

Michigan Real Estate Salesperson Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of 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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. When property goes to the state because the owner has died intestate and has no heirs, what is this process known as?**
 - A. Succession**
 - B. Escheat**
 - C. Abatement**
 - D. Probation**
- 2. Who must have a real estate license to perform services and receive compensation?**
 - A. A homeowner selling their own property**
 - B. A broker offering free consultations**
 - C. A person negotiating the sale of a business opportunity**
 - D. An unlicensed assistant helping in transactions**
- 3. To what extent does an owner of property on an inland lake own their property?**
 - A. Only to the shoreline**
 - B. To the center of the waterway**
 - C. To the edge of the property**
 - D. Only the land above the water line**
- 4. Under which circumstance may a salesperson be granted a temporary license?**
 - A. When they want to become a broker.**
 - B. While moving between two companies and awaiting a wall license.**
 - C. During a merger between companies.**
 - D. If they have not completed their training.**
- 5. What is one of the duties of the Board in real estate?**
 - A. To serve only licensed agents**
 - B. To oversee real estate transactions**
 - C. Both enforcing regulations and issuing licenses**
 - D. To mediate disputes between parties**

6. If a buyer makes an offer less than the asking price and the seller counters, what happens if the buyer does not accept the counter?

- A. The buyer is bound to the counter offer**
- B. The seller can no longer sell the property**
- C. The buyer was released from the offer when the seller made a counter offer**
- D. The buyer loses their earnest money**

7. What should a broker do if they believe a property is worth more than the owner's listed price?

- A. Inform the seller of the property's true value**
- B. Adjust the listing price to the market value**
- C. Seek a second opinion from another appraiser**
- D. List it at the owner's price without comments**

8. When an appraiser measures the area of a house, they would use the:

- A. Interior dimensions**
- B. Exterior dimensions**
- C. Floor plan measurements**
- D. Blueprint specifications**

9. In real estate, what does the term "puffing" refer to?

- A. Making a false statement about property**
- B. Exaggerating the benefits of a property**
- C. Understating the market value**
- D. Overpromising repair services**

10. What is required for a corporation to be licensed as a broker?

- A. At least one owner must be a licensed broker.**
- B. It must consist of at least one associate broker.**
- C. It cannot operate without multiple capital investors.**
- D. It should have been in business for at least five years.**

Answers

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

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Explanations

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1. When property goes to the state because the owner has died intestate and has no heirs, what is this process known as?

A. Succession

B. Escheat

C. Abatement

D. Probation

The process where property goes to the state when an owner has died intestate (without a will) and has no legal heirs is known as escheat. This legal concept is based on the principle that the state has a right to claim ownership of property if there are no claimants or heirs to inherit that property. Escheat serves to ensure that property does not remain ownerless and that it can be utilized by the state for public purposes. In contrast, the other terms relate to different legal processes. Succession typically refers to the process of inheriting property under a will or through laws of descent when someone dies with heirs. Abatement often pertains to a reduction in the value of an estate or can also refer to a legal procedure regarding the distribution of an estate when there are insufficient assets. Probate is the legal process of validating a will and administering the deceased's estate in accordance with its terms. Thus, while these terms may relate to the broader context of property transfer and inheritance, escheat specifically addresses the situation where the state takes ownership due to the absence of heirs.

2. Who must have a real estate license to perform services and receive compensation?

A. A homeowner selling their own property

B. A broker offering free consultations

C. A person negotiating the sale of a business opportunity

D. An unlicensed assistant helping in transactions

In Michigan, a real estate license is required for individuals who engage in activities related to the negotiation, sale, or lease of real estate or business opportunities for compensation. This means that anyone who participates in negotiations on behalf of others or receives a fee for those services must be licensed. The correct answer highlights that a person negotiating the sale of a business opportunity must hold a real estate license. This is because negotiating, whether it involves real estate or business transactions, involves specialized knowledge and compliance with legal regulations that are covered in licensing courses. Homeowners selling their own property typically do not need a license, as they are acting on their own behalf and not representing others. Similarly, brokers offering free consultations may not be engaging in activities that require licensure if no compensation is involved. Unlicensed assistants who help in transactions do not negotiate or provide services that require a license since they are usually working under the supervision of a licensed agent or broker. Thus, the requirement for a license is tied directly to the act of negotiating or performing real estate services for which compensation is received, making option C the correct choice.

