

HAWAII PRE- LICENSING NATIONAL 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. In a real estate closing, which expense is generally paid by the buyer?**
 - A. Title insurance
 - B. Inspection fees
 - C. Recording of a new mortgage
 - D. Property taxes

- 2. Under which principle may the state acquire title to abandoned property?**
 - A. Confiscation
 - B. Escheat
 - C. Taxation
 - D. Eminent domain

- 3. Which of the following is an example of a restrictive covenant?**
 - A. Not allowing mobile homes on a property
 - B. Setting rules for lawn maintenance
 - C. Adjusting the property tax rate
 - D. Creating homeowners association fees

- 4. A salesperson who prepares a written listing agreement with a seller is creating a contractual relationship between which parties?**
 - A. The seller and the buyer
 - B. The buyer and the salesperson
 - C. The salesperson's broker and the seller
 - D. The salesperson and the property manager

- 5. What does "full disclosure" mean in real estate transactions?**
 - A. Ensuring the property is up to code
 - B. Providing all material facts relating to the property to the prospective buyer or investor
 - C. Allowing a home inspection
 - D. Disclosing past ownership of the property

- 6. In real estate, what is a "listing agreement"?**
- A. A contract between a buyer and seller outlining the terms of sale.
 - B. An agreement that gives a real estate agent the right to sell a property.
 - C. A rental agreement between a landlord and tenant.
 - D. A document detailing the closing costs associated with a property sale.
- 7. Which metric is critical for assessing a property's financial performance in property management?**
- A. Gross lease
 - B. Net operating income
 - C. Market value
 - D. Cash-on-cash return
- 8. What does "zoning" regulate in real estate?**
- A. The financing of real estate transactions
 - B. The use of land and the types of structures that may be built on a property
 - C. The tax obligations for property owners
 - D. The market value fluctuations of properties
- 9. Which type of deed allows a grantor to transfer an uncertain interest in real property?**
- A. Warranty deed
 - B. Quitclaim deed
 - C. Special warranty deed
 - D. Grant deed
- 10. What is the main objective of full disclosure in a property transaction?**
- A. To protect the seller from lawsuits
 - B. To ensure the buyer has complete knowledge of the property's condition
 - C. To expedite the sale process
 - D. To avoid negotiations

Answers

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

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Explanations

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1. In a real estate closing, which expense is generally paid by the buyer?

- A. Title insurance
- B. Inspection fees
- C. Recording of a new mortgage**
- D. Property taxes

In a real estate closing, the buyer typically pays for the recording of a new mortgage. This expense covers the official documentation of the mortgage with the appropriate local government office, which is essential for establishing the lender's security interest in the property. Recording ensures that the mortgage is public record, giving notice to future purchasers and lenders regarding the property's financing and any encumbrances that may exist. While buyers may also be responsible for title insurance and inspection fees, these expenses can vary depending on local customs and negotiations during the closing process. Property taxes are often prorated, and responsibility may shift depending on the closing date. Nonetheless, the recording of a new mortgage is a standard obligation for buyers to ensure their ownership and the legal standing of the mortgage.

2. Under which principle may the state acquire title to abandoned property?

- A. Confiscation
- B. Escheat**
- C. Taxation
- D. Eminent domain

The principle under which the state may acquire title to abandoned property is known as escheat. Escheat occurs when a person's property reverts to the state because the owner has died without a will (intestate) and without any heirs to inherit the property, or when property has been abandoned and remains unclaimed for a certain period of time. This legal process ensures that property does not remain in indefinite limbo but instead can be put to use by the state for the public good. In the context of abandoned property, escheat allows the state to take control over a property that has no identifiable owner, effectively preventing it from falling into decay or misuse. States have specific laws and procedures that govern how this process is carried out, including the length of time property must remain abandoned before escheat can occur. Other principles, such as confiscation, taxation, and eminent domain, do not apply to the same scenario of acquiring abandoned property. Confiscation typically refers to the seizure of property by authorities due to illegal activity, taxation involves collecting revenue through property taxes, and eminent domain is the government's right to take private property for public use with compensation to the owner. These concepts address different legal circumstances and do not relate directly to the acquisition

