

Minnesota State Real Estate Practice Test (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. Which of the following statements about acceptance of an offer is TRUE?

- A. An oral acceptance is sufficient**
- B. A written acceptance is necessary for commission claims**
- C. Only the seller's acceptance matters**
- D. Acceptance can be revoked immediately**

2. What is dual agency in real estate?

- A. When one agent represents only the seller**
- B. When a single agent represents both the buyer and the seller in a transaction**
- C. When two different agents represent the buyer and seller**
- D. When a property is sold at auction**

3. What must a real estate agent do with earnest money upon receiving it?

- A. Deposit it into their personal account**
- B. Hold it until the transaction is complete**
- C. Submit it along with the offer for deposit by the listing broker**
- D. Keep it until the seller accepts the offer**

4. What is typically a key factor in determining market value?

- A. The assessed value of the property**
- B. The buyer's personal financial situation**
- C. Recent sales of comparable properties in the area**
- D. The property's original purchase price**

5. Which state is included in Minnesota's reciprocal licensing agreements?

- A. Illinois**
- B. Indiana**
- C. North Dakota**
- D. Kansas**

6. What is the role of the County Treasurer regarding tax lists at the beginning of each year?

- A. To create new tax lists for distribution.**
- B. To return the existing tax lists to the County Auditor.**
- C. To collect taxes owed from property owners.**
- D. To file delinquent taxes with the District Court.**

7. What is required for a firm to be recognized as compliant with affirmative action requirements?

- A. Evidence of employment diversity**
- B. An approved affirmative action plan**
- C. Mandatory training sessions for staff**
- D. Annual income reports submitted**

8. What duties does a subagent owe to clients of the principal broker?

- A. Only to the buyer**
- B. Only to the seller**
- C. The duties and loyalty expected in a client-agent relationship**
- D. No specific duties**

9. When are written leases required for residential buildings?

- A. Only for seasonal rentals**
- B. For buildings with 12 or more residential units**
- C. Only at the tenant's request**
- D. For any commercial property**

10. What must a landlord do if they fail to provide a lease as required?

- A. Face a major felony charge**
- B. Be liable for damages to the tenant**
- C. Be guilty of a petty misdemeanor**
- D. Nothing, if the tenant does not complain**

Answers

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

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Explanations

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1. Which of the following statements about acceptance of an offer is TRUE?

- A. An oral acceptance is sufficient**
- B. A written acceptance is necessary for commission claims**
- C. Only the seller's acceptance matters**
- D. Acceptance can be revoked immediately**

The statement about acceptance of an offer that is true is that a written acceptance is necessary for commission claims. In real estate transactions, especially in Minnesota, documentation plays a crucial role in establishing agreements between parties. While oral agreements can offer some level of understanding, they typically lack the legal enforceability required for commission claims and other important aspects of real estate contracts. A written acceptance not only serves to confirm the agreement clearly but also provides a record that can be referred back to if disputes arise. This documentation is vital for agents to prove they were entitled to a commission based on the contractual obligations that were acknowledged in writing. Other statements highlight common misconceptions. For instance, although oral acceptance is sometimes permitted in informal contexts, it may not hold up in situations demanding formal proof, such as commission claims. Likewise, while both parties' acceptances are important, the seller's acceptance alone is not sufficient in situations involving offers and counteroffers where both buyers and sellers need to agree to the terms. Finally, acceptance cannot be revoked once communicated effectively; it is considered binding upon acceptance.

2. What is dual agency in real estate?

- A. When one agent represents only the seller**
- B. When a single agent represents both the buyer and the seller in a transaction**
- C. When two different agents represent the buyer and seller**
- D. When a property is sold at auction**

Dual agency occurs when a single agent represents both the buyer and the seller in a real estate transaction. This arrangement can arise in scenarios where a buyer is interested in purchasing a property listed by the same agent representing the seller. The key aspect of dual agency is that the agent must balance the interests of both parties, which can create potential conflicts of interest. For example, the agent is tasked with negotiating the best price and terms for the seller while also advocating for the buyer's interests. To maintain ethical standards, the agent must disclose this dual representation to both parties and obtain their consent. This ensures that all parties are fully informed about the agent's role and the implications of having one individual represent both of their interests. In contrast, when an agent represents only the seller, it is known as a seller's agency. If two different agents are involved, one representing the buyer and the other the seller, it constitutes a traditional agency relationship rather than dual agency. Additionally, selling a property at auction is unrelated to these representation roles and does not pertain to agency relationships within real estate.