3. To what extent does an owner of property on an inland lake own their property?

- A. Only to the shoreline**
- B. To the center of the waterway**
- C. To the edge of the property**
- D. Only the land above the water line**

The correct answer indicates that an owner of property on an inland lake generally has rights extending to the center of the waterway. This understanding is anchored in property law principles that recognize the concept of riparian rights, which govern the use of water by landowners whose property abuts a water body. When an owner possesses land that borders an inland lake, they are typically granted not only ownership of the land they physically occupy, but also certain privileges and responsibilities concerning the body of water adjacent to their property. The law generally allows them access to, and utilization of, the water, and often implies ownership that extends to the midpoint of the lake. This is based on the notion that the lake is a shared resource among all the property owners along its edge, thus leading to joint ownership of the water area in the lake. Other options describe various limitations that do not reflect the standard legal interpretations of property rights on inland lakes. For instance, claiming ownership "only to the shoreline" would restrict the owner's rights significantly and contradict the principles of riparian ownership. Similarly, the idea of ownership "to the edge of the property" fails to recognize the dimension of the water rights, while "only the land above the water line" does not align with the full scope

4. Under which circumstance may a salesperson be granted a temporary license?

- A. When they want to become a broker.**
- B. While moving between two companies and awaiting a wall license.**
- C. During a merger between companies.**
- D. If they have not completed their training.**

A temporary license for a salesperson is granted specifically to facilitate a smooth transition between employment at different real estate firms. This is particularly relevant when a salesperson is changing companies and is in the process of awaiting their wall license, which is the official document needed to practice as a real estate agent under a new broker. The temporary license allows the salesperson to continue engaging in real estate activities so that there are no disruptions in their ability to serve clients and manage transactions during this transition period. The other options do not apply to the issuance of a temporary license. For example, aspiring brokers must fulfill different requirements, such as additional educational qualifications and experience, rather than obtaining a temporary license simply because they intend to become a broker. Mergers between companies may affect the operation of a brokerage but will not directly result in individual salespersons needing a temporary license in the context of moving to a different firm. Lastly, a salesperson who has not completed their training does not qualify for a temporary license, as this is a prerequisite for being licensed in the first place. Thus, the answer that reflects the correct circumstances under which a temporary license is granted is related to the transition between companies while awaiting a permanent wall license.

5. What is one of the duties of the Board in real estate?

- A. To serve only licensed agents
- B. To oversee real estate transactions
- C. Both enforcing regulations and issuing licenses**
- D. To mediate disputes between parties

The duty of the Board in real estate encompasses both enforcing regulations and issuing licenses, which is a fundamental aspect of its role. This responsibility ensures that real estate professionals operate within the established laws and guidelines, protecting consumers and maintaining the integrity of the industry. The enforcement of regulations includes monitoring compliance with state laws, investigating complaints against licensees, and taking disciplinary action when necessary. Additionally, the Board is responsible for issuing licenses to qualified individuals, ensuring that only those who meet specific educational and ethical standards are permitted to practice real estate. This dual function of regulation and licensing is crucial for maintaining professional standards and safeguarding the interests of all parties involved in real estate transactions. The other options don't encompass the full scope of the Board's duties. Serving only licensed agents restricts its role, overseeing transactions might imply a level of involvement not typical for a regulatory body, and mediating disputes, while important, is often handled through different avenues rather than being a primary duty of the Board.

6. If a buyer makes an offer less than the asking price and the seller counters, what happens if the buyer does not accept the counter?

- A. The buyer is bound to the counter offer
- B. The seller can no longer sell the property
- C. The buyer was released from the offer when the seller made a counter offer**
- D. The buyer loses their earnest money

When a buyer makes an offer that is less than the asking price and the seller responds with a counteroffer, the original offer is considered rejected at that point. The counteroffer constitutes a new offer from the seller, which the buyer can either accept, reject, or choose to make another offer. If the buyer does not accept the counteroffer, there is no agreement, and the original offer is effectively voided. In this situation, the buyer is released from the terms of the initial offer. Therefore, the buyer is not bound by the original offer once a counter has been issued. This is a standard practice in real estate negotiations and ensures that both parties have the ability to reach a mutually agreeable contract without being locked into previous terms. The other choices suggest incorrect interpretations of the situation. For instance, stating that the buyer is bound to the counteroffer would imply they must accept terms over which they have no agreement. Additionally, the seller being unable to sell the property or the buyer losing their earnest money under these circumstances does not reflect the typical outcomes of a rejected counteroffer. Thus, understanding the implications of counteroffers and how they reset negotiations is crucial in real estate transactions.

