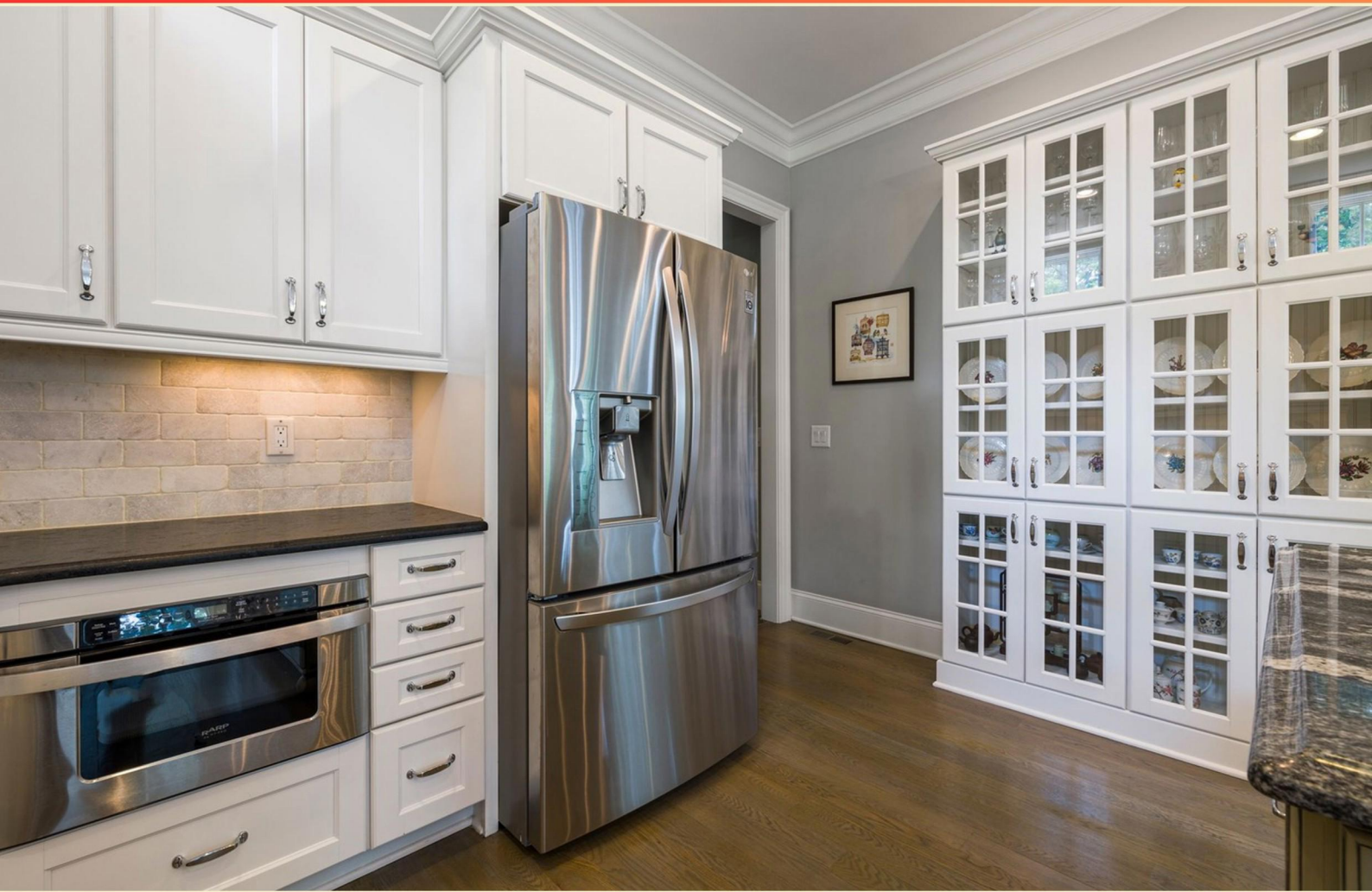


MARYLAND HOME IMPROVEMENT PSI PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE

