

# GEORGIA BROKER 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. How is "appraisal" defined in real estate terms?**

- A. A preliminary estimate of repairs needed
- B. An assessment of a property's market value
- C. The initial list price of a property
- D. A formal advertisement of the property

**2. What role does the NAR Code of Ethics play for REALTORS®?**

- A. Guidelines for professional conduct
- B. Regulatory compliance requirements
- C. Business strategy development
- D. Selling techniques

**3. What is a "net listing"?**

- A. A type of listing agreement where the seller specifies the minimum amount they will accept for the property and the broker receives any amount above that as commission
- B. A listing that guarantees a profit for the seller regardless of market conditions
- C. A listing that automatically renews every year
- D. A contract that prohibits sellers from negotiating with other brokers

**4. What does "due diligence" refer to in real estate?**

- A. The process of investigating a property to uncover any potential issues before a transaction is finalized
- B. A method of calculating property taxes
- C. The negotiation stage of a property sale
- D. The final review of documents before closing

**5. Which situation is NOT appropriate for earnest money disbursement?**

- A. Buyer withdraws a purchase offer two days after acceptance
- B. Seller backs out of the deal without cause
- C. Property fails inspection and buyer requests refund
- D. Closing does not occur due to lack of financing

- 6. Under which type of agency agreement does only one broker act on behalf of the principal and is not paid if the owner sells their property?**
- A. Exclusive Agency
  - B. Open Listing
  - C. Exclusive Right to Sell
  - D. Dual Agency
- 7. Which of the following is an example of Good Consideration?**
- A. Loyalty
  - B. Financial incentive
  - C. Appreciation
  - D. Market value
- 8. If a seller's agent discloses the seller's urgency to sell, which fiduciary duty has been breached?**
- A. Loyalty
  - B. Obedience
  - C. Confidentiality
  - D. Disclosure
- 9. For how long must a broker keep records of real estate transactions in Georgia?**
- A. For three years
  - B. For five years
  - C. For one year
  - D. For as long as the property is owned
- 10. 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

## **Answers**

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

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## **Explanations**

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## 1. How is "appraisal" defined in real estate terms?

- A. A preliminary estimate of repairs needed
- B. An assessment of a property's market value**
- C. The initial list price of a property
- D. A formal advertisement of the property

*In real estate, "appraisal" is defined as an assessment of a property's market value. This process involves a professional appraiser evaluating various factors, including the condition of the property, its location, recent sales of comparable properties, and the overall real estate market conditions. The appraisal provides an objective estimate that is often used by lenders, buyers, and sellers to ensure that the property's value is understood during transactions or refinancing. This definition is particularly important in real estate transactions, as it helps ensure that buyers do not overpay for a property and that lenders are making sound financial decisions when approving mortgages. An accurate appraisal is crucial for protecting all parties involved by providing a clear valuation based on current market conditions and the unique characteristics of the property.*

## 2. What role does the NAR Code of Ethics play for REALTORS®?

- A. Guidelines for professional conduct**
- B. Regulatory compliance requirements
- C. Business strategy development
- D. Selling techniques

*The NAR Code of Ethics serves as a framework for professional conduct among REALTORS®. It outlines the ethical principles and standards that members are expected to uphold in their interactions with clients, other REALTORS®, and the public. This code emphasizes integrity, fairness, and honesty, guiding REALTORS® in making decisions that reflect positively on the profession and ensuring that consumers receive the highest level of service. By adhering to these ethical standards, REALTORS® can maintain trust in their relationships and the real estate industry as a whole, which is critical for fostering a positive reputation and ensuring long-term success in their careers. The other options do not accurately reflect the primary purpose of the NAR Code of Ethics. While regulatory compliance and business strategy may be important in real estate, they are not the primary focus of the Code, which is fundamentally about ethical behavior and professional standards. Similarly, selling techniques are not covered by the Code; rather, the Code emphasizes ethics over specific business tactics.*

### 3. What is a "net listing"?

- A. A type of listing agreement where the seller specifies the minimum amount they will accept for the property and the broker receives any amount above that as commission
- B. A listing that guarantees a profit for the seller regardless of market conditions
- C. A listing that automatically renews every year
- D. A contract that prohibits sellers from negotiating with other brokers

*A net listing is defined as a type of listing agreement where the seller establishes a specific minimum price they will accept for their property, and any amount that is generated above that minimum price becomes the broker's commission. This arrangement incentivizes the broker to sell the property for as much as possible, as their earnings depend on the difference between the sale price and the set minimum. This type of listing is notable because it shifts the risk of the sale price to the broker, who must market and sell the property at or above the agreed minimum to benefit. It is important to understand that net listings can pose ethical and legal challenges; some jurisdictions do not allow them due to potential conflicts of interest, as they may encourage brokers to prioritize higher commissions over the best interests of the seller. In contrast, the other choices describe different listing types or agreements that do not align with the specific definition of a net listing. The second option implies guaranteed profits, which is not a characteristic of net listings. The third option describes a listing with an automatic renewal feature, and the fourth option outlines restrictions on dealings with other brokers, both of which diverge from the concept of a net listing.*

### 4. What does "due diligence" refer to in real estate?

- A. The process of investigating a property to uncover any potential issues before a transaction is finalized
- B. A method of calculating property taxes
- C. The negotiation stage of a property sale
- D. The final review of documents before closing