3. Which of the following is an example of a restrictive covenant?

- A. Not allowing mobile homes on a property
- B. Setting rules for lawn maintenance
- C. Adjusting the property tax rate
- D. Creating homeowners association fees

A restrictive covenant is a provision in a property deed that restricts the ways in which the property can be used. In this context, not allowing mobile homes on a property is a prime example of a restrictive covenant because it legally prohibits specific types of structures from being placed on the property. This type of clause is often included to maintain the character of a neighborhood or community. Setting rules for lawn maintenance, while influencing the aesthetic appearance of a property, is generally more about maintenance guidelines rather than restricting property use outright. Adjusting the property tax rate is a financial matter governed by tax laws and does not pertain to property use restrictions. Creating homeowners association fees relates to the financial obligations of property ownership but does not impose restrictions on the actual use or structure of the property. Therefore, the first choice is clearly focused on usage limitations, fitting the definition of a restrictive covenant appropriately.

4. A salesperson who prepares a written listing agreement with a seller is creating a contractual relationship between which parties?

- A. The seller and the buyer
- B. The buyer and the salesperson
- C. The salesperson's broker and the seller
- D. The salesperson and the property manager

When a salesperson prepares a written listing agreement with a seller, a contractual relationship is established primarily between the seller and the salesperson's broker. The listing agreement serves as a formal document that outlines the terms under which the broker will represent the seller's property in the market. In this scenario, the salesperson acts as an agent for the broker, thus creating a legal link between the seller and the broker's brokerage firm. The agreement specifies the responsibilities and obligations of the broker to the seller, including how the property will be marketed, the duration of the agreement, the commission to be earned upon the sale, and any specific duties the broker may take on while representing the seller's interests. Since the salesperson is typically an agent for a broker, the broker is the party ultimately responsible for the contractual agreement with the seller, making this the correct choice. The other options do not accurately reflect the parties involved in the contractual relationship initiated by the listing agreement. For example, a buyer is not directly involved in this particular agreement, as it specifically concerns only the seller and the broker's representation. Additionally, there is no direct contractual connection between the salesperson and a property manager in the context of a listing agreement with a seller; the arrangement primarily focuses on the relationship between the seller

5. What does "full disclosure" mean in real estate transactions?

- A. Ensuring the property is up to code
- B. Providing all material facts relating to the property to the prospective buyer or investor**
- C. Allowing a home inspection
- D. Disclosing past ownership of the property

Full disclosure in real estate transactions refers to providing all material facts relating to the property to the prospective buyer or investor. This principle is crucial in real estate as it builds trust between the seller and buyer, ensuring that all pertinent information about the property is known upfront. Material facts may include details about the property's condition, any defects, past issues with the property (such as flooding or pest infestations), and zoning information. This transparency helps buyers make informed decisions and protects sellers from potential legal disputes later on. It emphasizes the obligation of the seller or their agent to communicate any information that could influence the buyer's decisions. While ensuring the property is up to code, allowing home inspections, and disclosing past ownership are relevant actions related to real estate transactions, they do not encompass the full breadth of what full disclosure signifies. Full disclosure focuses specifically on the communication of all essential facts that would materially affect the buyer's knowledge or decisions regarding the property.

6. In real estate, what is a "listing agreement"?

- A. A contract between a buyer and seller outlining the terms of sale.
- B. An agreement that gives a real estate agent the right to sell a property.**
- C. A rental agreement between a landlord and tenant.
- D. A document detailing the closing costs associated with a property sale.

A listing agreement is indeed an agreement that grants a real estate agent the authority to sell a property on behalf of the property owner. This contract outlines important details such as the terms of the selling process, the agent's commission, and the duration of the listing. It establishes the professional relationship between the property seller and the real estate agent, ensuring that the agent has the legal right to represent the seller in marketing and selling the property. This understanding is critical in real estate as it creates a clear framework for the responsibilities and expectations of both the agent and the seller. The listing agreement not only specifies what the agent will do to promote and sell the property, but it also protects the seller's interests by ensuring that the agent acts in the seller's best interest during the transaction. Other options may refer to important documents and agreements in real estate but do not define what a listing agreement is. For instance, the first option pertains to the sales contract between a buyer and seller, which is separate from the listing agreement. The third option describes a rental agreement, which is unrelated to the sale of real estate, and the fourth option focuses on closing costs, also not relevant to the listing agreement specifically. Thus, the chosen answer accurately reflects the meaning and purpose of

