

# KENTUCKY 96-HOUR SALESPERSON PRE- LICENSE STATE 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. Who is typically responsible for disclosing property defects to potential buyers?**
  - A. The selling agent
  - B. The buyer's agent
  - C. The seller, through mandatory disclosures
  - D. The mortgage lender
- 2. What is the role of a listing agent in real estate transactions?**
  - A. To represent the buyer in a negotiation
  - B. To manage ongoing property leases
  - C. To represent the seller in a property transaction
  - D. To handle the closing process
- 3. Who may seek KREC's permission to manage a new branch office of Top Notch Realty?**
  - A. A licensed real estate broker with five years of experience.
  - B. A sales associate who's worked full-time for the firm for the past two years.
  - C. A part-time employee of the real estate firm.
  - D. Anyone who has passed the licensing exam.
- 4. What is meant by "rehabilitation financing" in real estate?**
  - A. Financial support provided for the renovation or improvement of a property
  - B. A loan specifically used to purchase investment properties
  - C. Funds used for purchasing new construction projects
  - D. Grants provided by the government for homebuyers
- 5. Which statement is true about a REALTOR®'s responsibilities?**
  - A. They must operate without ethical guidelines
  - B. They are expected to follow a specific code of ethics
  - C. They can represent both buyers and sellers without restrictions
  - D. They only deal with residential real estate

- 6. What type of clause should Leslie include in her property management agreements?**
- A. Termination clause
  - B. Liability waiver clause
  - C. Hold harmless clause
  - D. Fee adjustment clause
- 7. What document should a licensee request from the seller's agent when making an offer on a condo?**
- A. Real Estate Purchase Agreement
  - B. Condominium Seller's Certificate
  - C. Title Insurance Policy
  - D. Property Disclosure Statement
- 8. What extension does KREC provide for failing to meet post-licensing requirements?**
- A. One month extension
  - B. No extension
  - C. Two month extension
  - D. Six month extension
- 9. What is a common percentage range for real estate commissions?**
- A. 1% to 3%
  - B. 4% to 6%
  - C. 7% to 9%
  - D. 10% or more
- 10. What is the significance of an appraisal in real estate?**
- A. Determines the fair market value of a property
  - B. Helps in negotiating property taxes
  - C. Measures the condition of a property for sale
  - D. Provides a comparison of rental prices



## **Answers**

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

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## **Explanations**

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## 1. Who is typically responsible for disclosing property defects to potential buyers?

- A. The selling agent
- B. The buyer's agent
- C. The seller, through mandatory disclosures**
- D. The mortgage lender

*The seller, through mandatory disclosures, is typically responsible for disclosing property defects to potential buyers. This requirement is grounded in the principle of transparency in real estate transactions, ensuring that buyers have access to important information about the property they are interested in purchasing. Sellers are usually required by law to fill out a disclosure form detailing known issues or defects with the property, which may include problems like plumbing issues, electrical faults, structural concerns, or environmental hazards. This process is designed to protect buyers from unforeseen expenses and safety hazards that could arise after purchase. By mandating that sellers disclose such information, the law aims to foster trust in real estate transactions, allowing buyers to make informed decisions and reducing the likelihood of disputes post-sale. While agents play significant roles in facilitating the transaction and may assist in guiding their clients through the disclosure process, the actual responsibility for disclosing defects lies with the seller. The mortgage lender typically does not participate in the inspection or disclosure process, focusing primarily on the financial aspects of the transaction instead.*

## 2. What is the role of a listing agent in real estate transactions?

- A. To represent the buyer in a negotiation
- B. To manage ongoing property leases
- C. To represent the seller in a property transaction**
- D. To handle the closing process

*The role of a listing agent in real estate transactions is specifically to represent the seller. This includes a variety of responsibilities, such as helping the seller set an appropriate listing price based on market analysis, marketing the property to potential buyers, and managing showings and open houses. The listing agent acts as a trusted advisor for the seller throughout the process, guiding them in negotiations and helping to address any concerns that may arise during the sale. While a listing agent does play a part in the overall transaction, their primary loyalty and legal obligation is to the seller. This means they are focused on achieving the best possible outcome for the seller, including negotiations and securing offers. Other roles, such as buyer representation or managing leases, fall under different responsibilities that do not pertain to the listing agent's duties. Therefore, the correct answer accurately reflects the core function of a listing agent in the real estate industry.*

### 3. Who may seek KREC's permission to manage a new branch office of Top Notch Realty?

- A. A licensed real estate broker with five years of experience.
- B. A sales associate who's worked full-time for the firm for the past two years.**
- C. A part-time employee of the real estate firm.
- D. Anyone who has passed the licensing exam.