*Due diligence in real estate is a comprehensive process where a potential buyer or investor investigates a property to identify any potential issues before completing the transaction. This can include various activities such as conducting inspections, reviewing title reports, checking property disclosures, and examining zoning regulations. The purpose of due diligence is to ensure that the buyer is fully informed about the property, its condition, and any liabilities or risks that might affect its value or usability. By performing due diligence, buyers can make informed decisions, negotiate better terms, and avoid unpleasant surprises after the purchase.*

**5. Which situation is NOT appropriate for earnest money disbursement?**

- A. Buyer withdraws a purchase offer two days after acceptance**
- B. Seller backs out of the deal without cause
- C. Property fails inspection and buyer requests refund
- D. Closing does not occur due to lack of financing

*The situation wherein a buyer withdraws a purchase offer two days after acceptance is not appropriate for earnest money disbursement because, generally, an earnest money deposit is intended to show the buyer's good faith in proceeding with the purchase once an offer is accepted. When a buyer retracts their offer shortly after acceptance, it does not typically constitute grounds for disbursing the earnest money to the seller. In real estate transactions, earnest money is often held in trust and can only be disbursed according to the terms of the contract or upon mutual agreement of the parties involved. If a buyer backs out shortly after acceptance, unless there are specific contractual provisions or contingencies that allow for such a withdrawal with proper justification, they are usually expected to adhere to the agreed terms of the purchase. In contrast, other situations listed—such as the seller backing out without cause, the property failing inspection, or closing not occurring due to financing issues—generally provide more established grounds for returning earnest money to the buyer as they typically align with contingencies specified in the purchase contract. Thus, the buyer's withdrawal shortly after acceptance is the scenario that does not fit the standard criteria for earnest money disbursement.*

**6. Under which type of agency agreement does only one broker act on behalf of the principal and is not paid if the owner sells their property?**

- A. Exclusive Agency**
- B. Open Listing
- C. Exclusive Right to Sell
- D. Dual Agency

*In an exclusive agency agreement, the property owner retains the right to sell their property independently without an obligation to pay a commission to the broker if they successfully complete the sale. This means that while the broker is the only one authorized to represent the seller in marketing and negotiating offers for the property, the owner can also sell the property on their own. If the owner sells without the broker's involvement, the broker does not receive any payment for their services, which is a defining characteristic of this type of agreement. In contrast, an exclusive right to sell agreement guarantees that the broker will be compensated regardless of who sells the property, including the owner. An open listing allows multiple brokers to represent the property and only pays a commission to the broker who brings a buyer. Dual agency involves a single broker representing both the buyer and the seller, which does not relate to the terms of payment based on the owner's involvement in the sale.*

## 7. Which of the following is an example of Good Consideration?

- A. Loyalty
- B. Financial incentive
- C. Appreciation
- D. Market value

Good consideration refers to a means of demonstrating that something of value is exchanged in a contractual agreement. Among the choices provided, loyalty represents a non-financial exchange that can hold significant value in relationships, particularly in contexts involving partnerships or agreements where mutual trust and commitment are paramount. Loyalty can be seen as a foundation for personal and business relationships. For instance, in a partnership, one party's loyalty to the other can lead to greater cooperation and success. This is particularly relevant when financial benefits (like profits or payments) might not immediately be present or quantifiable. In contrast, while financial incentives, appreciation, and market value may seem valuable, they are more direct forms of exchange typically aligned with measurable transactions or compensation. They reflect tangible benefits often governed by explicit market parameters rather than the intrinsic value that loyalty brings to a collaborative relationship. Therefore, loyalty serves as a compelling example of good consideration, emphasizing the importance of trust and commitment in professional and personal arrangements.

## 8. If a seller's agent discloses the seller's urgency to sell, which fiduciary duty has been breached?

- A. Loyalty
- B. Obedience
- C. Confidentiality
- D. Disclosure

The fiduciary duty that has been breached when a seller's agent discloses the seller's urgency to sell is the duty of confidentiality. This duty requires the agent to keep any sensitive information about the client, the seller in this case, private unless the client gives express permission to share it. Disclosing the seller's sense of urgency not only undermines the seller's negotiating position but can also expose them to disadvantageous terms in a transaction. While other fiduciary duties, such as loyalty and obedience, are crucial in maintaining a trustful relationship between the agent and their client, confidentiality specifically pertains to safeguarding personal and financial details that could impact the seller's interests in the transaction. Therefore, revealing the seller's urgency breaches this fundamental obligation.

## 9. For how long must a broker keep records of real estate transactions in Georgia?

- A. For three years
- B. For five years
- C. For one year
- D. For as long as the property is owned

In Georgia, the law mandates that real estate brokers must retain records of all real estate transactions for a minimum period of three years. This requirement is crucial, as it enables the Georgia Real Estate Commission to conduct audits and investigations if necessary. Retaining these records helps ensure accountability and transparency in real estate dealings, protecting both consumers and professionals within the industry. The three-year period allows sufficient time for any potential disputes or issues arising from a transaction to be addressed adequately, as such matters may come to light after the closing of a sale. By following this regulation, brokers can demonstrate compliance and maintain proper documentation of their business activities, which is also essential for their own record-keeping practices and financial management.

**10. 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.*

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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](mailto: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!

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