

Indiana State Indy Metro PC Practice Test (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

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1. After passing her broker exam, what activity is Sarah not permitted to perform?

- A. Fill out property listings**
- B. Explain amortization tables**
- C. Conduct open houses**
- D. Negotiate purchase agreements**

2. What is typically included in closing costs?

- A. A down payment made by the buyer**
- B. Fees for the real estate agent**
- C. Property taxes and homeowners insurance premiums**
- D. Fees for title searches and other necessary inspections**

3. What is typically the first step in the home buying process?

- A. Finding a real estate agent**
- B. Getting pre-approved for a mortgage**
- C. Identifying desired neighborhoods**
- D. Making an offer on a property**

4. What is a comparative market analysis (CMA)?

- A. An assessment of real estate commissions**
- B. An evaluation of similar properties to determine a fair market value**
- C. A method for calculating mortgage payments**
- D. A strategy for property marketing**

5. What is required for an individual to conduct the sale of real property in Indiana?

- A. Recommendation from a managing broker**
- B. A valid real estate broker license**
- C. Completion of a property management course**
- D. Experience in the real estate field**

6. What is a possible consequence for Broker M if they encourage cancellation of a valid listing with Broker H?

- A. Their license may be renewed immediately**
- B. Their license can be revoked or suspended**
- C. Their commission rate may decrease**
- D. They risk civil penalties only**

7. What is the primary purpose of a “power of attorney” in real estate transactions?

- A. To finalize selling agreements**
- B. To allow an authorized person to make decisions on behalf of another in property matters**
- C. To establish property value**
- D. To conduct appraisals**

8. A broker affiliated with a certain company wants to engage in property management. What must they ensure regarding their activities?

- A. Get permission from all clients**
- B. Stay compliant with local regulations**
- C. Keep the activities separate from their brokerage**
- D. Follow the company's operational guidelines**

9. What is the legal requirement for real estate disclosing in Indiana?

- A. Agents must guarantee property value**
- B. Agents must disclose any known defects or issues with a property**
- C. Agents must provide home warranties**
- D. Agents must post property prices publicly**

10. If a person's license application is denied by the Indiana Real Estate Commission, what action can the person take?

- A. Submit a new application immediately**
- B. Petition the Commission for review**
- C. File a lawsuit in court**
- D. Contact a real estate attorney for advice**

Answers

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

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Explanations

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1. After passing her broker exam, what activity is Sarah not permitted to perform?

- A. Fill out property listings**
- B. Explain amortization tables**
- C. Conduct open houses**
- D. Negotiate purchase agreements**

Sarah, having just passed her broker exam, is not permitted to explain amortization tables because this activity typically falls under monetary advice and financial planning, which requires specialized knowledge and certification beyond the scope of a newly licensed broker. While it is common for real estate agents or brokers to be involved in sales transactions and generally knowledgeable about property values and financing, providing detailed financial guidance, such as explaining amortization schedules, can require the expertise of a financial advisor or mortgage professional. In contrast, filling out property listings, conducting open houses, and negotiating purchase agreements are standard functions that brokers can perform as part of their duties in assisting clients with real estate transactions. These tasks are integral to the role of a real estate broker and are permitted once they have obtained their license. Thus, understanding the boundaries of a broker's training and licensing is crucial in determining what activities they can legally engage in.

2. What is typically included in closing costs?

- A. A down payment made by the buyer**
- B. Fees for the real estate agent**
- C. Property taxes and homeowners insurance premiums**
- D. Fees for title searches and other necessary inspections**

Closing costs are the fees and expenses that are incurred by both buyers and sellers during the process of transferring ownership of a property. These costs typically encompass a variety of necessary fees that are essential to finalize a real estate transaction. The inclusion of fees for title searches and other necessary inspections is a crucial component of closing costs. Title searches ensure that the property being sold has a clear title, free of any liens or claims, which protects the buyer from unforeseen legal issues. Additionally, inspections are often required to verify the condition of the property, helping to identify any potential issues that may need to be addressed before the sale is completed. Both of these services are essential for safeguarding the interests of the buyer and facilitating a smooth transfer of ownership. In contrast, while a down payment is an important aspect of purchasing a property, it is not typically classified as a closing cost, as it represents the initial equity the buyer is putting into the home rather than fees incurred to close the transaction. Fees for the real estate agent are generally considered part of the seller's responsibilities and not something included as part of the buyer's closing costs. Property taxes and homeowners insurance premiums can be part of the financial obligations associated with homeownership but are not directly classified as closing costs.