*The option that states a sales associate who's worked full-time for the firm for the past two years is the correct answer because, in many cases, state real estate commissions, including the Kentucky Real Estate Commission (KREC), have guidelines regarding who can manage branch offices. Typically, this role is reserved for individuals who have a solid understanding of real estate operations and have been immersed in the company's culture and practices over a significant period. In this scenario, the requirement of two years of full-time experience directly ties to the knowledge and practical experience needed to effectively manage a branch office. Sales associates who have dedicated this amount of time to the firm are expected to understand its policies, client base, and operational procedures, thus making them suitable candidates for a managerial role. The other options do not meet the specific requirements set forth by KREC for managing a branch office. A licensed broker with five years of experience, while highly qualified, may not have the direct association with Top Notch Realty crucial for branch management. A part-time employee may lack the depth of knowledge and commitment that usually comes with full-time experience, which is invaluable for managing a new office. Finally, merely passing the licensing exam does not guarantee the necessary practical knowledge or experience needed to manage a real*

### 4. What is meant by "rehabilitation financing" in real estate?

- A. Financial support provided for the renovation or improvement of a property**
- B. A loan specifically used to purchase investment properties
- C. Funds used for purchasing new construction projects
- D. Grants provided by the government for homebuyers

*Rehabilitation financing refers to financial support specifically designated for the renovation or improvement of an existing property. This type of financing is aimed at upgrading a property to enhance its value, functionality, or aesthetic appeal. It can cover a variety of improvements, from significant structural repairs to cosmetic updates, allowing homeowners or investors to revitalize properties that may be in disrepair or outdated. By targeting the renovation aspect, rehabilitation financing plays a crucial role in encouraging investment in older or distressed properties, which can lead to neighborhood revitalization and an increase in property values. It differs from other financing options, such as loans for purchasing investment properties or grants for homebuyers, which serve different financial needs in the real estate market.*

**5. Which statement is true about a REALTOR®'s responsibilities?**

- A. They must operate without ethical guidelines
- B. They are expected to follow a specific code of ethics**
- C. They can represent both buyers and sellers without restrictions
- D. They only deal with residential real estate

*A REALTOR® is a member of the National Association of REALTORS® (NAR) and is bound by a specific code of ethics that outlines their responsibilities and ethical obligations in the real estate profession. This code promotes professionalism and integrity in real estate transactions, ensuring that REALTORS® act in the best interest of their clients while adhering to fair and honest practices. Following this code of ethics is fundamental for maintaining trust in the real estate industry and fostering a positive relationship between REALTORS® and the communities they serve. The other statements do not accurately represent the responsibilities of a REALTOR®. They must indeed abide by ethical guidelines, they have restrictions when representing both buyers and sellers (such as full disclosure and possible conflicts of interest), and their work is not limited to just residential real estate; REALTORS® can also deal with commercial, industrial, and agricultural properties.*

**6. What type of clause should Leslie include in her property management agreements?**

- A. Termination clause
- B. Liability waiver clause
- C. Hold harmless clause**
- D. Fee adjustment clause

*In a property management agreement, including a hold harmless clause is essential because it protects the property manager from certain legal liabilities that may arise during the management of the property. This clause stipulates that the property owner agrees to indemnify the property manager for any losses or legal actions that result from the property owner's actions or negligence. This type of clause is particularly important in property management, where a manager can encounter various risks and liabilities related to tenant activities, property maintenance, and regulatory compliance. By including a hold harmless clause, Leslie ensures that she has a level of protection against claims that could arise, thus allowing her to manage the property more confidently while minimizing financial risks associated with legal disputes. The other choices may have their relevance, such as termination clauses which outline the conditions under which either party may terminate the agreement, liability waiver clauses which can limit liability exposure, and fee adjustment clauses that might allow fees to be adjusted based on certain conditions. However, the hold harmless clause specifically addresses the need for indemnification, making it a crucial consideration in property management agreements.*



