

Georgia Real Estate License Laws and Rules 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 the term for a formal agreement to buy and sell real estate?**
 - A. Lease**
 - B. Option contract**
 - C. Purchase contract**
 - D. Broker agreement**
- 2. To qualify for a broker's license, what is one requirement an applicant must meet?**
 - A. Be a U.S. citizen**
 - B. Be a resident of Georgia**
 - C. Have at least two years of active service as a licensee**
 - D. Have three years of active service within the last five years**
- 3. What must any firm using a trade name on real estate documents include?**
 - A. The firm's name and address**
 - B. The firm's name, address, and phone number**
 - C. The firm's name as registered with the commission**
 - D. The owner's name of the firm**
- 4. How soon must a licensee notify the commission of the disposition of any legal action?**
 - A. immediately**
 - B. within 10 days**
 - C. within 30 days**
 - D. upon request**
- 5. The maximum fine the Georgia Real Estate Commission can impose for a single violation is:**
 - A. \$100.**
 - B. \$500.**
 - C. \$1,000.**
 - D. \$5,000.**

- 6. Which of the following is NOT a legitimate reason to refuse a listing?**
- A. The seller states an unreasonable list price for the property**
 - B. The property is not in the firm's geographical service area**
 - C. The property type is not handled by the firm**
 - D. The owner's minority status would make the property difficult to sell**
- 7. If a broker learns that a neighbor might be selling their house and acts without the owner's consent, are they in violation of the license law?**
- A. No, this is considered an open brokerage agreement**
 - B. No, but they could not advertise the property**
 - C. Yes, the broker is acting in dual capacity**
 - D. Yes, this is an unauthorized offering**
- 8. What is the minimum age requirement to be eligible for a broker or associate's broker license in Georgia?**
- A. 18 years**
 - B. 20 years**
 - C. 21 years**
 - D. 25 years**
- 9. Who establishes and collects the fees authorized under Georgia real estate license law?**
- A. Real estate commission**
 - B. Real estate commissioner**
 - C. Active real estate brokers**
 - D. Office of the secretary of state**
- 10. What must happen if a brokerage agreement does not have an expiration date?**
- A. It is still valid indefinitely**
 - B. It must be renewed annually**
 - C. It could be considered void**
 - D. It is valid until canceled**

Answers

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

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Explanations

1. What is the term for a formal agreement to buy and sell real estate?

- A. Lease**
- B. Option contract**
- C. Purchase contract**
- D. Broker agreement**

The term "purchase contract" refers to the formal agreement that outlines the terms and conditions for the buying and selling of real estate. This contract will detail crucial elements such as the purchase price, closing date, and contingencies, which are important for both the buyer and seller to understand their rights and obligations throughout the transaction process. A purchase contract serves as a legal document that solidifies the intentions of both parties and is typically necessary for the exchange of real property to be officially recognized and enforceable by law. This agreement is a fundamental component of real estate transactions, making it essential for protecting the interests of both the buyer and the seller during the process of transferring ownership of the property. The other options relate to different types of agreements or contracts that do not specifically cover the buying and selling of real estate in the same comprehensive way. A lease pertains to rental agreements, an option contract allows a buyer the right to purchase at a later date under certain conditions, and a broker agreement governs the relationship between a property owner and a real estate agent rather than the transaction itself.

2. To qualify for a broker's license, what is one requirement an applicant must meet?

- A. Be a U.S. citizen**
- B. Be a resident of Georgia**
- C. Have at least two years of active service as a licensee**
- D. Have three years of active service within the last five years**

To qualify for a broker's license in Georgia, an applicant must have three years of active service as a real estate licensee within the last five years. This requirement ensures that the individual has gained sufficient experience and knowledge of the real estate industry, including understanding laws, market practices, and the responsibilities involved in brokerage activities. This level of experience is critical for someone who will be responsible for overseeing transactions and managing other agents, as brokers must demonstrate a high level of competency and professionalism. The other options do not meet the specific requirements for obtaining a broker's license. While being a U.S. citizen or a resident of Georgia might be beneficial, they are not official prerequisites for licensure. Active service as a licensee is also important; however, having only two years would not satisfy the requirement of three years of experience. This makes the correct answer focused on ensuring that applicants have extensive engagement in the real estate field prior to becoming a broker.

