

Indiana 90-Hour Broker Course 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. In a real estate transaction, whom may a licensee represent?**
 - A. Only the seller**
 - B. Only the buyer**
 - C. Client or customer**
 - D. Real estate agencies**
- 2. What is defined as a description of land that specifies the boundaries and location of a specific piece of real property?**
 - A. Legal description**
 - B. Property survey**
 - C. Zoning description**
 - D. Title deed**
- 3. If you want to determine the linear footage of a property, which type of calculator would be the most suitable?**
 - A. Scientific**
 - B. BASIC**
 - C. Graphing**
 - D. Financial**
- 4. Which of the following correctly describes the timeline for a home appraisal?**
 - A. Only pre-sale**
 - B. As of a particular date**
 - C. Yearly update**
 - D. During property renovations**
- 5. Which entity oversees the regulation of real estate brokers in Indiana?**
 - A. The Indiana Attorney General's Office**
 - B. The Indiana Department of Revenue**
 - C. The Indiana Real Estate Commission**
 - D. The Indiana Bureau of Professional Licensure**

- 6. How is "amortization" defined?**
- A. The total cost of a property over time**
 - B. The reduction of a debt over a period through regular payments**
 - C. The initial payment made on a mortgage**
 - D. The process of obtaining funding for a property**
- 7. What is required from sellers under the Indiana Residential Real Estate Sales Disclosure Act?**
- A. Sellers must conduct an environmental assessment**
 - B. Buyers must have a home inspection performed**
 - C. Sellers must provide a disclosure statement about the property's condition**
 - D. Agents must provide an appraisal before listing**
- 8. What typically happens if a property is sold below market value?**
- A. Higher taxes assessed due to property updates**
 - B. Potential difficulty in obtaining financing**
 - C. Increased interest from real estate agents**
 - D. Faster sale transactions**
- 9. Which of the following service facilities is considered tax exempt?**
- A. Hospitals**
 - B. Courier services**
 - C. Restaurants**
 - D. Hotels**
- 10. What does a credit score indicate to a lender?**
- A. The amount of debt a consumer has**
 - B. The likelihood a consumer will repay a loan**
 - C. The value of the consumer's assets**
 - D. The consumer's income level**

Answers

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

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Explanations

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1. In a real estate transaction, whom may a licensee represent?

- A. Only the seller**
- B. Only the buyer**
- C. Client or customer**
- D. Real estate agencies**

In a real estate transaction, a licensee may represent either a client or a customer, which is why this answer is correct. A "client" is someone with whom a formal agency relationship exists, and the licensee has a fiduciary duty to act in the client's best interests. Conversely, a "customer" does not have such a formal relationship with the licensee; instead, the licensee can provide certain services but does not owe the same level of loyalty or duty to them as they do to a client. This distinction is crucial because it guides the level of care, confidentiality, and advocacy that the licensee must provide in the transaction. The other options are more restrictive in their scope. Representing only the seller or only the buyer does not encompass the complete range of possibilities in real estate transactions. Additionally, real estate agencies themselves are entities that the licensee may work for or operate within, but they do not represent parties in transactions in the same way that a licensee represents clients or customers.

2. What is defined as a description of land that specifies the boundaries and location of a specific piece of real property?

- A. Legal description**
- B. Property survey**
- C. Zoning description**
- D. Title deed**

A legal description is a precise way to describe a specific piece of real property, establishing its boundaries and location. This description utilizes specific techniques such as metes and bounds, lot and block, or a government rectangular survey system to detail the dimensions and location of the property in relation to landmarks or previously surveyed parcels. This level of detail is crucial in real estate transactions as it ensures that all parties are clear about exactly which property is being referenced, helping to avoid disputes over property lines or ownership. Legal descriptions are often included in deeds and contracts to provide clarity and enforceability. In contrast, a property survey is a detailed drawing that represents a parcel of land and its features, but it is not a formal legal description. Zoning descriptions pertain to the regulations governing how land can be used, while a title deed serves as a legal document that conveys ownership of the property. Each of these alternatives serves a different purpose and doesn't provide the same specificity in defining property boundaries as a legal description does.

