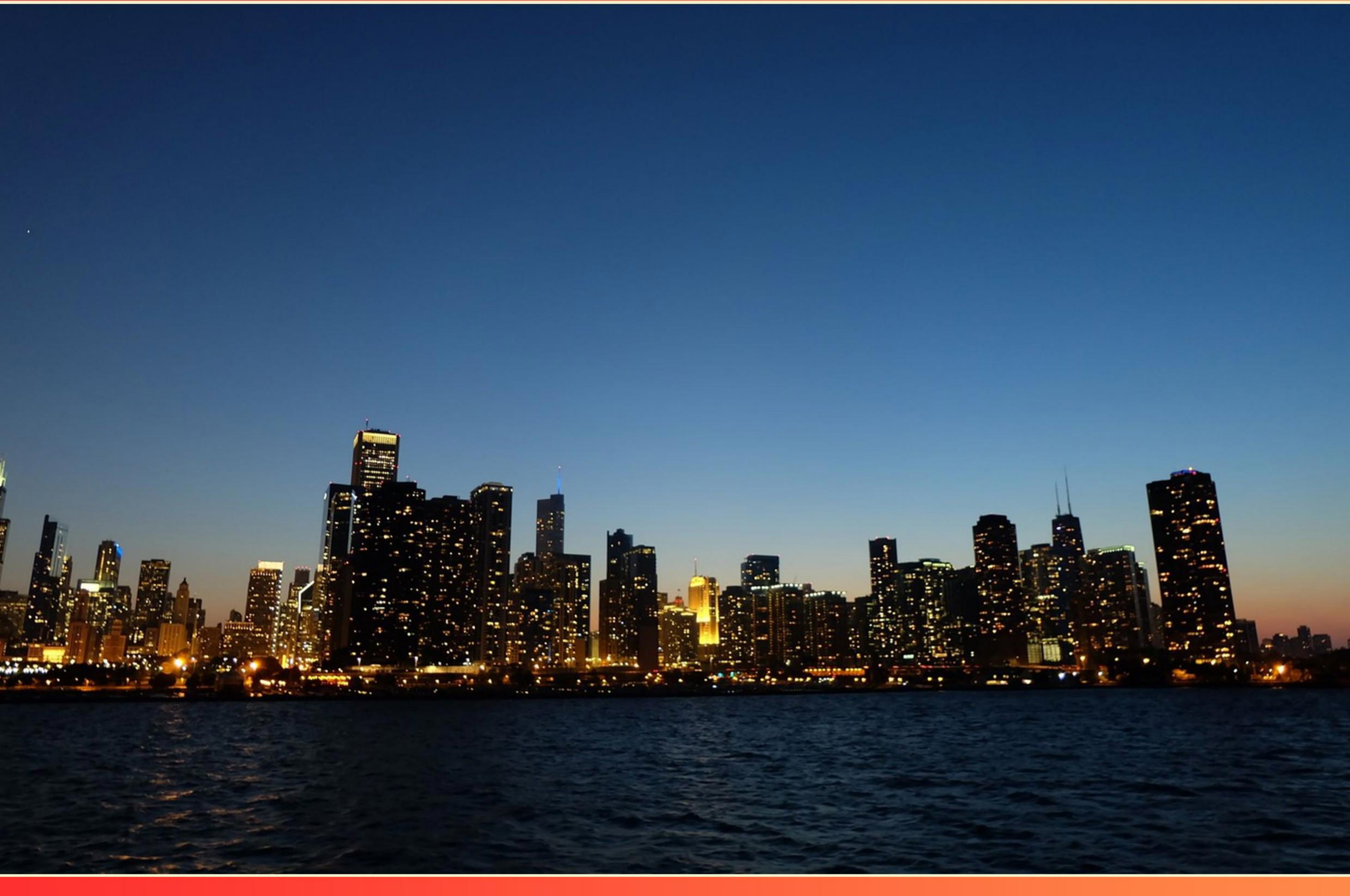
MICHIGAN SALESPERSON PSI PRACTICE EXAM (SAMPLE)

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. When a primary lender uses all its funds for home mortgages and ends up with a number of notes and mortgages, what is the normal procedure to free capital for new lending?

