MARYLAND CE SHOP PRACTICE EXAM (SAMPLE)

STUDY GUIDE

SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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

1. **Which clause would violate the Protection of Homeowners in Foreclosure Act?**
   - A. $500 retainer fee charged at signing.
   - B. A clause paying 7% of the sale price.
   - C. All terms in a written contract signed by both parties.
   - D. A licensed broker presenting license to clients before signing contracts.

2. **Which statement is NOT true about the Maryland Commission on Civil Rights (MCCR)?**
   - A. The governor appoints members to the commission.
   - B. The commission is made up of nine members.
   - C. The commission is managed by an executive director.
   - D. Members serve four-year terms.

3. **Which action could trigger immediate suspension of a license by the Maryland Real Estate Commission?**
   - A. Being convicted of a felony.
   - B. Missing a single renewal payment.
   - C. Forgetting to update a phone number.
   - D. Selling a property without a license.

4. **When should a prospective buyer receive a copy of the Maryland Residential Property Disclosure and Disclaimer Statement?**
   - A. Before or at the time the buyer executes a purchase agreement
   - B. Just prior to the home inspection if the buyer has elected to have an inspection done
   - C. No later than five days after the buyer and seller have signed the contract of sale
   - D. No later than two weeks before closing

5. **When a license is suspended, which entities are notified by MREC?**
   - A. The licensee
   - B. The licensee's broker
   - C. The Maryland Association of REALTORS®
   - D. All of the above

6. **Which statement best describes the structure of the Maryland Code of Ethics?**

A. It is divided into relations to the public, to clients, and with other licensees

B. It is divided into duties to lenders, appraisers, and inspectors

C. It covers only relations to clients

D. It has no formal sections

7. **Which option is NOT an allowed method for handling disputed earnest money under Maryland real estate rules?**

A. She can file a bill of interpleader and deposit the funds with the courts, which would decide their disbursement.

B. She can file a claim with the Maryland Real Estate Commission, which would decide how the funds should be disbursed.

C. She can hold onto the funds until one of the parties files suit and a court orders the funds' disbursement.

D. She can hold the funds until she receives both parties' authorization to disburse them.

8. **Which of the following statements about Maryland dual agency practices is accurate?**

A. The broker represents both parties directly in the same transaction if both agree in writing.

B. The broker must assign two associated licensees to represent the parties as intra-company agents, rather than representing both parties directly.

C. A single licensee may represent buyer and seller if they own the properties themselves.

D. Dual agency is prohibited in all forms in Maryland.

9. **Which of the following statements about a material fact is true?**

A. A material fact is known only to real estate licensees.

B. A material fact is only related to the condition of a property.

C. A material fact need not be disclosed to all parties.

D. A material fact would cause a reasonable person to either act or not act, if that fact were known.

10. 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.

Answers

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

Explanations

1. Which clause would violate the Protection of Homeowners in Foreclosure Act?

A. $500 retainer fee charged at signing.

B. A clause paying 7% of the sale price.

C. All terms in a written contract signed by both parties.

D. A licensed broker presenting license to clients before signing contracts.

The Protection of Homeowners in Foreclosure Act targets how professionals can be compensated when helping homeowners in foreclosure. A clause that pays a broker a percentage of the sale price creates a direct link between the broker's compensation and the outcome of the foreclosure sale, which can overly influence the broker's actions and potentially exploit a homeowner under stress. The act is designed to prevent such predatory fee practices, so a provision based on the sale price is the type of arrangement it aims to prohibit. In contrast, a flat retainer fee is a fixed amount, which is a more straightforward, non-contingent charge; requiring that terms be in a written contract signed by both parties is standard and safe practice; and a licensed broker providing their license information to clients before signing contracts is a normal compliance step to verify credentials.

2. Which statement is NOT true about the Maryland Commission on Civil Rights (MCCR)?

A. The governor appoints members to the commission.

B. The commission is made up of nine members.

C. The commission is managed by an executive director.

D. Members serve four-year terms.

The statement about term lengths is not true. The Maryland Commission on Civil Rights has terms that are longer than four years and are typically staggered to maintain continuity, rather than all members turning over every four years. The other parts—that the governor appoints the members, that there are nine members, and that the commission is managed by an executive director—are accurate. Knowing that term lengths differ from four years helps you recognize why this particular option is the false one.

3. Which action could trigger immediate suspension of a license by the Maryland Real Estate Commission?

A. Being convicted of a felony.

B. Missing a single renewal payment.

C. Forgetting to update a phone number.

D. Selling a property without a license.

Immediate suspension is used when a licensee's conduct creates an urgent risk to the public. A felony conviction is treated as a serious disqualifying factor because it signals substantial dishonesty or criminal behavior that could impair a licensee's ability to practice safely. The Maryland Real Estate Commission can act quickly to suspend a license while it reviews the case, preventing potential harm to clients and the public. Missing a renewal payment, by contrast, typically results in the license lapsing rather than triggering an emergency suspension. Forgetting to update a phone number is a minor administrative matter, not a safety concern. Selling a property without a license is illegal and would lead to disciplinary action, but it describes unlicensed activity rather than an action that would automatically prompt an immediate suspension of a currently licensed individual.