<https://psi-marylandhomeimprovement.examzify.com>



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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. A contract obliging sellers to convey title if buyers pay \$22,000 by a deadline is called what?**
 - A. A buy-sell agreement
 - B. An option contract
 - C. An installment contract
 - D. A vendor's lien interest
- 2. What should homeowners do if they encounter problems after the work has started?**
 - A. Ignore the issues
 - B. Address the concerns immediately with the contractor
 - C. Wait until the project is completed
 - D. Contact other contractors for advice
- 3. What is an effective strategy for resolving disputes amicably?**
 - A. Using aggressive negotiation tactics
 - B. Open communication and mediation before pursuing legal actions
 - C. Involving third parties immediately
 - D. Ignoring the dispute until it escalates
- 4. What must a contractor do to ensure compliance with advertising laws?**
 - A. Use online social media for promotions
 - B. Obtain legal advice before marketing
 - C. Follow state and local advertising regulations
 - D. Offer a money-back guarantee in all ads
- 5. Which type of projects does the Maryland Home Improvement Law govern?**
 - A. Projects that cost less than \$500
 - B. All home improvement projects, regardless of cost
 - C. Home improvement projects exceeding \$500 in cost
 - D. Only renovations to historical homes

- 6. What is the general warranty period for workmanship on home improvement projects in Maryland?**
- A. Six months
 - B. One year
 - C. Two years
 - D. Five years
- 7. Why might an oral agreement for the purchase of a home be unenforceable?**
- A. The agreement does not comply with the Statute of Frauds.
 - B. Oral agreements are never enforceable in court.
 - C. It is not assignable by novation between the parties.
 - D. The oral agreement does not include the agent.
- 8. What should a contractor do if a dispute arises with a customer?**
- A. Ignore the complaint
 - B. Seek a resolution through mediation if needed
 - C. Immediately report to the police
 - D. Terminate the working relationship
- 9. What is the best way to avoid confusion over whether an item is a fixture or personal property?**
- A. Apply the legal tests of a fixture.
 - B. Apply local court decisions dealing with similar items.
 - C. Specify questionable items of property in the written sales contract.
 - D. Use the legal definition of a fixture as any permanently attached item.
- 10. What is the purpose of maintaining a surety bond in the home improvement industry?**
- A. To cover insurance costs for contractors
 - B. To ensure financial protection for consumers in case of contractor default or failure to complete work
 - C. To reduce project costs for clients
 - D. To guarantee prompt project completion

Answers

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

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Explanations

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1. A contract obliging sellers to convey title if buyers pay \$22,000 by a deadline is called what?

- A. A buy-sell agreement
- B. An option contract**
- C. An installment contract
- D. A vendor's lien interest

An option contract is a specific type of agreement wherein one party grants another the right to purchase a property at a predetermined price within a specific timeframe. This means that the sellers are obligated to convey title if the buyers fulfill their payment obligation within the set deadline. In this scenario, the contract focuses on the buyers' ability to complete the purchase by paying the agreed amount (\$22,000) by a certain date. If the buyers choose to exercise this option, the sellers cannot refuse to transfer the title. Buy-sell agreements typically outline the terms of sale between the parties but do not specifically grant an exclusive right to purchase. An installment contract involves a series of payments rather than a single deadline payment. A vendor's lien interest refers to a legal claim that a seller has on a property until they are paid, which does not directly relate to the scenario described in the question. Hence, the option contract accurately represents the type of agreement in which the buyer's payment is contingent on the seller's obligation to convey the title.

2. What should homeowners do if they encounter problems after the work has started?

- A. Ignore the issues
- B. Address the concerns immediately with the contractor**
- C. Wait until the project is completed
- D. Contact other contractors for advice

Homeowners should address concerns immediately with the contractor if they encounter problems after work has started. Open communication is crucial in construction and home improvement projects, as it allows for issues to be resolved promptly before they escalate. This proactive approach helps ensure that the project remains on track, maintains its quality, and stays within budget. By discussing problems with the contractor as they arise, homeowners can work together with the contractor to find suitable solutions, which may include adjustments to the work plan or addressing specific deficiencies. This collaborative effort ultimately fosters a more successful outcome for the project.