3. What is typically the first step in the home buying process?

- A. Finding a real estate agent
- B. Getting pre-approved for a mortgage**
- C. Identifying desired neighborhoods
- D. Making an offer on a property

Getting pre-approved for a mortgage is typically the first step in the home buying process because it establishes your budget and demonstrates your seriousness to sellers.

Pre-approval involves a lender evaluating your financial situation, including your income, debt, and credit history, to determine how much money they are willing to lend you. This helps you understand your borrowing power and allows you to focus on homes within your financial range, making the subsequent steps in the buying process more efficient. Additionally, being pre-approved can strengthen your position when making offers. Sellers often prefer buyers who have been pre-approved, as it reduces the risk of the sale falling through due to financing issues. Hence, obtaining pre-approval serves as a foundational step that shapes the rest of your home buying journey, influencing your choice of neighborhoods and the search for a real estate agent.

4. What is a comparative market analysis (CMA)?

- A. An assessment of real estate commissions
- B. An evaluation of similar properties to determine a fair market value**
- C. A method for calculating mortgage payments
- D. A strategy for property marketing

A comparative market analysis (CMA) is primarily focused on evaluating similar properties, known as "comps," to establish a fair market value for a specific property. This process involves analyzing recent sales data, pricing trends, and the characteristics of comparable homes in the same area. The goal of a CMA is to provide clients—whether sellers or buyers—with a realistic estimate of the property's worth based on current market conditions. This analysis takes various factors into account, such as location, size, amenities, and overall market trends, to ensure that the property is competitively priced or valued accurately in the context of the local real estate market. The other options mention aspects that may relate to real estate but do not encompass the specific goal of a CMA. For instance, an assessment of real estate commissions does not provide a value for a specific property, calculating mortgage payments focuses on financing rather than market valuation, and strategies for property marketing are tactics for promoting a property rather than evaluating its worth.

5. What is required for an individual to conduct the sale of real property in Indiana?

- A. Recommendation from a managing broker**
- B. A valid real estate broker license**
- C. Completion of a property management course**
- D. Experience in the real estate field**

To conduct the sale of real property in Indiana, an individual must possess a valid real estate broker license. This requirement ensures that the person has met the necessary educational and regulatory standards to engage in real estate transactions legally and ethically. The licensing process includes completing specific coursework, passing a state examination, and meeting other criteria outlined by the Indiana Real Estate Commission, which are designed to protect consumers and ensure professionalism in the industry. While recommendations from managing brokers, completion of property management courses, and experience in the real estate field may enhance an individual's qualifications or readiness to sell property, they do not substitute for the essential requirement of holding a valid broker license. Without this license, an individual cannot legally represent buyers or sellers in real estate transactions in Indiana.

6. What is a possible consequence for Broker M if they encourage cancellation of a valid listing with Broker H?

- A. Their license may be renewed immediately**
- B. Their license can be revoked or suspended**
- C. Their commission rate may decrease**
- D. They risk civil penalties only**

Encouraging the cancellation of a valid listing with another broker can violate various ethical and legal standards within the real estate profession. This behavior could be seen as an attempt to interfere with a contractual relationship, which is generally not permissible. As a result, if Broker M engages in this conduct, one of the potential consequences is that their license could be revoked or suspended. This action serves to protect the integrity of the real estate industry and maintain fair practices among brokers. Regulatory bodies oversee these practices to ensure all brokers adhere to established standards, and such misconduct can lead to serious repercussions, including the loss of a licensure.