3. What must a real estate agent do with earnest money upon receiving it?

- A. Deposit it into their personal account**
- B. Hold it until the transaction is complete**
- C. Submit it along with the offer for deposit by the listing broker**
- D. Keep it until the seller accepts the offer**

When a real estate agent receives earnest money, the proper procedure is to submit it along with the offer for deposit by the listing broker. This practice is crucial as earnest money serves as a good faith deposit, showing the seller that the buyer is serious about the purchase. By submitting the earnest money with the offer, it establishes the agent's commitment to the transaction and ensures that the money is held securely in the appropriate escrow account, rather than being kept in a personal account or held by the agent themselves. This action also helps facilitate the transaction process, providing assurance to both parties that the earnest money will be properly managed according to the terms of the purchase agreement. Holding the earnest money until the transaction is complete or waiting for seller acceptance are not advisable practices, as they do not comply with standard protocol and could create issues regarding trust and security in the transaction process.

4. What is typically a key factor in determining market value?

- A. The assessed value of the property**
- B. The buyer's personal financial situation**
- C. Recent sales of comparable properties in the area**
- D. The property's original purchase price**

A key factor in determining market value is typically the recent sales of comparable properties in the area. This approach, often referred to as the comparable sales method, analyzes properties that are similar in characteristics (such as size, location, and condition) that have recently sold. The market value is influenced by what buyers are currently willing to pay in the market, and comparable sales provide a realistic benchmark against which to assess the value of a given property. While assessed value, a buyer's financial situation, and the original purchase price might provide some context, they do not represent the current market dynamics as accurately as recent sales data. Assessments can lag behind market trends, personal financial situations vary widely and are individual to each buyer, and a property's original purchase price may not reflect its current market value due to fluctuations in the real estate market. Therefore, focusing on recent sales of comparable properties offers a more reliable and relevant indication of market value.

5. Which state is included in Minnesota's reciprocal licensing agreements?

- A. Illinois**
- B. Indiana**
- C. North Dakota**
- D. Kansas**

Minnesota has reciprocal licensing agreements with several states to facilitate the licensing process for real estate professionals who hold licenses in those states. North Dakota is included in these agreements, allowing Minnesota licensees to obtain a license in North Dakota more easily, as both states acknowledge each other's training and experience requirements. This reciprocity can simplify the process for real estate agents looking to operate across state lines, reflecting the collaborative regulatory environment among neighboring states. The other states listed—Illinois, Indiana, and Kansas—do not have the same reciprocal agreement with Minnesota, meaning that licensees from those states may not benefit from the streamlined process that North Dakota allows.

6. What is the role of the County Treasurer regarding tax lists at the beginning of each year?

- A. To create new tax lists for distribution.**
- B. To return the existing tax lists to the County Auditor.**
- C. To collect taxes owed from property owners.**
- D. To file delinquent taxes with the District Court.**

The role of the County Treasurer at the beginning of each year includes the responsibility of returning the existing tax lists to the County Auditor. This process is integral to ensuring that all property tax records are accurate and up to date for the upcoming tax collection period. The County Auditor typically oversees the assessment of property values and the calculation of taxes owed, so the Treasurer's return of these lists supports the Auditor's ongoing management of tax records and collections. Creating new tax lists for distribution falls under the purview of the County Auditor, not the Treasurer. While the Treasurer is indeed responsible for the collection of taxes owed from property owners, this occurs after the tax lists have been finalized and is not their primary role at the beginning of the year. Filing delinquent taxes with the District Court is a procedural step that may happen later in the tax collection process, indicating that a property has not been adequately taxed, rather than being part of the initial responsibilities at the start of the year.

