

Leasing License 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

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1. What act requires landlords to allow tenants to make reasonable modifications to an apartment?

- A. Housing and Community Development Act of 1974**
- B. Fair Housing Amendment Act of 1988**
- C. Illinois Security Deposit Return Act**
- D. Tenant's Rights Act**

2. What is another term for a holdover tenant?

- A. Tenancy at Sufferance**
- B. Month-to-Month Lease**
- C. Fixed-Term Lease**
- D. Common Area Tenant**

3. What is a promise in the context of an agreement?

- A. An obligation to sign a contract**
- B. An assurance given by one to another**
- C. A suggestion that can be ignored**
- D. A negotiation that occurs at closing**

4. According to IRS standards, how many hours a week does a regular employee work?

- A. 15 hours**
- B. 20 hours**
- C. 30 hours**
- D. 40 hours**

5. What distinguishes a bargain from other types of agreements?

- A. It requires formal witness signatures**
- B. It involves a specific exchange of value between parties**
- C. It is a unilateral promise**
- D. It involves complex legal terms**

6. What are the three reasons a contract may be unenforceable?

- A. Illegality, lack of writing, expired statute of limitations**
- B. Verbal agreement, minor signer, not notarized**
- C. Absence of signatures, invalid purpose, unpaid consideration**
- D. Lapsed time, ambiguous terms, lack of agreement**

7. Which of the following is NOT required to be included in a real estate company's written office policy?

- A. Agency policy**
- B. Personal investment strategies**
- C. Fair housing practices**
- D. Training and supervision of licensees**

8. Which of the following best describes an agency relationship?

- A. A mutual beneficial relationship between tenant and landlord**
- B. An agent representing an owner in a transaction**
- C. A partnership between realtors**
- D. A sales arrangement between buyer and seller**

9. What is the primary role of a sponsoring broker?

- A. To provide real estate education**
- B. To appoint managing brokers**
- C. To oversee all financial transactions**
- D. To manage compliance with real estate laws**

10. Which statement is true regarding tenant improvements made by a retail tenant?

- A. They automatically become property of the landlord**
- B. They must be removed upon lease termination**
- C. They can stay if indicated in the lease**
- D. They require prior approval from zoning boards**

Answers

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

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Explanations

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1. What act requires landlords to allow tenants to make reasonable modifications to an apartment?

- A. Housing and Community Development Act of 1974**
- B. Fair Housing Amendment Act of 1988**
- C. Illinois Security Deposit Return Act**
- D. Tenant's Rights Act**

The Fair Housing Amendment Act of 1988 is correct because it expands upon the original Fair Housing Act and specifically addresses the rights of individuals with disabilities. This act mandates that landlords must allow tenants with disabilities to make reasonable modifications to their living spaces, at their own expense, when those modifications are necessary for the tenant to fully enjoy and use the residence. This provision is designed to ensure accessibility and to eliminate barriers that may otherwise prevent individuals with disabilities from living independently. The emphasis is on "reasonable" modifications, meaning that alterations must be practical and not impose undue financial or administrative burdens on the landlord. The other options pertain to different aspects of housing rights or financial regulations and do not specifically focus on the rights of tenants to modify rental units.

2. What is another term for a holdover tenant?

- A. Tenancy at Sufferance**
- B. Month-to-Month Lease**
- C. Fixed-Term Lease**
- D. Common Area Tenant**

A holdover tenant is someone who remains in a rental property after their lease has expired, without the explicit consent of the landlord to continue occupying the premises. This situation is legally recognized under the term "Tenancy at Sufferance." In this arrangement, the landlord has the option to either accept the tenant's continued occupancy—potentially creating an implied new lease—or pursue eviction. The key characteristic of this type of tenancy is that the tenant continues to occupy the property without a formal agreement, which places them in a vulnerable position regarding their rights as a tenant. In contrast, a month-to-month lease is a rental agreement that automatically renews every month, while a fixed-term lease specifies a set duration for tenancy, such as one year. Common area tenants generally refer to tenants who share common spaces in commercial properties, usually under different leasing agreements. Thus, these terms do not apply to the situation of a holdover tenant, making "Tenancy at Sufferance" the correct identification for this scenario.

