

North Carolina Post Licensing 301 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

- 1. Which type of contract is commonly utilized for selling property in North Carolina?**
 - A. Listing Agreement.**
 - B. Lease Agreement.**
 - C. Offer to Purchase and Contract.**
 - D. Exclusive Buyer Agency Agreement.**
- 2. What is the term for an agreement where one party conveys property to another party for a specific purpose?**
 - A. A lease**
 - B. A mortgage**
 - C. A deed**
 - D. A contract for sale**
- 3. What does trust accounting involve in real estate?**
 - A. Using client funds for personal expenses**
 - B. Carelessly managing funds without oversight**
 - C. Managing client funds with transparency and fidelity**
 - D. Keeping all funds in a personal account**
- 4. When should the WWREA be explained and signed?**
 - A. At first substantial contact**
 - B. At closing**
 - C. During the listing presentation**
 - D. At the time of property showing**
- 5. What is an essential step for brokers when they receive trust funds?**
 - A. Delay depositing until the transaction closes.**
 - B. Deposit immediately into a trust account.**
 - C. Use them to promote the listing.**
 - D. Notify the seller before using the funds.**

- 6. When dealing with Qualifying Ratios, which element specifically appears in the Back End calculation but not in the Front End?**
- A. HOA fees**
 - B. Recurring debt payments**
 - C. Taxes and insurance**
 - D. Principal payments**
- 7. If you miss the 6/10 Deadline for continuing education, what must you do to re-activate your license?**
- A. Complete 8 hours of CE classes**
 - B. Complete latest General Update and a total of 16 hours of classes**
 - C. Submit a form to the Real Estate Commission**
 - D. Attend a one-day seminar**
- 8. What is the significance of the North Carolina Real Estate License Law?**
- A. It provides guidelines for property leasing and rental agreements**
 - B. It outlines regulations and requirements for obtaining and maintaining a real estate license in the state**
 - C. It details the tax implications of buying and selling property**
 - D. It sets forth environmental regulations affecting real estate**
- 9. What is the purpose of title insurance?**
- A. To cover the costs of property improvements**
 - B. To protect against losses due to defects in title or ownership issues**
 - C. To assist sellers in marketing properties**
 - D. To ensure properties are sold quickly**
- 10. Which agency relationship primarily focuses on representing the interests of the seller?**
- A. Buyer agency**
 - B. Seller agency**
 - C. Dual agency**
 - D. Transactional agency**

Answers

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

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Explanations

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1. Which type of contract is commonly utilized for selling property in North Carolina?

- A. Listing Agreement.**
- B. Lease Agreement.**
- C. Offer to Purchase and Contract.**
- D. Exclusive Buyer Agency Agreement.**

The Offer to Purchase and Contract is the primary document used for selling property in North Carolina. This type of contract outlines the terms and conditions under which the buyer intends to purchase property from the seller. It includes vital details such as the purchase price, financing terms, contingencies, and the closing date, providing a clear framework for the transaction. This contract is essential as it helps to protect the interests of both the buyer and the seller by ensuring that all parties are aware of their rights and obligations throughout the process. It is specifically designed for real estate transactions, making it the most appropriate choice among the options given. In contrast, while a Listing Agreement serves to establish a relationship between a seller and a real estate agent, it is not the vehicle through which the sale of the property is executed. A Lease Agreement pertains to rental situations and does not apply to the sale of property. Additionally, an Exclusive Buyer Agency Agreement is designed to formalize the relationship between a buyer and a real estate agent when seeking to purchase property but does not function as the contract for the sale itself.

2. What is the term for an agreement where one party conveys property to another party for a specific purpose?

- A. A lease**
- B. A mortgage**
- C. A deed**
- D. A contract for sale**

In the context of property agreements, the term that best fits the description is a lease. A lease is a legal agreement whereby a property owner (the lessor) allows another party (the lessee) to use the property for a specified period in exchange for payment, typically in the form of rent. The purpose of a lease is clearly defined, often including details about the duration of occupancy and the responsibilities of both parties. On the other hand, a mortgage pertains to a financial agreement between a borrower and a lender, where the property is used as collateral for a loan, not strictly for conveying the enjoyment or use of the property itself. A deed refers to the legal document that officially transfers ownership of real estate from one party to another, rather than establishing a right to use the property for a specified purpose. Similarly, a contract for sale relates to the purchase of property and includes terms for selling and buying, which goes beyond the temporary use that defines a lease. Therefore, the definition of a lease aligns perfectly with the concept of conveying property for a specific purpose.