7. What is the primary purpose of a "power of attorney" in real estate transactions?

- A. To finalize selling agreements**
- B. To allow an authorized person to make decisions on behalf of another in property matters**
- C. To establish property value**
- D. To conduct appraisals**

The primary purpose of a "power of attorney" in real estate transactions is to allow an authorized person to make decisions on behalf of another in property matters. This legal document grants the designated individual the authority to act in place of the person who created it (the principal) for specific tasks or decisions related to real estate. This can include signing documents, handling transactions, and making decisions regarding the property, which is particularly useful if the principal is unable to be present due to distance, health issues, or other reasons. In the context of real estate, having a power of attorney ensures that decisions can be made efficiently and without delay, providing flexibility and legal backing to the authorized individual's actions. This is crucial in real estate transactions where timing can be essential, such as when dealing with offers, closings, or managing property-related decisions. Other choices, such as finalizing selling agreements or establishing property value, are specific tasks or processes that occur within real estate transactions but do not capture the broader function of a power of attorney. Conducting appraisals relates to assessing property value but is not pertinent to the concept of granting authority to act on someone's behalf in property matters.

8. A broker affiliated with a certain company wants to engage in property management. What must they ensure regarding their activities?

- A. Get permission from all clients**
- B. Stay compliant with local regulations**
- C. Keep the activities separate from their brokerage**
- D. Follow the company's operational guidelines**

To engage in property management, a broker affiliated with a company must ensure they remain compliant with local regulations. This is crucial because property management is heavily regulated at the state and local levels, including licensing requirements, fair housing laws, and health and safety codes. By adhering to these regulations, the broker not only protects their license but also ensures the rights of tenants and property owners are respected. Compliance with local laws helps avoid potential legal issues and penalties that could arise from non-compliance. Furthermore, understanding and following these regulations builds trust with clients and tenants, as it demonstrates a commitment to professional and ethical practices in property management.

9. What is the legal requirement for real estate disclosing in Indiana?

- A. Agents must guarantee property value**
- B. Agents must disclose any known defects or issues with a property**
- C. Agents must provide home warranties**
- D. Agents must post property prices publicly**

In Indiana, real estate agents have a legal obligation to disclose any known defects or issues with a property. This duty is rooted in the principle of transparency and protecting the interests of buyers. By disclosing known defects, agents help ensure that potential buyers are fully informed about the condition of the property they are considering. This requirement helps to foster trust in real estate transactions and minimizes the risk of disputes arising after the sale due to undisclosed problems. The legal duty to disclose applies to any material defects that could influence a buyer's decision. This includes not only physical issues, like structural damage or plumbing problems but also issues related to legal compliance, such as zoning violations. By adhering to this requirement, agents fulfill their ethical responsibilities and protect themselves from possible legal repercussions that could arise from non-disclosure.

10. If a person's license application is denied by the Indiana Real Estate Commission, what action can the person take?

- A. Submit a new application immediately**
- B. Petition the Commission for review**
- C. File a lawsuit in court**
- D. Contact a real estate attorney for advice**

When an individual's license application is denied by the Indiana Real Estate Commission, the correct course of action is to petition the Commission for review. This option allows the individual to formally request that the Commission reconsider the decision made regarding their application. The petition process provides an opportunity for the applicant to present any additional information, explanations, or clarifications that may influence the Commission's decision. This approach is tailored for regulatory matters, such as those involving state commissions, where structured processes for appeals or reviews are often established. It enables the commission to maintain oversight and ensure that decisions are fair and justified. Submitting a new application immediately may not be effective, as the reasons for the denial could still apply. Filing a lawsuit might not be the best first step, as legal action can be more appropriate only after the administrative review process has been exhausted. Contacting a real estate attorney for advice is always a prudent step but does not provide the direct action needed to challenge the commission's decision. Therefore, petitioning the Commission for review directly addresses the denial in the appropriate manner.

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://instateindymetropc.examzify.com>

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

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