3. If you want to determine the linear footage of a property, which type of calculator would be the most suitable?

A. Scientific

B. BASIC

C. Graphing

D. Financial

To determine the linear footage of a property, a BASIC calculator is most suitable because it is typically designed for straightforward arithmetic functions, which are adequate for simple calculations such as addition, subtraction, multiplication, and division. When measuring the linear footage, you often need to add lengths together or calculate the total based on known measurements; this aligns perfectly with the capabilities of a BASIC calculator. Other types of calculators can perform more complex functions but may not be necessary for this specific task. Scientific calculators are equipped for more advanced mathematical operations like trigonometry or logarithms, which might complicate straightforward measurements. Graphing calculators are intended for visualizing equations and data, making them unnecessary for simply determining linear footage. Financial calculators are designed for tasks related to loans and investments, so they do not provide the direct functionality needed for measuring lengths. Thus, the simplicity and efficiency of a BASIC calculator make it the most appropriate choice for calculating linear footage.

4. Which of the following correctly describes the timeline for a home appraisal?

A. Only pre-sale

B. As of a particular date

C. Yearly update

D. During property renovations

The correct answer describes the process of home appraisal as being relevant "as of a particular date." This means that when an appraisal is conducted, the value determined is specific to the conditions, market trends, and characteristics of the property at the time the appraisal is performed. Appraisals are not static and are influenced by market fluctuations, property improvements, or changes in the local area, necessitating a date reference to give context to the valuation. This timeline aspect is critical because appraised values can change over time due to a variety of factors, including economic conditions and property demand. The other choices do not accurately reflect the nature of home appraisals. For instance, appraisals are not limited to just pre-sale situations; they can be conducted for refinancing, property tax assessments, estate evaluations, or other times when a property's value needs to be established. The notion of a yearly update does not encompass the event-driven nature of appraisals, as they are not routinely assessed on a fixed schedule such as annually. Lastly, conducting an appraisal during renovations would not typically provide an accurate valuation, since the conditions of the property may not reflect its final state until all improvements are completed. Thus, using a specific date for valuation gives precise context to the appraisal.

5. Which entity oversees the regulation of real estate brokers in Indiana?

- A. The Indiana Attorney General's Office**
- B. The Indiana Department of Revenue**
- C. The Indiana Real Estate Commission**
- D. The Indiana Bureau of Professional Licensure**

The entity responsible for overseeing the regulation of real estate brokers in Indiana is the Indiana Real Estate Commission. This commission is tasked with ensuring that real estate practices within the state adhere to established laws and regulations. It plays a critical role in licensing brokers and agents, as well as enforcing legal standards aimed at protecting consumers in real estate transactions. By overseeing the education and licensing requirements for real estate professionals, the Indiana Real Estate Commission helps maintain a level of professionalism and accountability in the industry. This regulatory body conducts hearings regarding misconduct and has the authority to impose disciplinary actions, ensuring that brokers operate within the legal framework set by state law. While other entities like the Attorney General's Office and the Bureau of Professional Licensure may be involved in broader regulatory or legal matters, they do not focus specifically on the real estate sector as the Real Estate Commission does. The Department of Revenue, on the other hand, handles tax-related issues, which, while important, are not directly related to the regulation of real estate practice.

6. How is "amortization" defined?

- A. The total cost of a property over time**
- B. The reduction of a debt over a period through regular payments**
- C. The initial payment made on a mortgage**
- D. The process of obtaining funding for a property**

Amortization is accurately defined as the reduction of a debt over a period through regular payments. This process involves systematically paying off a loan, where each payment contributes to both the principal amount (the original loan) and the interest accrued. Over time, a larger portion of each payment reduces the principal, while a smaller portion covers interest, shifting as the loan balance decreases. Understanding amortization is crucial in real estate as it provides insight into how mortgage loans are structured. The term captures the essential process through which borrowers can manage their debts effectively, ensuring that the loan is eventually paid off, usually by the end of the loan term. This financial concept also illustrates how regular payment schedules impact the total interest paid over time, which is valuable for buyers determining the long-term cost of a property. The other options presented do touch on aspects of real estate finance but do not accurately encapsulate the essence of amortization. The total cost of a property over time relates to overall investment, the initial payment made on a mortgage pertains to down payments, and obtaining funding for a property involves financing options, none of which define amortization directly.