A. Sell mortgages and notes to the secondary market

B. Hold them until maturity

C. Refinance into one loan

D. Convert to cash by borrowing from the bank

2. If three brokers are involved in an open listing and one broker sells the property, who receives the commission?

A. All brokers

B. The listing broker

C. The buyer's broker

D. Only the broker who sold the property

3. When a person dies intestate and there are no heirs, the property goes to the state. This is called:

A. Abandonment

B. Devise

C. Abatement

D. Escheat

4. In co-ownership, if owners take title at different times, the form of ownership is called:

A. Joint tenancy

B. Community property

C. Tenants by the entirety

D. Tenants in common

5. An imaginary line running in a North-South direction and intersects with the base line is:

A. The Contour line

B. The Meridian line

C. The Baseline

D. The Principal parallel

6. All of the following are examples of limitations on licensees except:

A. Cease and desist orders

B. Probation

C. License suspension

D. Turning licensee over to local prosecutor to bring criminal charges

7. Under a land contract, who typically holds the legal title until the contract is fully paid?

A. The buyer

B. The seller

C. The lender

D. The trustee

8. If a buyer makes an offer at a price below asking, the seller counters, the buyer rejects the counteroffer, and the seller later accepts the original offer, which statement is true?

A. The buyer remains bound to the original offer.

B. The original offer is revived.

C. The counteroffer keeps the original offer alive.

D. The buyer was released from the offer when the seller made a counter offer.

9. A buyer wants to buy a parcel of land but only if zoning changes; he can place a $10,000 deposit on the purchase agreement subject to obtaining a change in zoning or purchase a 90-day option by paying a $10,000 option fee. Which of the following is true regarding the buyer's choices?

A. He loses his option unless he exercises it before the expiration of the 90-day period.

B. He automatically obtains the zoning change.

C. The deposit is refundable regardless.

D. The option expires after 30 days.

10. A developer who wants to build a retail outlet on land zoned for residential use must try to obtain what?

A. Zoning variance

B. Special use permit

C. Rezoning

D. Conditional use permit

Answers

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

Explanations

1. When a primary lender uses all its funds for home mortgages and ends up with a number of notes and mortgages, what is the normal procedure to free capital for new lending?

A. Sell mortgages and notes to the secondary market

B. Hold them until maturity

C. Refinance into one loan

D. Convert to cash by borrowing from the bank

Freeing capital for new lending comes from converting the existing mortgage assets into cash by selling them to the secondary market. When a lender sells the mortgages and notes, investors provide immediate cash, which the lender can reuse to fund more loans. This is a standard, efficient way to maintain liquidity because it transfers ownership of the notes and often allows the lender to continue servicing them for a fee, while not bearing the ongoing risk of those loans. Holding the notes until they mature keeps funds tied up and doesn't provide current liquidity. Refinancing into one loan would restructure debt but still leaves the original assets on the books in some form and may not free the needed capital. Borrowing from the bank to convert to cash shifts the liability onto the lender and doesn't directly turn the existing assets into usable funds for new lending.

2. If three brokers are involved in an open listing and one broker sells the property, who receives the commission?

A. All brokers

B. The listing broker

C. The buyer's broker

D. Only the broker who sold the property

In an open listing, the seller may work with multiple brokers, and the fee is earned only by the broker who actually brings a buyer who closes the deal. Since one broker was the one who sold the property, that broker is the one entitled to the commission. The other brokers didn't procure the sale, so they don't receive a commission under this type of listing.

3. When a person dies intestate and there are no heirs, the property goes to the state. This is called:

A. Abandonment

B. Devise

C. Abatement

D. Escheat

When someone dies without a will and there are no heirs to inherit the property, there's no one left to claim it. The law provides that the property reverts to the state in this situation—that transfer is called escheat. Escheat ensures property isn't left ownerless and keeps it within the state system for potential resale or use. This differs from abandonment (voluntarily leaving property behind), devise (a transfer of property by a will), and abatement (reducing gifts in a will due to insufficient assets). Escheat specifically describes the state taking ownership when there are no heirs or will to transfer the property.

4. In co-ownership, if owners take title at different times, the form of ownership is called:

A. Joint tenancy

B. Community property

C. Tenants by the entirety

D. Tenants in common

When co-owners acquire title at different times, there is no unity of time, which is essential for a joint tenancy. That situation points to tenants in common. In this form, each owner holds an undivided right to possess the whole property but with a distinct, potentially unequal, ownership interest. Because there's no right of survivorship, a co-owner's share passes to heirs or through a will at death, not automatically to the other co-owners. Other forms involve specific conditions: joint tenancy requires all four unities (time, title, interest, possession) and includes survivorship; community property relates to marriage in certain states and how property acquired during marriage is treated; tenants by the entirety is a form for married couples with survivorship. So when title is taken at different times, the appropriate form is tenants in common.

