquely tied to a landlord's needs, differentiating it from the duties owed to sellers.

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://georgiabroker.examzify.com>

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