4. When should a prospective buyer receive a copy of the Maryland Residential Property Disclosure and Disclaimer Statement?

A. Before or at the time the buyer executes a purchase agreement

B. Just prior to the home inspection if the buyer has elected to have an inspection done

C. No later than five days after the buyer and seller have signed the contract of sale

D. No later than two weeks before closing

The timing of the disclosure is about when the seller must provide important information about the property. In Maryland, the seller is required to give the buyer the Residential Property Disclosure and Disclaimer Statement before or at the moment the purchase agreement is signed. This ensures the buyer has knowledge of known defects or issues before becoming bound by the contract, which supports informed decision-making and negotiation (such as requesting repairs or credits) upfront. Delivering the statement later—whether just before an inspection, after signing the contract, or close to closing—undermines that informed decision-making and bargaining power.

5. When a license is suspended, which entities are notified by MREC?

A. The licensee

B. The licensee's broker

C. The Maryland Association of REALTORS®

D. All of the above

When a license is suspended, the action is communicated to all parties connected to that license so everyone relevant understands the change in status and must adjust accordingly. The licensee themselves receive notice so they know they cannot engage in real estate activities while the suspension is in effect. The licensee's broker is informed because brokers supervise licensees and need to halt any activities under that license, protect clients, and maintain proper office operations during the suspension. The Maryland Association of REALTORS® is notified to update membership records and reflect the licensee's current status within the REALTOR community. Because the suspension affects both the individual and the brokerage, and since the professional association maintains member information, all of these parties are notified.

6. Which statement best describes the structure of the Maryland Code of Ethics?

A. It is divided into relations to the public, to clients, and with other licensees

B. It is divided into duties to lenders, appraisers, and inspectors

C. It covers only relations to clients

D. It has no formal sections

The structure being tested is how the Maryland Code of Ethics organizes its duties around the relationships a licensee has with different parties. It is divided into three areas: relations to the public, duties to clients, and duties to other licensees. Each area frames the ethical expectations in that specific relationship—rules that govern honesty and fair dealing with the public, fiduciary-like duties and disclosure to clients, and professional conduct and cooperation with other licensees. This arrangement reflects how real estate professionals interact with society at large, with those they represent, and with their peers, ensuring consistent standards across all aspects of practice. The other options don't fit: the code isn't structured by duties to lenders, appraisers, and inspectors, nor is it limited to relations with clients, and it does have clearly defined sections addressing all three relationships.

7. Which option is NOT an allowed method for handling disputed earnest money under Maryland real estate rules?

A. She can file a bill of interpleader and deposit the funds with the courts, which would decide their disbursement.

B. She can file a claim with the Maryland Real Estate Commission, which would decide how the funds should be disbursed.

C. She can hold onto the funds until one of the parties files suit and a court orders the funds' disbursement.

D. She can hold the funds until she receives both parties' authorization to disburse them.

When earnest money is in dispute, you use a neutral mechanism to determine disbursement rather than making a unilateral decision. The key approved paths are to file a bill of interpleader and deposit the funds with the court, or to hold the funds in escrow until a court issues a disbursal order or until both parties sign a release or agreement authorizing disbursement. These options protect the broker from liability and ensure the funds are handled impartially. Using the Maryland Real Estate Commission to decide how the funds should be disbursed is not an appropriate route. The Commission regulates licensees and enforces real estate laws, but it does not adjudicate escrow disputes between buyers and sellers.

8. Which of the following statements about Maryland dual agency practices is accurate?

A. The broker represents both parties directly in the same transaction if both agree in writing.

B. The broker must assign two associated licensees to represent the parties as intra-company agents, rather than representing both parties directly.

C. A single licensee may represent buyer and seller if they own the properties themselves.

D. Dual agency is prohibited in all forms in Maryland.

In Maryland, dual agency is allowed only through designated or intra-company agency, where two licensees within the same brokerage are appointed to represent each party separately. This arrangement keeps each client's interests and confidences protected while still allowing the same brokerage to handle the transaction. The broker itself does not represent both sides directly; instead, two associates act as their separate representatives, ensuring loyalty and disclosure duties are maintained for each client. The other options avoid this safeguards: a single broker representing both sides directly creates a conflict of interest, Maryland doesn't ban dual agency entirely, and a single licensee representing both sides even if they own the properties would still raise competing duties.

9. Which of the following statements about a material fact is true?

A. A material fact is known only to real estate licensees.

B. A material fact is only related to the condition of a property.

C. A material fact need not be disclosed to all parties.

D. A material fact would cause a reasonable person to either act or not act, if that fact were known.

A material fact is information a reasonable person would consider important when deciding whether to buy, sell, or lease a property. If that fact were known, it could cause the person to take action or refrain from acting. That standard—whether a reasonable person would act or not act if informed—is what makes the statement true. It isn't limited to what only licensees know, and it isn't restricted to the physical condition of the property; it can involve title issues, legal encumbrances, zoning, or other factors that would affect decision-making. In practice, such facts should be disclosed to all parties to ensure an informed transaction.

10. 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.

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!