

ILLINOIS BROKER RECIPROCITY PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
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. When marketing a listed property online, what must a sponsoring broker include?**
 - A. Lot size
 - B. Listing price
 - C. Geographic location
 - D. Financing information
- 2. What must be stated in a listing agreement regarding the performance of a broker?**
 - A. The commission structure
 - B. The marketing strategy
 - C. The timeframe for showing properties
 - D. The target buyer demographic
- 3. If an Illinois licensee is inactive, can they receive compensation for services?**
 - A. Yes, they can work as a consultant
 - B. No, they cannot receive any commissions
 - C. Yes, if they are referred by an active broker
 - D. No, unless as an advisor for a fee
- 4. What does "zoning" entail?**
 - A. The legislative process of dividing land into zones that dictate how land can be used
 - B. A strategy for marketing real estate
 - C. A method to measure land size
 - D. A financial assessment of property value
- 5. Who can legally receive a commission in Illinois?**
 - A. An actively licensed real estate broker making referrals
 - B. A factory personnel manager giving referrals
 - C. An insurance agent providing client names
 - D. An inactive real estate licensee

- 6. What is the primary function of a property management company?**
- A. To oversee and manage rental properties on behalf of property owners
 - B. To assist in property purchases by buyers
 - C. To conduct home inspections on behalf of sellers
 - D. To negotiate mortgage contracts with lenders
- 7. Which scenario requires a survey and plat recording under the Illinois Plat Act?**
- A. An owner divides a 30-acre parcel into five equal lots
 - B. An owner divides a 20-acre parcel into five equal lots
 - C. An owner conveys a single 20-acre parcel
 - D. An owner divides a 20-acre parcel into two 6-acre lots and an 8-acre lot
- 8. What can a landlord NOT do under the Illinois Human Rights Act?**
- A. Refuse to rent based on income
 - B. Refuse to rent to someone with a service animal
 - C. Limit rentals to certain demographics
 - D. Evict tenants that complain about policy enforcement
- 9. If an apartment building has increased in price at least 23% three times in 10 years, is guarantee of an 8% profit justified?**
- A. Yes, due to a solid historical trend
 - B. No, past performance does not ensure future profit
 - C. Yes, since it's above the local average
 - D. No, guarantees are always unethical
- 10. Which type of agency relationship involves representing both the buyer and seller in the same transaction?**
- A. Exclusive agency
 - B. Dual agency
 - C. Designated agency
 - D. Single agency

Answers

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

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Explanations

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1. When marketing a listed property online, what must a sponsoring broker include?

- A. Lot size
- B. Listing price
- C. Geographic location**
- D. Financing information

When marketing a listed property online, the inclusion of geographic location is crucial for a sponsoring broker. The geographic location provides potential buyers with context about where the property is situated, including its environment, proximity to amenities, schools, businesses, and other important factors that could influence a buyer's decision. In real estate, the location is often referred to as one of the primary determinants of property value. It plays a significant role in the attractiveness of the listing and helps potential buyers understand exactly where the property is located. Without this information, consumers may be unable to make informed decisions or even find the listing in their search parameters. While lot size, listing price, and financing information are also important elements of a property listing, they do not carry the same foundational significance as geographic location for attracting interest online. Buyers typically begin their search based on location before considering other details such as size and price.

2. What must be stated in a listing agreement regarding the performance of a broker?

- A. The commission structure**
- B. The marketing strategy
- C. The timeframe for showing properties
- D. The target buyer demographic

In a listing agreement, it is essential to state the commission structure because this outlines the financial arrangement between the seller and the broker. This aspect is crucial for both parties, as it specifies how much the broker will earn upon the successful sale of the property. Clear communication regarding the commission helps to manage expectations and ensures that all parties understand their obligations. The commission structure is a critical element of the agreement since it defines how payments will be made, whether it will be a percentage of the sale price or a flat fee. This allows sellers to assess the total cost of engaging the broker's services and helps brokers ensure they are compensated for their efforts in marketing and selling the property. Other aspects like the marketing strategy, timeframe for showing properties, and target buyer demographic may be discussed in the listing agreement, but they do not carry the same statutory requirement for specification as the commission structure does. These elements can vary based on individual preferences and market conditions, making them less of a necessity compared to establishing the commission terms.