3. What must any firm using a trade name on real estate documents include?

- A. The firm's name and address**
- B. The firm's name, address, and phone number**
- C. The firm's name as registered with the commission**
- D. The owner's name of the firm**

When a firm uses a trade name on real estate documents, it is required to include the firm's name as registered with the commission. This is crucial because the real estate commission needs to ensure that all trade names used in a business context are properly registered and recognized, providing transparency and accountability in the real estate market. By mandating the use of the registered name, the commission protects consumers and maintains professional standards within the industry. Including the registered name helps to establish a clear legal identity for the firm. It ensures that all transactions conducted under that trade name are traceable back to the official entity recognized by the state authority. This is particularly important in real estate, where trust and professionalism are paramount for consumer protection. Other options may suggest including additional details such as an address, phone number, or the owner's name, but these are not the specific requirements outlined by the Georgia Real Estate Commission regarding the use of trade names on official documents. The focus remains on ensuring that the trade name aligns with the registered identity of the firm, which is fundamental for regulatory compliance and consumer awareness.

4. How soon must a licensee notify the commission of the disposition of any legal action?

- A. immediately**
- B. within 10 days**
- C. within 30 days**
- D. upon request**

The correct answer is that a licensee must notify the commission within 10 days of the disposition of any legal action. This requirement is in place to ensure that the commission is promptly informed about any legal issues that might impact a licensee's ability to do business. Timely notification aids the commission in maintaining oversight and protecting the public interest by ensuring that any legal matters are addressed swiftly. The 10-day timeframe is specifically designated to establish clear expectations among licensees regarding communication with the regulatory body. Adhering to this requirement also emphasizes the responsibility of real estate professionals to maintain transparency in their operations. This is crucial in building trust with both clients and the commission. Other timeframes, such as immediately, might seem beneficial, but they could lead to a flood of notifications that are not practical for immediate processing. A longer notification period, such as 30 days, would not support the commission's ability to react quickly to potential issues arising from legal actions. Consequently, the 10-day window strikes an appropriate balance between prompt communication and practical governance.

5. The maximum fine the Georgia Real Estate Commission can impose for a single violation is:

- A. \$100.
- B. \$500.
- C. \$1,000.**
- D. \$5,000.

The maximum fine that the Georgia Real Estate Commission can impose for a single violation is indeed \$1,000. This figure reflects the regulatory framework in Georgia, where the Commission has the authority to discipline licensees who violate real estate laws or rules that govern their practice. Such fines are intended to serve as deterrents against misconduct and maintain the integrity of the real estate profession. Fines of this nature may apply to various infractions, including unethical behavior, failure to adhere to licensing requirements, or violations of specific statutes governing real estate transactions. The structure of the penalties, including the maximum fine, is established to provide a clear understanding of the consequences of violations and to help ensure that licensees conduct their business in compliance with established laws. Understanding this maximum penalty is crucial for real estate professionals, as it emphasizes the importance of operating within the legal parameters set forth by the state. Being aware of these potential fines encourages vigilance and adherence to ethical practices within the industry.

6. Which of the following is NOT a legitimate reason to refuse a listing?

- A. The seller states an unreasonable list price for the property
- B. The property is not in the firm's geographical service area
- C. The property type is not handled by the firm
- D. The owner's minority status would make the property difficult to sell**

Refusing a listing based on the owner's minority status is not a legitimate reason as it violates fair housing laws. Discriminating against individuals due to their race, color, religion, sex, handicap, familial status, or national origin is illegal under the Fair Housing Act. All clients should be treated equally, and the characteristics or status of an owner should never be a factor in determining whether to accept a listing. In contrast, the other options represent valid business considerations. If a seller proposes an unreasonable list price, an agent can refuse the listing based on the expectation that it may not attract buyers or lead to a successful sale. Additionally, if the property lies outside the firm's designated geographical service area, taking on the listing may not be feasible. Lastly, if the firm specializes in certain types of properties and the listing does not fit within those parameters, refusing the listing is a reasonable business decision. These considerations are grounded in practical real estate practices, while D represents an unethical stance.

