

Maryland CE Shop 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. When a licensee has an ownership interest in property, or is related to someone with such an interest, what must be disclosed to all parties?**
 - A. Only property held directly by the licensee**
 - B. Only property held directly or indirectly by the licensee**
 - C. Only property held directly or indirectly by the licensee or by the licensee's immediate family member**
 - D. Property held directly or indirectly by the licensee, the licensee's immediate family member, the licensee's firm, or a member of the licensee's firm**

- 2. Which statement best describes the proper handling of an agency disclosure when a seller refuses to sign?**
 - A. It should be documented by noting the date and reason on the agency disclosure form**
 - B. It should be filed with the state real estate commission**
 - C. It is illegal to proceed without signature**
 - D. It must be replaced with a new disclosure form**

- 3. When a sub-agent represents the seller, what disclosure must be made to the buyer?**
 - A. The sub-agent's license status**
 - B. The sub-agent represents the seller as a sub-agent**
 - C. No disclosure is required**
 - D. The lender is involved**

- 4. When is the appropriate time for a licensee to disclose that they represent the seller to a prospective buyer?**
 - A. At the open house**
 - B. In the email response that includes the property disclosure**
 - C. When the buyers are at the house for a home inspection**
 - D. When the buyers drop off their offer**

- 5. Which of the following describes self-dealing?**
- A. A licensee forgets some of the paperwork.**
 - B. A licensee sells a property with the understanding that she will make all pertinent decisions on her client's behalf.**
 - C. A licensee sells her own property without informing all parties that she's licensed.**
 - D. A licensee lists her own property and informs all parties that she's licensed.**
- 6. To validly pursue dual agency, what must be obtained from the parties?**
- A. Consent of both parties**
 - B. Consent of the seller only**
 - C. Consent of the buyer only**
 - D. No consent is required**
- 7. For sale signs on ground rent properties that show the price of the property, which additional information must be included?**
- A. Annual ground rent**
 - B. Annual ground rent plus the full cost of capitalization**
 - C. Price for which the land could be purchased**
 - D. The market value of the property**
- 8. Which statement about cross-state commission sharing is true?**
- A. Licensees may share commissions with licensees in other states only if the other state permits intra-state compensation sharing.**
 - B. Licensees may share commissions with licensees in other states irrespective of any state rules.**
 - C. Licensees may share commissions with licensees in other states if the other state has no licensing requirements.**
 - D. Licensees may share commissions with licensees in other states if the other state allows intra-state compensation sharing.**

- 9. Antonio's agent possibly violated which section of the Maryland Code of Ethics?**
- A. Relations to fellow licensees**
 - B. Relations to the client**
 - C. Relations to the commission**
 - D. Relations to the public**
- 10. Under PHIFA, a homeowner may bring a private action against a foreclosure consultant to recover up to \$3,000, plus reasonable attorney's fees. Which option correctly reflects the related remedy?**
- A. Recover up to \$1,000 and no attorney's fees**
 - B. Recover up to \$3,000 and reasonable attorney's fees**
 - C. Recover up to \$500 and no attorney's fees**
 - D. No private action is allowed against a foreclosure consultant**

Answers

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

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Explanations

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1. When a licensee has an ownership interest in property, or is related to someone with such an interest, what must be disclosed to all parties?
- A. Only property held directly by the licensee
 - B. Only property held directly or indirectly by the licensee
 - C. Only property held directly or indirectly by the licensee or by the licensee's immediate family member
 - D. Property held directly or indirectly by the licensee, the licensee's immediate family member, the licensee's firm, or a member of the licensee's firm**

The important idea is that licensees must reveal any ownership or related interests that could influence the transaction to all parties involved. The best choice requires disclosure of property held directly or indirectly by the licensee, any property connected to the licensee's immediate family, and also property owned by the licensee's firm or by a member of the firm. This broad disclosure helps prevent conflicts of interest and ensures everyone can assess any potential bias or financial stake. If the licensee or a close relation has a stake in a property, or if the brokerage firm or someone at the firm has an ownership interest, that information must be disclosed to all parties. The other options leave out some of these possible interests, which is why they're not sufficient for full transparency.