3. If an Illinois licensee is inactive, can they receive compensation for services?

- A. Yes, they can work as a consultant
- B. No, they cannot receive any commissions**
- C. Yes, if they are referred by an active broker
- D. No, unless as an advisor for a fee

In Illinois, an inactive licensee cannot receive any commissions or compensation for real estate services. The law stipulates that an individual must hold an active license to engage in activities that require a real estate license, which includes receiving payment for those services. When a license is inactive, the licensee is not legally permitted to participate in any real estate transactions that involve compensation. This rule is in place to ensure that all parties engaged in such transactions are properly licensed and accountable to the Commission's regulatory framework. Therefore, the assertion that an inactive licensee can receive compensation contradicts the standards set by Illinois licensing laws.

4. What does "zoning" entail?

- A. The legislative process of dividing land into zones that dictate how land can be used**
- B. A strategy for marketing real estate
- C. A method to measure land size
- D. A financial assessment of property value

Zoning refers to the legislative process through which a municipality or local government divides land into specific zones, each designed for different types of uses. This division regulates how land can be utilized, including residential, commercial, industrial, and agricultural purposes. By establishing these zones, local governments aim to promote orderly development, protect property values, and ensure compatibility between different land uses. The focus on land use within zoning is crucial, as it helps to prevent conflicts that may arise when incompatible activities are located near one another. For example, zoning laws might restrict heavy industrial operations from being established in a residential area. This process is an essential aspect of urban planning, ensuring that a community develops in a way that meets the needs of its residents while also considering environmental and economic factors.

5. Who can legally receive a commission in Illinois?

- A. An actively licensed real estate broker making referrals**
- B. A factory personnel manager giving referrals
- C. An insurance agent providing client names
- D. An inactive real estate licensee

The choice indicating that an actively licensed real estate broker making referrals can legally receive a commission is correct because only individuals with an active real estate license have the legal authority to engage in real estate transactions and earn commissions from them. In Illinois, real estate brokers must maintain an active license to perform brokerage activities, including making referrals that lead to transactions. In contrast, individuals not holding an active real estate license, such as a factory personnel manager giving referrals, do not have the legal standing to receive commissions related to real estate deals. Similarly, an insurance agent providing client names does not qualify under real estate commission regulations and may not legally collect a commission as this activity does not fall within the scope of real estate brokerage. Lastly, an inactive real estate licensee is also prohibited from receiving commissions since they are not authorized to conduct real estate activities until they reactivate their license.

6. What is the primary function of a property management company?

- A. To oversee and manage rental properties on behalf of property owners
- B. To assist in property purchases by buyers
- C. To conduct home inspections on behalf of sellers
- D. To negotiate mortgage contracts with lenders

The primary function of a property management company is to oversee and manage rental properties on behalf of property owners. This involves a range of responsibilities, including marketing the property to attract tenants, screening applicants to ensure a good fit, and overseeing the day-to-day operations of the property. This may include collecting rent, handling maintenance and repair issues, and ensuring compliance with local laws and regulations regarding rental properties. The role of a property management company is essential for property owners who may not have the time, expertise, or desire to manage their rental properties themselves. By delegating these responsibilities to a management company, owners can enjoy the benefits of property investment without being bogged down by the operational details. In contrast, other options describe different roles in real estate. Assisting buyers in property purchases, conducting home inspections for sellers, and negotiating mortgage contracts with lenders do not align with the primary duties of property management, which focus specifically on managing and operating rental properties rather than facilitating sales or financing.