3. What is an effective strategy for resolving disputes amicably?

- A. Using aggressive negotiation tactics
- B. Open communication and mediation before pursuing legal actions**
- C. Involving third parties immediately
- D. Ignoring the dispute until it escalates

Open communication and mediation are critical components of effectively resolving disputes amicably. This strategy emphasizes the importance of dialogue, where both parties can express their perspectives and concerns without the pressure of confrontational tactics. Mediating enables a neutral third party to facilitate the discussion, helping to clarify misunderstandings and foster a collaborative atmosphere. By pursuing these methods before resorting to legal actions, parties can often find mutually agreeable solutions that maintain relationships and save time and costs associated with litigation. Open communication helps to break down barriers and encourage a willingness to compromise, while mediation provides a structured approach to problem-solving. This approach contrasts significantly with aggressive negotiation tactics, which can escalate tensions rather than resolve them. Involving third parties immediately without attempting direct communication can also lead to increased conflicts and a feeling of division. Additionally, ignoring the dispute typically results in a worsening situation, making resolution even more difficult in the long run. Thus, using open communication and mediation proves to be the most effective strategy for maintaining amicable relationships.

4. What must a contractor do to ensure compliance with advertising laws?

- A. Use online social media for promotions
- B. Obtain legal advice before marketing
- C. Follow state and local advertising regulations**
- D. Offer a money-back guarantee in all ads

To ensure compliance with advertising laws, a contractor must follow state and local advertising regulations. These regulations are designed to protect consumers by preventing misleading or deceptive advertising practices. Each jurisdiction may have specific rules regarding the content of advertisements, the use of certain claims, disclosures that must be included, and overall standards for truthfulness and clarity. Adhering to these regulations helps maintain ethical business practices and fosters trust between the contractor and potential customers. Violating these rules can lead to legal penalties, fines, and damage to a contractor's reputation. By staying informed about and compliant with advertising laws, contractors can effectively promote their services while ensuring they are operating within legal guidelines. While using social media for promotions and obtaining legal advice may be beneficial strategies, they do not directly address the requirement to comply with advertising laws. Offering a money-back guarantee is also a marketing tactic that, while it may enhance credibility, is not a necessary component of compliance with advertising regulations. Following the established state and local regulations is the fundamental requirement for contractors to adhere to in their advertising practices.

5. Which type of projects does the Maryland Home Improvement Law govern?

- A. Projects that cost less than \$500
- B. All home improvement projects, regardless of cost
- C. Home improvement projects exceeding \$500 in cost**
- D. Only renovations to historical homes

The Maryland Home Improvement Law specifically governs home improvement projects that exceed \$500 in cost. This threshold is significant because it ensures that the law provides protections and guidelines only for larger investments in home renovations or modifications, which are more likely to involve complexities such as contracts, licensing, and bonding requirements for contractors. By setting this minimum cost, the law focuses on substantial work that could impact the quality and safety of residential properties, ensuring consumers have legal recourse and contractor accountability when undertaking these more significant projects. Smaller projects, such as those costing less than \$500, fall outside the scope of this law, which is why they are not governed by these specific regulations. Additionally, while home improvements can include renovations to historical homes, the law is not limited to that category alone; it applies to a wide range of home improvement types, as long as they meet the cost threshold.

6. What is the general warranty period for workmanship on home improvement projects in Maryland?

- A. Six months
- B. One year**
- C. Two years
- D. Five years

In Maryland, the general warranty period for workmanship on home improvement projects is one year. This means that contractors are responsible for ensuring that their work meets acceptable standards and is free from defects in workmanship for a period of one year following the completion of the project. This warranty period helps protect homeowners by ensuring that any problems arising from poor workmanship can be addressed within that time frame. Understanding this warranty period is important for both contractors and consumers. For contractors, it establishes a clear timeframe during which they must resolve any issues, promoting accountability and quality of work. For homeowners, it provides peace of mind, knowing they can rely on the contractor to fix any workmanship-related problems that arise in the first year after the project is completed. This one-year warranty is a standard practice in the home improvement industry, aligning with typical consumer expectations and allowing sufficient time for any issues, which may not be immediately obvious, to be identified and addressed.