7. Which metric is critical for assessing a property's financial performance in property management?

- A. Gross lease
- B. Net operating income**
- C. Market value
- D. Cash-on-cash return

Net operating income (NOI) is a critical metric for assessing a property's financial performance because it provides a clear picture of the property's revenue-generating ability after accounting for operating expenses. It is calculated as the total income from the property (like rental income) minus the total operating expenses (such as property management fees, maintenance costs, and property taxes), excluding mortgage payments and capital expenditures. By focusing on the income generated from the property alone, NOI helps property managers and investors understand the property's profitability, efficiency, and operational effectiveness. In property management, a positive NOI is indicative of successful management practices and healthy property performance, serving as a benchmark for evaluating potential investments or existing properties. This metric is also essential for financial analysis, enabling property managers to assess whether rental prices are appropriate and if operational costs are in line with industry standards. While other choices play important roles in real estate finance, they do not directly measure operational performance in the same way. For instance, gross lease refers to a type of lease agreement where the landlord covers all operating expenses, and market value relates to how much a property could sell for in the current market but does not directly indicate the income or expense dynamics of a property. Cash-on-cash return is important for investors as it measures

8. What does "zoning" regulate in real estate?

- A. The financing of real estate transactions
- B. The use of land and the types of structures that may be built on a property**
- C. The tax obligations for property owners
- D. The market value fluctuations of properties

Zoning primarily regulates the use of land and the types of structures that may be constructed on a property. It is a crucial aspect of urban planning and land use management, helping to determine how different areas within a community can be developed and what activities are permissible. For example, zoning laws can designate areas for residential, commercial, industrial, or agricultural use, thereby controlling population density, maintaining community aesthetics, and ensuring that land use aligns with overall planning goals. Understanding the purpose of zoning regulations is essential for real estate professionals, as these laws can significantly affect property values and development potential. Being aware of the zoning classification of a property can guide investors and developers in making informed decisions regarding their projects, ensuring compliance with local regulations.

9. Which type of deed allows a grantor to transfer an uncertain interest in real property?

- A. Warranty deed
- B. Quitclaim deed**
- C. Special warranty deed
- D. Grant deed

A quitclaim deed is designed specifically to transfer an uncertain or potentially unclear interest in real property. Unlike a warranty deed, which guarantees that the grantor has a clear title to the property and will defend that title against claims, a quitclaim deed simply conveys whatever interest the grantor currently has, without any guarantees or warranties about the validity of that interest. This means that the grantor might not have full ownership or clear title to the property being transferred. Because of this lack of assurance, quitclaim deeds are often used in situations where the parties know each other, such as transferring property between family members or resolving title issues where one party might not have all the rights to the property they are attempting to convey. Other types of deeds, such as warranty deeds, special warranty deeds, and grant deeds, typically involve more assurance concerning the title being transferred, which is why they wouldn't be suitable for transferring uncertain interests as effectively as a quitclaim deed does.

10. What is the main objective of full disclosure in a property transaction?

- A. To protect the seller from lawsuits
- B. To ensure the buyer has complete knowledge of the property's condition**
- C. To expedite the sale process
- D. To avoid negotiations

The primary objective of full disclosure in a property transaction is to ensure that the buyer has complete knowledge of the property's condition. This responsibility lies with the seller, who must provide accurate and comprehensive information about the property, including any existing defects, liens, or other issues that could impact the buyer's decision. Full disclosure is vital because it empowers buyers to make informed decisions. When buyers are fully aware of what they are purchasing, it reduces the risk of future disputes and dissatisfaction related to undisclosed problems. This transparency fosters trust between the parties and promotes a smoother transaction. While protecting the seller from lawsuits and expediting the sale process are secondary benefits that can arise from full disclosure, they are not the main objective. Full disclosure focuses primarily on the buyer's right to know and understand the property they are considering, thereby safeguarding their investment and interests in the property.

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:

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

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