3. What does trust accounting involve in real estate?

- A. Using client funds for personal expenses
- B. Carelessly managing funds without oversight
- C. Managing client funds with transparency and fidelity**
- D. Keeping all funds in a personal account

Trust accounting involves the obligation of real estate professionals to manage client funds with transparency and fidelity. This means that all funds received on behalf of clients must be carefully tracked and protected, ensuring that they are used solely for their intended purposes. Trust accounts are established to hold these funds separately from the real estate agent's personal finances, safeguarding the clients' interests and providing a clear audit trail. In the practice of trust accounting, real estate professionals are required to follow strict regulations and ethical standards to maintain the integrity of these funds. This includes keeping accurate records, reconciling accounts regularly, and providing clients with clear documentation of all transactions. By managing client funds responsibly, agents uphold their fiduciary duty, which is fundamental to maintaining trust in the client-agent relationship.

4. When should the WWREA be explained and signed?

- A. At first substantial contact**
- B. At closing
- C. During the listing presentation
- D. At the time of property showing

The correct answer indicates that the WWREA (Working With Real Estate Agents) must be explained and signed at the time of first substantial contact. This is crucial because first substantial contact is when a prospective client is provided with information that could lead to representation or a fiduciary relationship. It is an opportunity for the agent to clarify their role and responsibilities and to ensure that clients understand the nature of the agency relationship, whether they are a client or customer. To comply with North Carolina law, providing the WWREA at this stage allows potential clients to make informed decisions as they engage with the real estate process. It's about ensuring transparency and establishing the groundwork for a professional relationship. Waiting until closing, during a listing presentation, or at the time of property showing does not meet the legal requirement of informing consumers about agent relationships early enough in the process.

5. What is an essential step for brokers when they receive trust funds?

- A. Delay depositing until the transaction closes.**
- B. Deposit immediately into a trust account.**
- C. Use them to promote the listing.**
- D. Notify the seller before using the funds.**

The essential step for brokers when they receive trust funds is to deposit the funds immediately into a trust account. This practice is critical for maintaining the integrity and security of client funds. Trust accounts are specifically designated for holding funds that belong to clients or customers, and they ensure that such funds are kept separate from the broker's personal or business funds. By promptly depositing trust funds, brokers safeguard their clients' money and comply with legal requirements and ethical standards. The immediate deposit into a trust account also helps in proper record-keeping, which is vital for accountability and transparency during real estate transactions. This action protects both the broker and the clients by ensuring that funds are managed appropriately from the beginning of the transaction process. Other choices, such as delaying the deposit or using the funds for promotional purposes, would violate regulations and ethical standards regarding the handling of trust funds, which can lead to financial loss for clients and potential disciplinary actions against the broker.

6. When dealing with Qualifying Ratios, which element specifically appears in the Back End calculation but not in the Front End?

- A. HOA fees**
- B. Recurring debt payments**
- C. Taxes and insurance**
- D. Principal payments**

In the context of qualifying ratios used in mortgage lending, the "Back End" ratio, also known as the debt-to-income (DTI) ratio, includes all of a borrower's recurring debt payments. This calculation assesses the total amount of debt a borrower has compared to their gross monthly income. It encompasses not only the monthly housing costs but also other existing debts such as car loans, student loans, credit card payments, and any other debt obligations. In contrast, the "Front End" ratio is typically concerned solely with housing expenses, which may include the mortgage payment (principal and interest), property taxes, and homeowners insurance, but it does not account for other recurring debts. Given this understanding, the element that specifically appears in the Back End calculation but is not considered in the Front End ratio is indeed recurring debt payments. This distinction is crucial for lenders to evaluate a borrower's overall financial health and their ability to manage additional mortgage payments along with existing obligations.