7. Which scenario requires a survey and plat recording under the Illinois Plat Act?

- A. An owner divides a 30-acre parcel into five equal lots
- B. An owner divides a 20-acre parcel into five equal lots
- C. An owner conveys a single 20-acre parcel
- D. An owner divides a 20-acre parcel into two 6-acre lots and an 8-acre lot

The requirement for a survey and plat recording under the Illinois Plat Act is triggered when land is subdivided into multiple plots or lots. In the context of this question, the correct answer highlights an essential aspect of property division. The scenario involving the division of a 20-acre parcel into five equal lots necessitates a detailed survey and plat. This is because the act of subdividing a parcel into multiple lots typically requires compliance with local regulations, which are in place to ensure proper oversight of development and land-use practices. When landowners create new lots, especially in substantial subdivisions like this one, it's crucial for a survey to be conducted to establish clear boundaries and ensure that all lots adhere to zoning laws and standards. This entails creating a plat that accurately represents the new division of land, which is an official map that delineates the subdivision and provides necessary information about the dimensions and layout of the lots. Other scenarios presented in the question do not meet the threshold requiring a full survey and plat recording as they involve either single lot conveyances or fewer lots that may sometimes be addressed under different regulations or exemptions. Thus, the division of a 20-acre parcel into five equal lots specifically calls for compliance with the Plat Act, making that scenario distinctly relevant.

8. What can a landlord NOT do under the Illinois Human Rights Act?

- A. Refuse to rent based on income
- B. Refuse to rent to someone with a service animal**
- C. Limit rentals to certain demographics
- D. Evict tenants that complain about policy enforcement

Under the Illinois Human Rights Act, a landlord is prohibited from discriminating against tenants based on certain protected characteristics. This includes refusing to rent to someone with a service animal. Service animals are legally recognized and specifically trained to assist individuals with disabilities. Therefore, a landlord cannot refuse to accommodate a tenant who requires a service animal, as this would constitute discrimination against individuals with disabilities. The Illinois Human Rights Act is designed to ensure equal housing opportunities and to protect against discrimination based on various factors, including disability. Refusing to rent to someone who needs a service animal would violate those principles of equality and fairness enshrined in the act. In contrast, while a landlord might impose certain criteria for rentals, such as income requirements, they must still comply with non-discriminatory practices and cannot limit rentals to specific demographics or take adverse actions against tenants for complaining about policy enforcement. Such actions could also infringe on the rights protected by the act, although they specifically pertain to different legal principles.

9. If an apartment building has increased in price at least 23% three times in 10 years, is guarantee of an 8% profit justified?

- A. Yes, due to a solid historical trend
- B. No, past performance does not ensure future profit**
- C. Yes, since it's above the local average
- D. No, guarantees are always unethical

The reasoning behind stating that a guarantee of an 8% profit is not justified hinges on the relationship between past performance and future predictions in real estate. An increase in price over several years does suggest a positive trend; however, it does not ensure that this trend will continue. Real estate markets can fluctuate due to various factors, including economic conditions, interest rates, and changes in local demand. While historical trends may provide some insight, they do not constitute a reliable predictor of future performance. Each investment carries inherent risks, and just because an asset has appreciated in the past does not mean it will do so consistently in the future. Real estate can be particularly volatile, and market conditions can change rapidly, which makes guarantees about future profits misleading. Therefore, the underlying principle here is that while historical data can provide context for potential performance, it should not be used as a basis for guarantees regarding future profits.

10. Which type of agency relationship involves representing both the buyer and seller in the same transaction?

- A. Exclusive agency
- B. Dual agency**
- C. Designated agency
- D. Single agency

Dual agency occurs when a real estate agent represents both the buyer and the seller in the same transaction. This situation typically arises when a broker is able to facilitate a sale where one of their clients is the seller and another client is the buyer. In a dual agency arrangement, the agent must navigate the interests of both parties, ensuring that neither party is disadvantaged while maintaining confidentiality and fair representation. The relationship is legal in many jurisdictions, including Illinois, but it requires full disclosure to both parties so they understand the implications. They must consent to this arrangement, as it can present challenges with loyalty and advocacy for each party's best interests. Understanding dual agency is crucial for real estate professionals, as it opens up additional ethical responsibilities and considerations regarding how to manage the expectations and rights of both clients during the transaction process. The other types of agency listed do not involve representing both parties simultaneously, thus they don't fit the scenario posed in the question. For example, exclusive agency involves one party being represented, while designated agency and single agency refer to representing only one client.

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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.

Or visit your dedicated course page for more study tools and resources:

<https://ilbrokerreciprocity.examzify.com>

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

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