2. Which statement best describes the proper handling of an agency disclosure when a seller refuses to sign?
- A. It should be documented by noting the date and reason on the agency disclosure form**
 - B. It should be filed with the state real estate commission
 - C. It is illegal to proceed without signature
 - D. It must be replaced with a new disclosure form

When you're dealing with agency disclosures, the key is to have a clear, written record of who represents whom. If a seller refuses to sign the agency disclosure, you still must disclose the agency relationship and document the refusal. The correct approach is to note the date you attempted to obtain the signature and the reason given for not signing directly on the agency disclosure form. This creates an honest trail showing the seller was informed and chose not to sign, which protects you as the licensee and clarifies the relationship for all parties. Filing the refusal with the state real estate commission isn't required for this situation, and it isn't the typical step for a voluntary refusal to sign. It's not illegal to proceed without a signature, provided you've properly documented the disclosure and the lack of a signature. Replacing the form isn't standard practice either; you don't substitute a new form—you simply annotate the existing disclosure to reflect the refusal.

3. When a sub-agent represents the seller, what disclosure must be made to the buyer?

- A. The sub-agent's license status**
- B. The sub-agent represents the seller as a sub-agent**
- C. No disclosure is required**
- D. The lender is involved**

When a sub-agent is involved, the key idea is: disclose who the sub-agent represents. The sub-agent works for the listing broker and, by extension, for the seller, so the sub-agent's duties are owed to the seller. Therefore, the required disclosure to the buyer is that the sub-agent represents the seller as a sub-agent. This makes clear whose interests are being represented in the transaction. The other options aren't about agency representation: license status, lender involvement, or no disclosure at all.

4. When is the appropriate time for a licensee to disclose that they represent the seller to a prospective buyer?

- A. At the open house**
- B. In the email response that includes the property disclosure**
- C. When the buyers are at the house for a home inspection**
- D. When the buyers drop off their offer**

Disclose who you represent at the first substantial contact with a prospective buyer. That moment often occurs at an open house, when several buyers are evaluating the property and you're about to share information or answer questions. Revealing agency representation upfront keeps everyone informed, reduces confusion about who your client is, and helps prevent dual agency or misrepresentation. Waiting to disclose—in an email response with the property disclosure, during a home inspection, or when a buyer submits an offer—means the buyer may have already formed impressions or relied on information without knowing who you represent, which can create problems and isn't as timely or clear.

5. Which of the following describes self-dealing?

- A. A licensee forgets some of the paperwork.**
- B. A licensee sells a property with the understanding that she will make all pertinent decisions on her client's behalf.**
- C. A licensee sells her own property without informing all parties that she's licensed.**
- D. A licensee lists her own property and informs all parties that she's licensed.**

Self-dealing happens when an agent uses their position to benefit themselves in a transaction, creating a conflict of interest and failing to put the client's interests first. In this scenario, selling her own property without telling all parties that she's licensed puts her in a direct personal stake in the deal and hides that interest from others. That means she could steer terms or influence negotiations to favor herself rather than the buyer or seller she's representing, which breaches the fiduciary duties of loyalty and disclosure. The other situations don't show the same conflict: forgetting paperwork is a lapse in procedure, not a self-serving gain; selling with the understanding she'll make all pertinent decisions for her client could be a normal agency arrangement as long as she's acting in the client's best interest and with proper disclosure; and listing her own property while fully informing others that she's licensed is transparent and avoids self-dealing.

6. To validly pursue dual agency, what must be obtained from the parties?

- A. Consent of both parties**
- B. Consent of the seller only**
- C. Consent of the buyer only**
- D. No consent is required**

Dual agency means one licensee represents both the buyer and the seller in the same transaction, which creates potential conflicts of interest and raises concerns about confidentiality and loyalty. To proceed legally and ethically, both parties must knowingly consent to this arrangement in writing, acknowledging the potential conflicts and agreeing to be represented by the same licensee. Without the written consent of both sides, dual agency isn't valid, and the broker should operate as a single agent for one party or use another structure (like designated agency) to protect each party's interests.