7. Why might an oral agreement for the purchase of a home be unenforceable?

- A. The agreement does not comply with the Statute of Frauds.**
- B. Oral agreements are never enforceable in court.
- C. It is not assignable by novation between the parties.
- D. The oral agreement does not include the agent.

An oral agreement for the purchase of a home might be unenforceable primarily because it does not comply with the Statute of Frauds. The Statute of Frauds is a legal doctrine that requires certain types of contracts, including those for the sale of real estate, to be in writing and signed by the parties involved to be enforceable. This requirement protects parties from fraudulent claims and ensures that there is clear documentation of the transaction's terms. While there are some exceptions where oral agreements can be recognized under specific circumstances, real estate transactions typically fall under this statute, and failure to have a written agreement can render the oral contract invalid. This is crucial in real estate transactions due to the significant financial implications and the need for clear terms regarding the property involved. Other options, while they may seem relevant, do not accurately capture the primary reason for enforceability issues related to oral agreements in the context of real estate.

8. What should a contractor do if a dispute arises with a customer?

- A. Ignore the complaint
- B. Seek a resolution through mediation if needed**
- C. Immediately report to the police
- D. Terminate the working relationship

A contractor facing a dispute with a customer should prioritize seeking a resolution through mediation if needed. Mediation is a constructive approach that involves an impartial third party helping both sides communicate their issues and work towards a mutually acceptable solution. This option promotes collaboration and can often preserve the business relationship, which is crucial in the construction industry where word-of-mouth and reputation greatly impact future work opportunities. Using mediation can lead to less adversarial outcomes compared to going directly to more severe actions, like terminating the relationship or involving law enforcement, which could escalate the situation unnecessarily. This approach is more in line with best practices within the industry, reflecting professionalism and a commitment to resolving issues amicably. Utilizing mediation also allows for an efficient resolution that can save time and resources for both the contractor and the customer, making it a practical and beneficial choice.

9. What is the best way to avoid confusion over whether an item is a fixture or personal property?

- A. Apply the legal tests of a fixture.
- B. Apply local court decisions dealing with similar items.
- C. Specify questionable items of property in the written sales contract.**
- D. Use the legal definition of a fixture as any permanently attached item.

Specifying questionable items of property in the written sales contract is the best way to avoid confusion over whether an item is a fixture or personal property. In real estate transactions, clarity is crucial to ensure that both buyers and sellers have a mutual understanding of what is included in the sale. By identifying and explicitly stating which items are to remain with the property and which are to be taken by the seller, the potential for disputes is significantly reduced. Contracts serve as legal documents that define the terms of the agreement, including property items. This approach helps ensure that all parties involved are on the same page, eliminates ambiguity, and provides a clear reference should any disagreements arise in the future. While applying the legal tests of a fixture, referring to local court decisions, or using the legal definition can provide guidance, these methods may still leave room for interpretation and confusion. By proactively addressing the question of fixtures versus personal property in the contract, the parties can safeguard their interests and expectations clearly.

10. What is the purpose of maintaining a surety bond in the home improvement industry?

- A. To cover insurance costs for contractors
- B. To ensure financial protection for consumers in case of contractor default or failure to complete work**
- C. To reduce project costs for clients
- D. To guarantee prompt project completion

Maintaining a surety bond in the home improvement industry serves a crucial purpose in protecting consumers. A surety bond is essentially a three-party agreement involving the contractor, the client (consumer), and the surety company. Its primary function is to provide a form of financial security to the consumer in the event that the contractor fails to fulfill their obligations. This could encompass situations such as the contractor defaulting on the project, not completing the work as agreed, or even failing to comply with applicable laws and regulations. When a contractor is bonded, it assures clients that they have a financial recourse if the contractor does not meet the terms of their contract. If the contractor fails in their duties, the surety bond can be used to compensate the consumer for financial losses, ensuring that the consumer's investment in their home improvement project is safeguarded. This creates a level of trust and security in the home improvement process, benefiting both the contractor and the consumer by fostering a reliable business relationship.

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://psi-marylandhomeimprovement.examzify.com>

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

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