3. What is a promise in the context of an agreement?

- A. An obligation to sign a contract
- B. An assurance given by one to another**
- C. A suggestion that can be ignored
- D. A negotiation that occurs at closing

In the context of an agreement, a promise is defined as an assurance given by one party to another. This assurance implies a commitment to perform or refrain from performing a specific action, which is fundamental to establishing trust and understanding between the parties involved. When one party makes a promise, they create an expectation that they will uphold their end of the agreement, contributing to the overall enforceability of the contract. The significance of a promise lies in its role in contract formation. It serves as a cornerstone for mutual assent, where both parties agree to the terms based on the understanding that they will fulfill their respective promises. This is essential in legal partnerships and agreements, as it ultimately binds the parties to their stated intentions. In contrast, the other choices do not accurately depict the essence of a promise. An obligation to sign a contract refers to a formal requirement rather than a promise itself, while a suggestion that can be ignored lacks the binding nature of a commitment. A negotiation that occurs at closing suggests that discussions might still be happening rather than a definitive agreement, which does not embody the notion of a promise.

4. According to IRS standards, how many hours a week does a regular employee work?

- A. 15 hours
- B. 20 hours**
- C. 30 hours
- D. 40 hours

The correct answer is 40 hours, as this is generally considered the standard for full-time employment according to IRS guidelines. The IRS defines a full-time employee as someone who works at least 30 hours a week for more than 120 days. Many employers align their definitions of full-time work closely with this standard, making the 40-hour workweek a common expectation. In contrast, the other options reflect fewer hours, which might pertain to part-time employment or different definitions that are not consistent with standard full-time classifications set by the IRS and other regulatory bodies. Thus, understanding this standard helps clarify employment classifications and tax implications related to employee benefits and withholding.

5. What distinguishes a bargain from other types of agreements?

- A. It requires formal witness signatures**
- B. It involves a specific exchange of value between parties**
- C. It is a unilateral promise**
- D. It involves complex legal terms**

A bargain is specifically characterized by the requirement of a mutual exchange of value between parties, which is often referred to as "consideration" in legal terms. This means that in a bargain, each party offers something of value, whether it is a service, money, or goods, in return for another item of value. This mutual exchange is essential in forming a binding agreement, distinguishing a bargain from other agreements that might not require such an exchange. While other types of agreements may include various terms and conditions, a bargain is fundamentally defined by this reciprocal nature where both parties benefit from the transaction. It stands apart from options that may involve formal witness signatures, unilateral promises, or complex legal jargon, none of which are necessary elements of a bargain. This definition is crucial in understanding legal contracts and negotiations, as it emphasizes the importance of consideration in establishing enforceable agreements.

6. What are the three reasons a contract may be unenforceable?

- A. Illegality, lack of writing, expired statute of limitations**
- B. Verbal agreement, minor signer, not notarized**
- C. Absence of signatures, invalid purpose, unpaid consideration**
- D. Lapsed time, ambiguous terms, lack of agreement**

The correct answer identifies three well-established reasons that can make a contract unenforceable: illegality, lack of writing, and expired statute of limitations. Illegality refers to contracts that involve activities or terms that violate the law. If a contract's purpose or terms are unlawful, courts will not enforce it. The lack of writing relates to certain contracts that, by law, must be in written form to be enforceable. For instance, contracts involving the sale of real estate or those that cannot be performed within one year typically require written documentation. The expired statute of limitations refers to the legal timeframe within which a party must bring a lawsuit to enforce a contract. If this timeframe has elapsed, even if the contract was valid at the time of creation, the court may refuse to enforce it due to the expiration of the allowed period for legal action. The other options contain elements that do not universally qualify as reasons for unenforceability. While verbal agreements can be binding in certain contexts, they may not be enforceable in situations that require written contracts. A minor signer does not necessarily render a contract unenforceable, as it may depend on the nature of the contract and the jurisdiction. Similarly, ambiguity in terms may lead to disputes but does not

7. Which of the following is NOT required to be included in a real estate company's written office policy?

- A. Agency policy**
- B. Personal investment strategies**
- C. Fair housing practices**
- D. Training and supervision of licensees**