7. For sale signs on ground rent properties that show the price of the property, which additional information must be included?
- A. Annual ground rent
 - B. Annual ground rent plus the full cost of capitalization**
 - C. Price for which the land could be purchased
 - D. The market value of the property

When a property sits on ground land, ownership is split: the building owner rents the land itself. Because of that, the price shown on a sale sign isn't the whole story. The buyer needs to understand both the ongoing obligation and the total upfront cost to own the property. That's why the required disclosure is the annual ground rent plus the full cost of capitalization—the lump-sum amount that represents the complete price to own the land-and-lease interest. This gives a true apples-to-apples comparison with fee-simple properties, since it shows how much you'd pay each year and what the total investment would be to take ownership of the underlying land. Showing only the annual rent or only a land-purchase price doesn't capture the full financial picture in a ground rent scenario.

8. Which statement about cross-state commission sharing is true?
- A. Licensees may share commissions with licensees in other states only if the other state permits intra-state compensation sharing.
 - B. Licensees may share commissions with licensees in other states irrespective of any state rules.
 - C. Licensees may share commissions with licensees in other states if the other state has no licensing requirements.
 - D. Licensees may share commissions with licensees in other states if the other state allows intra-state compensation sharing.**

Cross-state commission sharing is regulated by the receiving state's rules on compensation. A licensee may share a commission with a licensee in another state only if that state allows intra-state compensation sharing—that is, if licensees within that state may receive compensation from transactions that involve licensees from other states. If the receiving state does not permit intra-state compensation sharing, then cross-state sharing would violate that state's regulations, even if other states would permit it. This is why the correct understanding is that sharing across state lines depends on the other state's allowance for intra-state compensation. The other choices suggest unconditional sharing, no licensing requirements, or other conditions that don't align with how state real estate laws regulate who can receive a share of a commission. In practice, always confirm the receiving state's specific rules and ensure written agreements and broker approvals are in place.

9. Antonio's agent possibly violated which section of the Maryland Code of Ethics?

- A. Relations to fellow licensees**
- B. Relations to the client**
- C. Relations to the commission**
- D. Relations to the public**

The key idea here is the duties a licensee owes to their client under Maryland's Code of Ethics. When a licensee acts in a way that affects a client's interests—such as representing the client, handling escrow funds, or sharing information that could influence the client's decisions—that falls under relations to the client. The Code imposes fiduciary-like duties on licensees in their dealings with clients: loyalty, obedience to lawful directions, full disclosure of known material facts, confidentiality, reasonable care and diligence, and proper handling of client funds. If Antonio's agent's behavior could harm the client or fail to prioritize the client's interests, that situation fits this section. The other sections address different relationships: with fellow licensees (conduct among licensees), with the commission (compliance with regulatory rules and actions), and with the public (dealing fairly with consumers in general). So the scenario most directly implicates the duties owed to the client, making that the best fit.

10. Under PHIFA, a homeowner may bring a private action against a foreclosure consultant to recover up to \$3,000, plus reasonable attorney's fees. Which option correctly reflects the related remedy?

- A. Recover up to \$1,000 and no attorney's fees**
- B. Recover up to \$3,000 and reasonable attorney's fees**
- C. Recover up to \$500 and no attorney's fees**
- D. No private action is allowed against a foreclosure consultant**

PHIFA gives homeowners a civil remedy against foreclosure consultants, allowing a private action in which the homeowner can recover damages up to a fixed amount plus reasonable attorney's fees. The key point is that the remedy is capped at 3,000 and allows recovery of attorney's fees, so the correct choice reflects both the dollar limit and the inclusion of legal costs. This combination helps deter bad conduct while ensuring homeowners can pursue and recover their legal expenses if they prevail. The other options propose smaller damages, or no attorney's fees, or no private action at all, all of which don't align with the statute's provision.

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://marylandceshop.examzify.com>

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

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