**7. What document should a licensee request from the seller's agent when making an offer on a condo?**

- A. Real Estate Purchase Agreement
- B. Condominium Seller's Certificate**
- C. Title Insurance Policy
- D. Property Disclosure Statement

*A Condominium Seller's Certificate is essential when making an offer on a condo because it provides critical information about the property and its associated homeowners' association (HOA). This certificate typically includes details about the condo's financial standing, rules and regulations of the association, any upcoming assessments or special assessments, and other obligations that come with ownership. Understanding this information is vital for a buyer because it ensures they are fully aware of the condo's status and their responsibilities within the community. Other documents, while useful, do not provide the specific association-related insights that are crucial for a potential buyer to consider when evaluating a condominium purchase. For instance, a Real Estate Purchase Agreement is a contract outlining the terms of the sale but does not detail the operational aspects of the condo association. A Title Insurance Policy focuses on the legal title of the property, not the community aspects, and a Property Disclosure Statement usually includes information about the physical condition of the unit but may not address the HOA's rules and financials. Thus, the Condominium Seller's Certificate is the most pertinent document in this context.*

**8. What extension does KREC provide for failing to meet post-licensing requirements?**

- A. One month extension
- B. No extension**
- C. Two month extension
- D. Six month extension

*The Kentucky Real Estate Commission (KREC) is very strict regarding the post-licensing education requirements for new licensees. Specifically, once a licensee has obtained their real estate license, they are required to complete their post-licensing education within a specified timeframe. If the education requirements are not met within that timeframe, KREC does not offer any extension for completion. This strict policy emphasizes the importance of maintaining professional standards and ensuring that all new licensees are adequately educated to perform their duties effectively. Failure to complete the required post-licensing education without an extension means the license may be suspended or not renewed, ensuring compliance with state regulations.*

## 9. What is a common percentage range for real estate commissions?

- A. 1% to 3%
- B. 4% to 6%**
- C. 7% to 9%
- D. 10% or more

*The common percentage range for real estate commissions typically falls between 4% to 6%. This range is widely accepted in the industry and reflects the standard practice for most residential real estate transactions. Commission rates can vary depending on several factors, including the market conditions, the type of property, and the specific agreements made between the seller and the real estate agent. In many cases, a 6% commission is common, with the total amount usually split between the listing and buyer's agents. The lower percentages, often seen in options regarding 1% to 3%, are generally not standard for typical real estate transactions, as they would likely not cover the service levels expected by clients. The higher ranges, such as 7% to 9% or even 10% or more, are less common and can be viewed as excessive unless justified by extraordinary services or unique market conditions. Therefore, the 4% to 6% range accurately represents the average commission structure observed in the real estate market.*

## 10. What is the significance of an appraisal in real estate?

- A. Determines the fair market value of a property**
- B. Helps in negotiating property taxes
- C. Measures the condition of a property for sale
- D. Provides a comparison of rental prices

*Determining the fair market value of a property is a fundamental role of an appraisal in real estate. An appraisal is an unbiased professional opinion of a property's value, typically conducted by a licensed appraiser. This process involves analyzing various factors, including the property's location, size, condition, and recent sales of comparable properties in the area. By establishing a fair market value, an appraisal provides crucial information for buyers, sellers, and lenders, ensuring that transactions are based on a realistic assessment of the property's worth. This valuation can significantly impact financing, investment decisions, and market analysis, making it a key component in the real estate transaction process. Other options, while related to real estate, do not capture the primary purpose of an appraisal. For example, negotiating property taxes and comparing rental prices are not the main functions of an appraisal, and while measuring the condition of a property can be a part of the overall inspection process, it is not the primary significance of an appraisal, which specifically focuses on valuation.*

## 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](mailto:hello@examzify.com).

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

<https://ky96hrsalespersonprelicense.examzify.com>

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

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