

INDIANA REAL ESTATE BROKER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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. Is a landlord required to provide a Residential Real Estate Sales Disclosure Form to a tenant in Indiana?**
 - A. Yes, always
 - B. No, it is not required for tenants
 - C. Only when requested
 - D. Only if the property is being sold
- 2. An unbroken chain of title must be established for how many years to establish a "marketable title" in Indiana?**
 - A. 25 years.
 - B. 30 years.
 - C. 50 years.
 - D. 75 years.
- 3. What violation did Leslie commit when advising a buyer's agent to submit a low offer?**
 - A. A breach of fiduciary duty to prompt a higher offer
 - B. A violation of the agency relationship under Indiana real estate law
 - C. Failure to communicate seller's true intentions
 - D. Providing misleading information to the buyer
- 4. How many hours of pre-licensing education are required for prospective brokers in Indiana?**
 - A. 60 hours
 - B. 75 hours
 - C. 90 hours
 - D. 120 hours
- 5. What is the role of a sponsoring broker in Indiana real estate licensing?**
 - A. To provide financial support for the new broker
 - B. To connect buyers and sellers directly
 - C. To provide supervision and guidance to the newly licensed broker
 - D. To conduct real estate training seminars

- 6. What must be indicated in an exclusive buyer agency contract in Indiana?**
- A. That it is an exclusive buyer agency agreement
 - B. The commission structure for the agreement
 - C. The seller's financial details
 - D. The listing price of potential properties
- 7. What typically happens to interest rates in a favorable economic climate?**
- A. They increase to slow down the economy
 - B. They decrease to encourage borrowing
 - C. They remain unchanged for stability
 - D. They fluctuate unpredictably
- 8. When must a seller provide the Residential Real Estate Sales Disclosure Form to the buyer?**
- A. After acceptance of the offer
 - B. Before acceptance of the offer
 - C. At the time of closing
 - D. Only on request
- 9. In what scenario can an agent legally disclose a seller's motivation to a buyer?**
- A. If it benefits the buyer's negotiating power
 - B. If the agent has obtained consent from the seller
 - C. If the buyer requests that information
 - D. If it is common knowledge in the community
- 10. What is the nature of a broker's fiduciary duty?**
- A. To inform clients about market trends
 - B. To represent the interests of clients at all times
 - C. To prioritize the broker's interests in transactions
 - D. To negotiate only on behalf of buyers

Answers

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

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Explanations

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1. Is a landlord required to provide a Residential Real Estate Sales Disclosure Form to a tenant in Indiana?

- A. Yes, always
- B. No, it is not required for tenants**
- C. Only when requested
- D. Only if the property is being sold

In Indiana, a landlord is not required to provide a Residential Real Estate Sales Disclosure Form to a tenant. This form is specifically tied to the sale of residential properties, and its primary purpose is to disclose certain conditions or issues about the property to potential buyers, which helps them make informed decisions before purchasing. Tenants, on the other hand, are not buyers and are typically more concerned with the terms of their lease and the condition of the property while renting it, rather than disclosures related to potential sale conditions. Therefore, the obligation to provide this form does not extend to tenants, as it is relevant only in the context of property sales, not rentals. This understanding clarifies why the other options do not apply, as they imply a requirement or condition for providing the form to tenants that does not exist under Indiana law.

2. An unbroken chain of title must be established for how many years to establish a "marketable title" in Indiana?

- A. 25 years.
- B. 30 years.
- C. 50 years.**
- D. 75 years.

To establish a "marketable title" in Indiana, an unbroken chain of title must be demonstrated for a period of at least 50 years. This requirement ensures that potential buyers can feel secure in their ownership, as it provides a clear and reliable history of property ownership without any gaps that might lead to disputes over the title. A 50-year period serves as a legal benchmark that reflects both historical and contemporary standards in property transactions, allowing for thorough due diligence by both buyers and lenders. Having this length of time helps to mitigate risks associated with claims from previous owners or other parties that could challenge the rights to the property. Understanding this concept is fundamental in real estate practices, particularly when assessing the value and legality of properties being sold.