The correct answer is centered around the idea that personal investment strategies are not a standard component required in a real estate company's written office policy. A real estate company's written office policy typically includes essential guidelines and operational procedures that govern the behavior of the company and its agents, ensuring compliance with legal and ethical standards. Agency policy, fair housing practices, and the training and supervision of licensees are critical elements since they directly affect the functioning of the business and adherence to laws that protect both the agents and the clients they serve. The agency policy outlines how the company will represent clients, ensuring that all agents understand their roles and responsibilities. Fair housing practices ensure compliance with federal, state, and local laws, promoting equality and non-discrimination in housing. Training and supervision of licensees are vital for maintaining a professional and knowledgeable workforce, safeguarding both the company and clients against potential legal issues. On the other hand, personal investment strategies are individual considerations that do not pertain to the company's operational policies or ethical obligations to clients and the public. These strategies are more aligned with personal financial decisions and are not required to be part of a company's formal policy document.

8. Which of the following best describes an agency relationship?

- A. A mutual beneficial relationship between tenant and landlord**
- B. An agent representing an owner in a transaction**
- C. A partnership between realtors**
- D. A sales arrangement between buyer and seller**

An agency relationship is established when one party, known as the agent, is authorized to act on behalf of another party, known as the principal, in business transactions. This concept is most clearly represented in the context of real estate, where an agent represents a property owner in a transaction to sell, lease, or manage the property. The agent has a fiduciary duty to act in the best interest of the principal, which can include responsibilities such as negotiating terms and ensuring compliance with relevant laws and regulations. In contrast, the other options describe different types of relationships or arrangements. A mutual beneficial relationship between a tenant and landlord focuses more on the lease agreement and the interests of both parties rather than the legal representation aspect. A partnership between realtors describes a collaboration among real estate professionals, which is not specifically an agency relationship. A sales arrangement between a buyer and seller outlines a transaction dynamic rather than the representation aspect inherent in an agency. Recognizing the specific role of the agent within an agency relationship helps clarify the responsibilities and obligations involved in real estate dealings.

9. What is the primary role of a sponsoring broker?

- A. To provide real estate education
- B. To appoint managing brokers
- C. To oversee all financial transactions
- D. To manage compliance with real estate laws**

The primary role of a sponsoring broker involves managing compliance with real estate laws. This is crucial because brokers act as the legal representatives of their agents and are responsible for ensuring that all transactions and practices conducted by their team adhere to state and federal regulations. By maintaining compliance, the sponsoring broker protects not only the business's integrity but also the interests of both clients and agents, fostering a trustworthy environment within the real estate industry. While overseeing financial transactions, providing education, and appointing managing brokers are essential functions within a brokerage, they are more specialized tasks that may fall under various responsibilities rather than the overarching duty of the sponsoring broker. Compliance management is fundamental, as it lays the groundwork for ethical and legal practices in real estate dealings.

10. Which statement is true regarding tenant improvements made by a retail tenant?

- A. They automatically become property of the landlord
- B. They must be removed upon lease termination
- C. They can stay if indicated in the lease**
- D. They require prior approval from zoning boards

The statement that tenant improvements can stay if indicated in the lease is accurate because the terms of the lease agreement typically dictate what happens to improvements made by the tenant. In many leasing scenarios, the lease outlines whether any enhancements or modifications made to the rented space will become part of the property and remain after the lease ends, or if the tenant has the right to remove them. If the lease specifies that the improvements will stay, both the landlord and tenant have agreed to this arrangement, and it provides legal clarity regarding the disposition of those improvements. The other options focus on different aspects. While certain improvements might automatically become the landlord's property under specific circumstances, this is not universally true unless outlined in the lease. Some tenant improvements indeed must be removed upon lease termination, particularly if there is no agreement in the lease allowing them to remain. Lastly, requiring prior approval from zoning boards is generally related to compliance with local laws and does not universally pertain to tenant improvements regarding lease agreements. The lease terms play a critical role in determining the fate of tenant improvements.

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://leasinglicense.examzify.com>

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

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