5. An imaginary line running in a North-South direction and intersects with the base line is:

A. The Contour line

B. The Meridian line

C. The Baseline

D. The Principal parallel

In the Public Land Survey System, the grid that helps describe land is built from a north–south line called the principal meridian and an east–west line called the baseline. The line described here runs north–south and crosses the baseline, which makes it the principal meridian. Contour lines, by contrast, show elevation on a map and aren't part of the survey grid. The baseline itself runs east–west, not north–south. There isn't a standard term "principal parallel" used in this surveying context.

6. All of the following are examples of limitations on licensees except:

A. Cease and desist orders

B. Probation

C. License suspension

D. Turning licensee over to local prosecutor to bring criminal charges

Limitations on licensees are actions the licensing authority itself uses to restrict or control someone's right to practice when rules are violated. Cease and desist orders stop the activity immediately and often require compliance before continuing. Probation keeps the license in effect but under supervision and specific conditions. License suspension temporarily removes the license while issues are addressed. Turning a licensee over to a local prosecutor to bring criminal charges is a separate legal step outside the licensing body's disciplinary actions; it's a criminal enforcement path, not a direct limitation imposed on the license itself. Therefore, that option is the exception.

7. Under a land contract, who typically holds the legal title until the contract is fully paid?

A. The buyer

B. The seller

C. The lender

D. The trustee

In a land contract, the seller holds the legal title while the buyer makes payments. This setup provides security for the seller—the legal title stays with the seller until the contract is fully paid. The buyer, meanwhile, has equitable title and the right to possession, and once all payments are made, the seller conveys the legal title to the buyer by deed. The lender or trustee would only hold title in a different financing arrangement (like a mortgage or deed of trust), not in a standard land contract.

8. If a buyer makes an offer at a price below asking, the seller counters, the buyer rejects the counteroffer, and the seller later accepts the original offer, which statement is true?

A. The buyer remains bound to the original offer.

B. The original offer is revived.

C. The counteroffer keeps the original offer alive.

D. The buyer was released from the offer when the seller made a counter offer.

The key idea is that a counteroffer ends the original offer. When the seller makes a counteroffer, it rejects the buyer's terms and creates a new offer with different terms. The buyer who received that original offer is released from it because the original terms are no longer on the table. In this scenario, the buyer rejected the counteroffer, so there is no active agreement on the original terms. The seller's later attempt to accept the original offer can't bind the buyer, since that original offer no longer exists. For a contract to form, the parties would need to agree to the terms on the counteroffer (or the buyer would need to re-offer and the seller accept those terms).

9. A buyer wants to buy a parcel of land but only if zoning changes; he can place a $10,000 deposit on the purchase agreement subject to obtaining a change in zoning or purchase a 90-day option by paying a $10,000 option fee. Which of the following is true regarding the buyer's choices?

A. He loses his option unless he exercises it before the expiration of the 90-day period.

B. He automatically obtains the zoning change.

C. The deposit is refundable regardless.

D. The option expires after 30 days.

A real estate option gives the buyer a time-limited, exclusive right to purchase a property. The option fee pays for that exclusive period, and the option remains in force only if the buyer exercises the right within the specified time frame. If the buyer does not exercise the option before the expiration, the option ends and the right to buy lapses; the option fee is typically not refunded. In this scenario, choosing the 90-day option means you have 90 days to decide whether to buy. If you don't act within those 90 days, the option expires and you lose the option. The zoning-contingent purchase, by contrast, hinges on the zoning change occurring; if the change doesn't happen, you can walk away under the contingency, and the deposit is usually refundable under that agreement. Also note, the option period is 90 days, not 30 days, and a zoning change is not automatic.

10. A developer who wants to build a retail outlet on land zoned for residential use must try to obtain what?

A. Zoning variance

B. Special use permit

C. Rezoning

D. Conditional use permit

The key idea is obtaining permission to depart from the strict zoning rules. If land is zoned residential, placing a retail outlet there isn't allowed under the current zoning, so the developer would seek a zoning variance from the zoning board of appeals. A variance is a legal exception that lets a property owner deviate from certain requirements of the zoning ordinance when enforcing them would cause undue hardship due to the property's unique characteristics. The variance hinges on showing that granting the exception won't harm the public welfare or undermine the ordinance's intent, and it usually follows a process with an application, notice, and a public hearing. If the use were already envisioned as allowed with conditions in that zone, a special or conditional use permit might apply, but for a straightforward retail use in a residential district, a variance is the direct route. Rezoning changes the entire zoning designation of a parcel and is a broader, more involved legislative action, not typically a singular project remedy.

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://misalespersonpsi.examzify.com

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