- 7. What is required from sellers under the Indiana Residential Real Estate Sales Disclosure Act?**
- A. Sellers must conduct an environmental assessment**
 - B. Buyers must have a home inspection performed**
 - C. Sellers must provide a disclosure statement about the property's condition**
 - D. Agents must provide an appraisal before listing**

Under the Indiana Residential Real Estate Sales Disclosure Act, sellers are mandated to provide a disclosure statement regarding the condition of the property being sold. This requirement is in place to ensure that potential buyers receive important information about the property's physical condition, including any known defects or issues that may affect its value or livability. By requiring sellers to disclose this information, the law aims to promote transparency and protect buyers from unforeseen problems after the sale is completed. The disclosure statement serves to inform buyers about significant aspects such as the roof's condition, plumbing, electrical systems, and any environmental concerns that might be relevant to their decision-making process. This approach not only aids buyers in making informed choices but also fosters a smoother transaction process, as all parties are aware of the property's current state before finalizing the sale.

- 8. What typically happens if a property is sold below market value?**
- A. Higher taxes assessed due to property updates**
 - B. Potential difficulty in obtaining financing**
 - C. Increased interest from real estate agents**
 - D. Faster sale transactions**

When a property is sold below market value, potential difficulty in obtaining financing often arises. This situation can occur because lenders typically base their loan amounts on the property's appraised value. If the sale price is lower than the market value, lenders may be hesitant to finance the purchase, as they want to ensure that the property value justifies the loan amount and is a sound investment. Essentially, if an appraisal reflects a higher value than the agreed-upon sale price, it raises concerns about the actual worth of the property and might lead lenders to require a larger down payment or reconsider the loan altogether. The other options, while they may have some relevance to different scenarios in real estate, do not directly relate to the implications of selling below market value. For instance, higher taxes typically correspond with property updates that improve value rather than a decrease of value through underpricing. Increased interest from real estate agents is not necessarily linked to a sale below market value; agents might actually exercise more caution in such situations. Lastly, a faster sale is not guaranteed when a property is listed below market value, as this could raise questions about potential issues with the property, which can deter buyers.

9. Which of the following service facilities is considered tax exempt?

- A. Hospitals**
- B. Courier services**
- C. Restaurants**
- D. Hotels**

The correct choice reflects the understanding of tax exemptions related to various service facilities. Courier services generally do not fall under categories that are commonly exempt from taxation, while hospitals, certain non-profit organizations, and other related medical facilities are typically considered tax-exempt due to their service-oriented nature and contributions to public health. Most states, including Indiana, recognize hospitals as a vital part of community services that are vital for health and well-being, thus granting them tax-exempt status to help support their operations financially. In contrast, courier services are for-profit businesses that engage in commercial activities, making them subject to taxation. Restaurants and hotels also operate within the taxable service category, as they provide food, lodging, and entertainment to the public and are not recognized as tax-exempt. Thus, the identification of hospitals as tax-exempt aligns with standard taxation principles related to healthcare services, while courier services may not meet the criteria for such exemptions based on their profit-oriented operations.

10. What does a credit score indicate to a lender?

- A. The amount of debt a consumer has**
- B. The likelihood a consumer will repay a loan**
- C. The value of the consumer's assets**
- D. The consumer's income level**

A credit score serves as a numerical reflection of a consumer's creditworthiness and reliability in repaying borrowed money. Lenders use this score to assess the risk associated with lending to an individual. A high credit score suggests that the consumer is likely to repay loans responsibly and on time, demonstrating a history of managing credit effectively. Conversely, a lower credit score may indicate higher risk, as it may reflect missed payments or a heavier debt burden. While the other options provide important financial information, they do not capture the specific purpose of a credit score. The amount of debt a consumer has can influence the score but does not directly define its meaning. The value of a consumer's assets and their income level are relevant factors in the overall financial picture but do not pertain to the primary function of the credit score. Thus, the best interpretation of what a credit score indicates to a lender is the likelihood that the consumer will repay a loan.

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://in90hrbroker.examzify.com>

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