7. If you miss the 6/10 Deadline for continuing education, what must you do to re-activate your license?
- A. Complete 8 hours of CE classes
 - B. Complete latest General Update and a total of 16 hours of classes**
 - C. Submit a form to the Real Estate Commission
 - D. Attend a one-day seminar

To reactivate a real estate license after missing the continuing education deadline, it is necessary to complete the latest General Update course as part of the reactivation process. Additionally, a total of 16 hours of continuing education classes must also be completed. This requirement is designed to ensure that licensees remain knowledgeable about current laws, practices, and trends in the real estate market. Completing the General Update course is crucial because it provides essential updates and changes in legislation that affect real estate practices. By also fulfilling the requirement of 16 total hours, the licensee reinforces their commitment to maintaining their education and competency in the field. The other options, while they may involve further education or steps, do not align with the specific requirements set forth by the North Carolina Real Estate Commission for reactivating a license after the continuing education deadline. Therefore, completing both the General Update and the requisite number of hours is the correct path to reactivation.

8. What is the significance of the North Carolina Real Estate License Law?
- A. It provides guidelines for property leasing and rental agreements
 - B. It outlines regulations and requirements for obtaining and maintaining a real estate license in the state**
 - C. It details the tax implications of buying and selling property
 - D. It sets forth environmental regulations affecting real estate

The North Carolina Real Estate License Law is significant because it outlines the regulations and requirements for obtaining and maintaining a real estate license in the state. This law establishes the framework for all real estate professionals operating in North Carolina, detailing the qualifications necessary for individuals to legally conduct real estate transactions. It encompasses the standards for educational requirements, continuing education, and ethical practices expected of licensees. Furthermore, this law is crucial in protecting the interests of consumers by ensuring that only qualified individuals are permitted to engage in real estate activities. By adhering to these regulations, real estate professionals can maintain their credibility and the public's trust in the real estate industry. The law also provides mechanisms for enforcing compliance and dealing with violations, which further protects both agents and consumers in real estate transactions. This comprehensive approach underscores the importance of professionalism and accountability within the real estate profession, thereby enhancing the overall quality and integrity of real estate practices in North Carolina.

9. What is the purpose of title insurance?

- A. To cover the costs of property improvements
- B. To protect against losses due to defects in title or ownership issues**
- C. To assist sellers in marketing properties
- D. To ensure properties are sold quickly

The purpose of title insurance is primarily to protect against losses that may arise due to defects in the title of the property or issues related to ownership. When a buyer purchases title insurance, they are ensuring that if any problems come to light—such as liens, encumbrances, or disputes over property lines—they will be covered for any financial loss associated with those issues. This protection is especially crucial because title defects can be complex and may not always be discovered during a title search prior to purchase. Title insurance gives buyers peace of mind and financial security, backing them against potential claims that could affect their ownership rights. The other options don't align with the primary function of title insurance. Covering costs of property improvements relates more to construction or renovation financing, while assisting sellers in marketing properties and ensuring quick sales pertain to real estate marketing and sales strategies, rather than the legal protection and assurance that title insurance provides.

10. Which agency relationship primarily focuses on representing the interests of the seller?

- A. Buyer agency
- B. Seller agency**
- C. Dual agency
- D. Transactional agency

The agency relationship that primarily focuses on representing the interests of the seller is seller agency. In this type of relationship, the agent has a fiduciary duty to the seller, which means they are obligated to act in the best interests of the seller throughout the entire transaction process. This includes marketing the property, negotiating offers, and advising on pricing and other aspects of the sale. Seller agency allows the agent to advocate specifically for the seller's goals, ensuring that they receive the maximum value for their home and helping to navigate any challenges that may arise during negotiations or with potential buyers. This relationship establishes a legal and ethical obligation for the agent to support the seller's objectives. Other agency relationships, such as buyer agency or dual agency, represent different dynamics where either the focus is on buyers or involves a situation where one agent represents both parties, which can complicate the interests of the seller. Transactional agency, on the other hand, serves to facilitate the transaction without representing either party's interests. Therefore, seller agency stands out as the correct answer, as it is specifically designed to prioritize and safeguard the seller's interests in a real estate transaction.

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://northcarolinapostlicensing301.examzify.com>

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