7. If a broker learns that a neighbor might be selling their house and acts without the owner's consent, are they in violation of the license law?

A. No, this is considered an open brokerage agreement

B. No, but they could not advertise the property

C. Yes, the broker is acting in dual capacity

D. Yes, this is an unauthorized offering

The broker's actions in approaching a neighbor about potentially selling their house without the owner's consent constitute an unauthorized offering. In real estate, it is essential for a broker to have explicit permission from a property owner before taking any steps to represent them, whether it involves advertising, negotiating, or discussing the sale of the property. When the broker acts without the owner's authorization, they violate the ethical standards and legal requirements established by real estate licensing laws. Such actions not only encroach upon the rights of the property owner but may also lead to legal repercussions for the broker. While there may be discussions related to open brokerage agreements or advertising limitations, these would not apply in this scenario, as the fundamental issue is the lack of consent from the property owner to represent or negotiate on their behalf. This unauthorized approach characterizes the broker's actions as a significant breach of regulations, which is why it is recognized as an unauthorized offering.

8. What is the minimum age requirement to be eligible for a broker or associate's broker license in Georgia?

A. 18 years

B. 20 years

C. 21 years

D. 25 years

In Georgia, the minimum age requirement to be eligible for a broker or associate's broker license is indeed 21 years. This requirement is in place to ensure that individuals have reached a level of maturity and responsibility that is deemed appropriate for the complexities and responsibilities associated with managing real estate transactions and overseeing agents. The legal framework surrounding real estate licensing reflects the importance of having a certain level of life experience and accountability, which is generally expected of individuals at the age of 21. This aligns with other statutory requirements in the state that govern various professional licenses. Understanding this age requirement is fundamental for anyone pursuing a career in real estate in Georgia, as it is one of the initial steps in the licensing process.

9. Who establishes and collects the fees authorized under Georgia real estate license law?

- A. Real estate commission**
- B. Real estate commissioner**
- C. Active real estate brokers**
- D. Office of the secretary of state**

The establishment and collection of fees authorized under Georgia real estate license law is the responsibility of the Real Estate Commission. This commission is a regulatory body that oversees the licensing and practice of real estate professionals in Georgia. It has the authority to set the fees necessary for various licensing applications, renewals, and other services provided to real estate licensees. The other entities mentioned do not hold this particular responsibility. The Real Estate Commissioner oversees the commission but does not individually determine or collect fees. Active real estate brokers focus on their business practices and transactions, while the Office of the Secretary of State handles broader state matters but is not specifically tasked with the collection of real estate-related fees. Thus, the Real Estate Commission plays a crucial role in ensuring that the fees associated with licensing are appropriate and help fund the operations needed to maintain standards in the real estate profession.

10. What must happen if a brokerage agreement does not have an expiration date?

- A. It is still valid indefinitely**
- B. It must be renewed annually**
- C. It could be considered void**
- D. It is valid until canceled**

In scenarios where a brokerage agreement lacks a specific expiration date, it can lead to complications regarding its enforceability. The key concept here is that an agreement without a defined term may result in ambiguity, making it difficult to determine how long the parties are bound by its terms. In many real estate practices and under Georgia law, without an expiration date, a brokerage agreement could be deemed void because there is no clear end to the obligations set forth in the agreement, which can render it unenforceable in a practical sense. In contrast, the concept of an agreement being valid indefinitely poses significant issues in identifying when a broker's duties end or when a client can terminate the services, leading to possible legal disputes. The idea that it must be renewed annually or could be considered valid until canceled also implies some form of ongoing obligation or renewal process, which this type of agreement may not inherently provide without a specified expiration date. Thus, the potential void nature of such agreements aligns with the principle that clarity and defined terms are essential for valid contracts in real estate transactions.

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://garealestatelawsrules.examzify.com>

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