

# Michigan Salesperson PSI 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. XYZ Mortgage Company's practice of not lending in a designated area is best described as which term?**
  - A. Steering**
  - B. Blockbusting**
  - C. Mortgage discrimination**
  - D. Redlining**
  
- 2. When opening a branch, who must manage it?**
  - A. An associate broker must manage the branch.**
  - B. A licensed salesperson may manage the branch.**
  - C. No licensed manager is required.**
  - D. The branch can be managed by any employee.**
  
- 3. A parcel of land measuring 485 ft by 1,210 ft sold for \$122,000. Calculate the approximate price per acre.**
  - A. 8,900**
  - B. 9,772**
  - C. 10,320**
  - D. 9,056**
  
- 4. The right of survivorship is a feature of which ownership form among the following?**
  - A. Joint tenancy**
  - B. Tenancy in severalty**
  - C. Life estate**
  - D. Tenancy by the entirety**
  
- 5. Which listing type allows multiple brokers and pays a commission only to the broker who procures a ready, willing, and able buyer?**
  - A. Exclusive right to sell**
  - B. Net listing**
  - C. Open listing**
  - D. Exclusive agency**

- 6. Property is appraised for \$158,000 and tax rate is 33 mills. How much tax is due?**
- A. 5,214**
  - B. 2,607**
  - C. 1,304**
  - D. 3,101**
- 7. Which of the following is NOT typically required to establish adverse possession?**
- A. Actual possession**
  - B. Open and notorious use**
  - C. Continuous possession for the statutory period**
  - D. Good faith belief in ownership**
- 8. A line of townships that runs in a North-South direction is called:**
- A. The Tier**
  - B. A Principal Meridian**
  - C. A Lot line**
  - D. The Range**
- 9. An acceleration clause in a mortgage means that upon the happening of a specified event, the entire loan balance becomes due.**
- A. The entire loan balance becomes due upon a specified event**
  - B. The borrower gains the right to prepay without penalty**
  - C. The property is exempt from taxes in event of default**
  - D. The lender can extend the term without consent**
- 10. The right of the government to enforce zoning laws, building codes, health codes, and environmental protection laws is exercised under:**
- A. Eminent domain**
  - B. Taxation power**
  - C. Public nuisance power**
  - D. Police power**

## Answers

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

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## **Explanations**

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**1. XYZ Mortgage Company's practice of not lending in a designated area is best described as which term?**

- A. Steering**
- B. Blockbusting**
- C. Mortgage discrimination**
- D. Redlining**

Denying loans or other financial services in a specific area is redlining. This practice involves a lender or financial institution refusing to provide mortgages or limiting credit in a neighborhood, often based on the area's racial or ethnic makeup rather than individual creditworthiness. It's typically associated with visualizing the area on a map and drawing lines around neighborhoods where services won't be offered. Redlining undermines access to homeownership and is illegal under federal fair lending laws. It's a form of mortgage discrimination, but the precise term for this particular behavior is redlining. Steering would involve directing buyers to or away from neighborhoods, and blockbusting involves exploiting fears of demographic change to prompt sales, which are different behaviors.

**2. When opening a branch, who must manage it?**

- A. An associate broker must manage the branch.**
- B. A licensed salesperson may manage the branch.**
- C. No licensed manager is required.**
- D. The branch can be managed by any employee.**

When a branch office opens, the person in charge of running it must have a real estate broker license. In Michigan, that supervisory role cannot be filled by a salesperson or by unlicensed staff. An associate broker is licensed to supervise and manage licensees under the broker's overall supervision, ensuring compliance with regulations, proper recordkeeping, and accountability. Because of that, a branch should be managed by an associate broker (who can oversee the branch under the supervising broker).

**3. A parcel of land measuring 485 ft by 1,210 ft sold for \$122,000. Calculate the approximate price per acre.**

- A. 8,900**
- B. 9,772**
- C. 10,320**
- D. 9,056**

The idea is to convert the land size into acres and then divide the sale price by that area. Start by finding the total square feet: 485 ft times 1,210 ft equals 586,850 square feet. Since 1 acre is 43,560 square feet, the parcel is  $586,850 \div 43,560 \approx 13.47$  acres. Now divide the price by the acres:  $\$122,000 \div 13.47 \approx \$9,070$  per acre. With a bit more precise rounding, this comes out close to \$9,056 per acre, which matches the given choice.