3. What violation did Leslie commit when advising a buyer's agent to submit a low offer?

- A. A breach of fiduciary duty to prompt a higher offer
- B. A violation of the agency relationship under Indiana real estate law**
- C. Failure to communicate seller's true intentions
- D. Providing misleading information to the buyer

When advising a buyer's agent to submit a low offer, the violation that Leslie committed revolves around typically defined duties within an agency relationship under Indiana real estate law. In this context, the principal (the seller) has an expectation that the agent will act in their best interest, which includes both the representation of true intentions and the duty to negotiate favorable terms. By suggesting a low offer, Leslie may not be aligning with the seller's best interests, which constitutes a violation of that agency relationship. The agency law in Indiana mandates that agents must act in a manner that does not misrepresent the principal's position or intend to encourage an outcome that could be detrimental to the seller's interests. This advice might undermine the potential for achieving a higher sale price, which can harm the seller financially. It places the agent's actions in direct conflict with their obligation to the seller, which is a key component of fiduciary duty within agency law. The focus here is on the agent's failure to regard the seller's welfare, which is fundamental in any agency relationship. In summary, this situation illustrates a neglect of the responsibilities that come with the representation of the seller's interests, leading to a violation of the agency relationship as defined by Indiana real estate law.

4. How many hours of pre-licensing education are required for prospective brokers in Indiana?

- A. 60 hours
- B. 75 hours
- C. 90 hours**
- D. 120 hours

In Indiana, prospective brokers are required to complete 90 hours of pre-licensing education. This training is designed to provide the essential knowledge and skills that individuals will need to operate effectively as real estate brokers. The curriculum typically covers various topics, including real estate principles, practices, laws, and ethics, which are crucial for understanding the real estate market and ensuring compliance with state regulations. The requirement for 90 hours highlights the state's commitment to ensuring that new brokers are well-prepared for the responsibilities they will undertake. This length of training allows for a comprehensive exploration of key concepts and regulations that govern real estate transactions, helping to promote professionalism in the industry and protect consumers. Other option choices reflect different educational standards that are not current for Indiana brokers. For example, 60 hours and 75 hours would not provide sufficient educational depth for the complexities of real estate practice, while 120 hours exceeds the mandated requirement and may cause unnecessary delays in the licensing process. Thus, the correct answer aligns with the state's established educational framework for aspiring brokers.

5. What is the role of a sponsoring broker in Indiana real estate licensing?

- A. To provide financial support for the new broker
- B. To connect buyers and sellers directly
- C. To provide supervision and guidance to the newly licensed broker**
- D. To conduct real estate training seminars

The role of a sponsoring broker in Indiana real estate licensing is to provide supervision and guidance to newly licensed brokers. This is essential because new brokers, often referred to as associate brokers, might lack the comprehensive experience or knowledge required to navigate real estate transactions independently. The sponsoring broker acts as a mentor, ensuring that the new broker adheres to state laws and regulations, understands ethical practices, and develops effective business strategies. This supervisory relationship is vital for fostering the professional growth of the new broker, as it helps them build confidence and competence in their real estate practice. Additionally, the sponsoring broker carries the legal responsibility for the actions of the associate broker, ensuring compliance with licensing laws and protecting consumers. Financial support, direct connections between buyers and sellers, and conducting training seminars, while potentially beneficial components of a broader real estate framework, do not encapsulate the primary responsibilities of a sponsoring broker in the context of real estate licensing in Indiana. The emphasis on mentorship and oversight distinguishes the sponsoring broker's role significantly.

6. What must be indicated in an exclusive buyer agency contract in Indiana?

- A. That it is an exclusive buyer agency agreement**
- B. The commission structure for the agreement
- C. The seller's financial details
- D. The listing price of potential properties

An exclusive buyer agency contract in Indiana must clearly indicate that it is an exclusive buyer agency agreement. This designation is crucial as it establishes the nature of the relationship between the buyer and the broker, ensuring that the buyer understands they are entering into a commitment where the broker represents only their interests in the buying process. Indicating that the agreement is exclusive helps to prevent conflicts of interest that could arise if the broker also represents sellers in transactions. By clarifying this exclusivity, the contract ensures that the buyer can expect dedicated representation and loyalty from the broker, which is fundamental to their interests as the party looking to purchase a property. While other aspects such as the commission structure, seller's financial details, or listing prices might be relevant to the overall transaction or negotiation process, they are not specifically required to validate the exclusive buyer agency relationship. The primary focus is establishing and communicating the exclusive nature of the representation offered to the buyer.