7. What should a broker do if they believe a property is worth more than the owner's listed price?

- A. Inform the seller of the property's true value**
- B. Adjust the listing price to the market value**
- C. Seek a second opinion from another appraiser**
- D. List it at the owner's price without comments**

The correct approach for the broker in this situation is to inform the seller of the property's true value. A broker has a fiduciary duty to act in the best interests of their client, which includes providing honest and accurate information about the value of the property. By discussing the potential higher value that the broker perceives, they enable the seller to make a more informed decision regarding the listing price. This communication can lead to an increased likelihood of selling the property at a price that reflects its true market value, benefiting both the seller and the broker's reputation for professionalism and transparency. While other options may seem reasonable, they do not prioritize the ethical obligations of the broker. Adjusting the listing price without the seller's consent could undermine the broker's relationship with the client. Seeking a second opinion may delay actions, and simply listing at the owner's price without any comments would not fulfill the broker's duty to guide and inform the client properly. Therefore, the responsibility to communicate the property's potential higher value is paramount.

8. When an appraiser measures the area of a house, they would use the:

- A. Interior dimensions**
- B. Exterior dimensions**
- C. Floor plan measurements**
- D. Blueprint specifications**

When an appraiser measures the area of a house, using exterior dimensions is the most accurate approach for determining the overall footprint of the property. This method encompasses the total space the house occupies, allowing appraisers to assess its value based on the full volume of usable area as measured from the outside walls. This is particularly relevant in real estate, where property listings typically report the total square footage based on exterior measurements rather than interior space, which can vary due to wall thickness and design elements. Utilizing interior dimensions might misrepresent the size because it does not include wall thickness, which affects how much actual usable space is present. Floor plan measurements and blueprint specifications can provide detailed information about room sizes and layouts, but they are not as universally applied in determining the marketable area for appraisal purposes as exterior dimensions are. Therefore, relying on the overall external dimensions gives a clearer and more comprehensive view for valuation in the real estate market.

9. In real estate, what does the term "puffing" refer to?

- A. Making a false statement about property
- B. Exaggerating the benefits of a property**
- C. Understating the market value
- D. Overpromising repair services

The term "puffing" in real estate refers to the practice of exaggerating the benefits of a property. It involves statements that, while they may be overly optimistic, are typically subjective and not considered fraudulent misrepresentation. For example, a salesperson might describe a home as "the best on the block" or "a true gem," which emphasizes appealing features but doesn't present factual inaccuracies. This practice is generally acceptable in real estate as long as it doesn't cross the line into making false statements or claims about specific conditions or facts of the property. Puffing is rooted in personal opinions and promotional language, and it's understood that it involves some level of exaggeration to attract potential buyers. In contrast, making a false statement about the property would fall under misrepresentation or fraud, which is illegal and unethical. Similarly, understating the market value or overpromising on repair services would imply deceit or a lack of transparency, which is not aligned with the concept of puffing that exists within the bounds of legitimate marketing practices. Thus, emphasizing the positive attributes of a property, albeit in an exaggerated manner, accurately captures what puffing entails in the real estate context.

10. What is required for a corporation to be licensed as a broker?

- A. At least one owner must be a licensed broker.
- B. It must consist of at least one associate broker.**
- C. It cannot operate without multiple capital investors.
- D. It should have been in business for at least five years.

For a corporation to be licensed as a broker, it is essential to have at least one associate broker associated with the business. This requirement ensures that the corporation is under the supervision of a qualified individual who has met the necessary educational and experience standards to hold that designation. The associate broker is responsible for overseeing real estate transactions and ensuring compliance with state regulations, thus protecting consumers and maintaining industry standards. Having an associate broker gives the corporation the expertise needed to operate effectively in the real estate market. It is a critical feature that emphasizes professionalism and accountability in the firm's operations. Without this, the corporation might lack the necessary oversight and knowledge to navigate the complexities of real estate transactions legally and ethically.

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://michiganrealestatesalesperson.examzify.com>

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

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