**4. The right of survivorship is a feature of which ownership form among the following?**

- A. Joint tenancy**
- B. Tenancy in severalty**
- C. Life estate**
- D. Tenancy by the entirety**

Survivorship means that when one owner dies, the deceased owner's interest automatically passes to the remaining owners, not to the deceased's heirs. This automatic transfer is a defining feature of joint tenancy, which rests on four unities—time, title, interest, and possession—that keep the owners tied together and ensure the surviving co-owners become the sole owners of the whole property. Tenancy by the entirety also has survivorship, but it's a special form geared to married couples with its own protections and rules about transfers. Tenancy in severalty is sole ownership and has no survivorship—there's no automatic transfer to others. A life estate ends when the life tenant dies, rather than transferring to other co-owners. So, among these forms, joint tenancy best exemplifies the right of survivorship.

**5. Which listing type allows multiple brokers and pays a commission only to the broker who procures a ready, willing, and able buyer?**

- A. Exclusive right to sell**
- B. Net listing**
- C. Open listing**
- D. Exclusive agency**

Open listing lets the seller hire multiple brokers to market the property, with the commission going only to the broker who actually procures a ready, willing, and able buyer on terms acceptable to the seller. If the seller finds a buyer themselves, no commission is due to any broker. This contrasts with exclusive right to sell, where the listing broker earns a commission regardless of who finds the buyer, and with exclusive agency, where a broker earns a commission if someone else brings a buyer but the seller can sell themselves without owing a commission. Net listing is about the seller setting a net price and the broker's commission coming from the excess, which is a separate concept.

**6. Property is appraised for \$158,000 and tax rate is 33 mills. How much tax is due?**

- A. 5,214**
- B. 2,607**
- C. 1,304**
- D. 3,101**

Property tax in Michigan is figured using mills, which are dollars per \$1,000 of value. A mill rate of 33 means \$33 for each \$1,000 of assessed value. Convert the appraised value to thousands to match the rate:  $158,000 \div 1,000 = 158$ . Then multiply by the mill rate:  $158 \times 33 = 5,214$ . So the tax due is \$5,214.

7. Which of the following is NOT typically required to establish adverse possession?

- A. Actual possession
- B. Open and notorious use
- C. Continuous possession for the statutory period
- D. Good faith belief in ownership**

A key idea here is that good faith belief in ownership is not required for adverse possession. The law looks at how you use the land and for how long, not what you believe about who owns it. To establish adverse possession, you must actually possess the land (physically use or occupy it), use it in a way that is open and obvious to others (open and notorious), and continue that possession for the entire statutory period. The possession must also be hostile or under a claim of right (without permission) and exclusive, meaning you're not sharing with the true owner. So even if you honestly think the land is yours, you can still acquire title if you meet those elements for the statutory period. In Michigan, that period is 15 years. Because good faith belief isn't required, that is the element that isn't typically needed.

8. A line of townships that runs in a North-South direction is called:

- A. The Tier
- B. A Principal Meridian
- C. A Lot line
- D. The Range**

Think of the land as a grid used in the Public Land Survey System. The vertical divisions that run from north to south form columns called ranges. These ranges create the north-south strips between successive meridians. The horizontal divisions, running east to west, are tiers. A lot line is just the boundary of an individual parcel, not a grid line, and a principal meridian is the reference north-south line used to set up the grid. So the line of townships that runs north-south is a range.

9. An acceleration clause in a mortgage means that upon the happening of a specified event, the entire loan balance becomes due.

- A. The entire loan balance becomes due upon a specified event**
- B. The borrower gains the right to prepay without penalty
- C. The property is exempt from taxes in event of default
- D. The lender can extend the term without consent

An acceleration clause is a provision that lets the lender demand immediate repayment of the entire loan balance if a specified event occurs, usually a default or breach of loan terms. This protects the lender by not waiting for the original schedule to run its course when the borrower has violated the agreement. So, the statement that upon a specified event the entire loan balance becomes due is exactly what acceleration means. It isn't about prepaying without penalty, tax exemptions, or extending the term without consent, which are unrelated concepts in this context.

**10. The right of the government to enforce zoning laws, building codes, health codes, and environmental protection laws is exercised under:**

- A. Eminent domain**
- B. Taxation power**
- C. Public nuisance power**
- D. Police power**

Police power is the government's authority to regulate for public health, safety, welfare, and morals. This broad power lets local and state authorities enact and enforce rules that shape how land is used and how buildings are built and maintained. Zoning divides a community into districts to manage land use and reduce conflicts; building codes set minimum safety standards for construction; health codes address sanitation and disease prevention; environmental protection laws regulate pollution and natural resources. Together, these regulations protect residents and ensure orderly development, and they are enforced through permits, inspections, and penalties. Eminent domain involves taking private property for public use with compensation, so it's about acquiring land rather than regulating its use. Taxation power relates to raising revenue, not directly to enforcing land-use or safety standards. Public nuisance power exists as a legal mechanism to stop or remedy harmful activities, but the authority to impose these broad land-use and safety regulations comes from police power.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://misalespersonpsi.examzify.com>**

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

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