7. What typically happens to interest rates in a favorable economic climate?

- A. They increase to slow down the economy
- B. They decrease to encourage borrowing**
- C. They remain unchanged for stability
- D. They fluctuate unpredictably

In a favorable economic climate, interest rates typically decrease to encourage borrowing. This is because when the economy is performing well, consumer and business confidence generally rises, leading to increased spending and investment. Lower interest rates make borrowing more attractive as they reduce the cost of loans for consumers and businesses. This additional borrowing can further stimulate economic growth by allowing individuals to make larger purchases and encouraging businesses to invest in expansion and innovation. The environment of lower interest rates also aims to keep the economic momentum steady, as it can help maintain consumer spending and business investment levels. Consequently, even in a flourishing economy, the intention behind lowering interest rates is to sustain growth and prevent the economy from overheating, which could lead to inflation. In contrast, in a volatile economic environment, interest rates might remain unchanged or fluctuate, but in a favorable climate, the focus is on fostering an environment conducive to growth, making the decrease of interest rates a common occurrence.

8. When must a seller provide the Residential Real Estate Sales Disclosure Form to the buyer?

- A. After acceptance of the offer
- B. Before acceptance of the offer**
- C. At the time of closing
- D. Only on request

A seller must provide the Residential Real Estate Sales Disclosure Form to the buyer before acceptance of the offer. This requirement is in place to ensure that prospective buyers have full knowledge of the property's condition and any potential issues prior to making a commitment to purchase. The form contains crucial information about the property, including any known defects or issues that could impact the buyer's decision. Providing this form before the acceptance of the offer allows buyers to make informed choices and assess the risks associated with the property. It establishes transparency in the transaction and aligns with Indiana's regulations regarding the sale of residential real estate. This preemptive disclosure not only aids in protecting the buyer's interests but also helps the seller fulfill their legal obligations regarding property disclosure. Other options may suggest timelines that fail to ensure that the buyer has adequate information when deciding to proceed with an offer, which could lead to misunderstandings or disputes later in the transaction.

9. In what scenario can an agent legally disclose a seller's motivation to a buyer?

- A. If it benefits the buyer's negotiating power
- B. If the agent has obtained consent from the seller**
- C. If the buyer requests that information
- D. If it is common knowledge in the community

An agent can legally disclose a seller's motivation to a buyer if the agent has obtained consent from the seller. This situation emphasizes the importance of client confidentiality and the fiduciary duty that real estate agents have towards their clients. Obtaining the seller's explicit consent ensures that the agent is acting within legal and ethical boundaries while sharing information that is sensitive and could impact the transaction. In real estate, a seller's motivation can significantly influence negotiations, so it is crucial for the agent to have permission to share that information. This practice protects the interests of the seller and upholds the trust placed in the agent by their client. In scenarios where the buyer requests such information or if it's already known within the community, the agent must still consider their obligations to their client. Common knowledge does not always justify disclosure without consent, as it can still compromise the seller's negotiating position. Similarly, a buyer's request does not automatically grant permission to disclose unless the seller has agreed to it. Thus, the requirement for consent is essential in maintaining the integrity of the agency relationship.

10. What is the nature of a broker's fiduciary duty?

- A. To inform clients about market trends
- B. To represent the interests of clients at all times**
- C. To prioritize the broker's interests in transactions
- D. To negotiate only on behalf of buyers

A broker's fiduciary duty is fundamentally about loyalty and dedication to the interests of their clients. This duty means that a broker must act in the best interests of their clients throughout the real estate transaction process, placing the clients' needs and objectives ahead of their own. The broker is responsible for ensuring that their clients are well-informed and supported in making decisions, which includes providing guidance on market trends and pricing, but the core of fiduciary duty is centered around representation. This includes maintaining confidentiality, offering full disclosure, and providing competent advice, all aimed at protecting the client's interests. When considering the choices provided, the duty to represent the interests of clients at all times encapsulates the essence of a broker's role. It highlights the commitment to advocate on behalf of the client, ensuring that their best interests are prioritized in every aspect of the transaction.

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://indianarealestatebroker.examzify.com>

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

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