7. What is required for a firm to be recognized as compliant with affirmative action requirements?

- A. Evidence of employment diversity
- B. An approved affirmative action plan**
- C. Mandatory training sessions for staff
- D. Annual income reports submitted

For a firm to be recognized as compliant with affirmative action requirements, an approved affirmative action plan is essential. This plan outlines the strategies and goals that the firm intends to follow to ensure equal employment opportunities for all individuals, particularly focusing on underrepresented groups. The approval of such a plan demonstrates that the organization is committed to actively promoting diversity and preventing discrimination based on race, gender, disability, or other protected characteristics. An affirmative action plan typically includes specific numerical goals, timelines for achieving these goals, and methods for measuring progress. It reflects the internal and external commitment of the organization to uphold equal opportunity in hiring and employment practices, making it the cornerstone for compliance with affirmative action requirements. While factors such as employment diversity, mandatory training sessions for staff, and annual income reports may support an organization's affirmative action efforts, they do not alone establish compliance. The presence of an approved affirmative action plan signifies a structured approach to systematically addressing diversity and inclusion within the company.

8. What duties does a subagent owe to clients of the principal broker?

- A. Only to the buyer
- B. Only to the seller
- C. The duties and loyalty expected in a client-agent relationship**
- D. No specific duties

In a real estate context, a subagent is an agent who assists the primary agent (the principal broker) in working with clients. It is important to understand that the subagent has a fiduciary duty to uphold the interests of the clients of the principal broker, whether they be buyers or sellers. This fiduciary duty encompasses loyalty, confidentiality, and the obligation to act in the best interest of the client. In a scenario where a subagent is involved, the expectations for the relationship include providing full disclosure, avoiding conflicts of interest, and prioritizing the client's needs. These duties are fundamental to maintaining trust and professionalism within the client-agent dynamic and ensure that the interests of the clients are adequately represented. The reason other options do not apply is that the focus is not solely on one party, such as the buyer or the seller, nor is it true that a subagent has no specific duties. Defining duty solely to one side would neglect the comprehensive responsibilities expected in a real estate transaction where multiple parties are involved. The correct answer highlights the universal duties and loyalty that govern the relationship between all clients and their agents.

9. When are written leases required for residential buildings?

- A. Only for seasonal rentals
- B. For buildings with 12 or more residential units**
- C. Only at the tenant's request
- D. For any commercial property

Written leases are required for residential buildings with 12 or more residential units according to Minnesota law. This requirement is in place to ensure that both tenants and landlords have a clear understanding of their rights and obligations under the lease agreement. Larger residential properties often have more complex regulations and tenant rights associated with them, so having a written lease helps protect all parties involved. By mandating written leases for larger residential buildings, Minnesota provides a formalized framework that promotes transparency, helps prevent disputes, and ensures that landlords offer tenants the necessary information about lease terms, rules, and conditions of tenancy. This contrasts with smaller or seasonal rentals, where verbal agreements might suffice in some situations but can lead to misunderstandings. Understanding this context is crucial for recognizing the importance of written leases in protecting tenants' rights and maintaining a professional landlord-tenant relationship in larger residential environments.

10. What must a landlord do if they fail to provide a lease as required?

- A. Face a major felony charge
- B. Be liable for damages to the tenant
- C. Be guilty of a petty misdemeanor**
- D. Nothing, if the tenant does not complain

In the context of Minnesota real estate law, if a landlord fails to provide a written lease as required by statute, this act can result in being classified as a petty misdemeanor. This implies that while it is a violation of the law, it does not carry the severe consequences associated with felonies or more serious misdemeanors. A petty misdemeanor typically involves a lesser level of offense, and while it may not lead to criminal charges, it acknowledges the landlord's failure to adhere to legal requirements. Thus, the landlord may potentially face a fine or other administrative repercussions, but it does not carry the weight of a major criminal charge like a felony would. This designation serves to encourage landlords to comply with paperwork obligations and protect tenants' rights. A landlord's failure to provide a lease could lead to various legal challenges, but the specific categorization as a petty misdemeanor helps clarify the level of offense and outlines that there is a need for compliance rather than offering severe punitive measures.

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://minnesotastaterealestate.examzify.com>

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

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