

NORTH CAROLINA POST LICENSING 301 PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

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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. How is a dual agency created in a real estate transaction?**
 - A. By representing multiple buyers independently
 - B. By one agent representing both parties
 - C. By mutual agreement of all parties
 - D. Through the use of a third-party mediator
- 2. To whom must Material Facts be disclosed?**
 - A. Only to the buyer
 - B. Only to the seller
 - C. All parties, including 3rd parties
 - D. Only to the Real Estate Commission
- 3. What is zoning?**
 - A. Private agreements governing property use
 - B. Financial arrangements for property development
 - C. Government regulations that dictate how land can be used in specific areas
 - D. Legal restrictions on property sales
- 4. In North Carolina, what must be included in a written agency agreement?**
 - A. The commission structure for the broker
 - B. The duties and obligations of both the broker and the client
 - C. Specific timelines for the agreement
 - D. Disclosure of all prior transactions
- 5. If a seller refuses to sign an offer that is below the list price, is a commission due?**
 - A. Yes, immediately
 - B. No, unless the price is agreed upon
 - C. Yes, only if the buyer is still interested
 - D. No, it isn't due until the property is sold
- 6. What does the term "closing costs" refer to in real estate?**
 - A. Costs associated with the upkeep of a property
 - B. Fees and expenses incurred in the finalization of a property sale
 - C. Discounts applied to finalize a mortgage loan
 - D. Payments made by the seller for property improvements

7. Are all in-house transactions classified as Dual Agency?

- A. Yes, they always involve Dual Agency
- B. No, exceptions include Seller Sub Agency or Unrepresented Buyers
- C. Yes, but only if both parties are represented
- D. It depends on the agent's discretion

8. What must agents provide to clients in a dual agency situation?

- A. Exclusive representation
- B. Complete confidentiality
- C. Standard service without any conflicts
- D. Full disclosure of all interests

9. What is a brokerage agreement?

- A. An agreement between brokers only
- B. A contract outlining the relationship between agent and client
- C. A lease agreement for office space
- D. An agreement for sharing commission with multiple agents

10. Who can The Real Estate Commission fine?

- A. Agents who fail to report
- B. Time Share Developers
- C. Brokers who misrepresent
- D. Homeowners

Answers

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

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Explanations

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1. How is a dual agency created in a real estate transaction?

- A. By representing multiple buyers independently
- B. By one agent representing both parties**
- C. By mutual agreement of all parties
- D. Through the use of a third-party mediator

A dual agency in a real estate transaction is created when one agent represents both the buyer and the seller simultaneously. This situation often arises when a real estate broker has a listing agreement with the seller and also works with a buyer who is interested in that same property. The agent must navigate the responsibilities and obligations to both parties, ensuring that confidentiality and fairness are maintained throughout the transaction. This can lead to complexities, as the agent may have to balance the conflicting interests of each party while adhering to fiduciary duties. While mutual agreement of all parties can be an important factor in establishing a dual agency, it is the specific action of the agent representing both parties that formally creates the dual agency relationship. Other options, such as representing multiple buyers independently or using a third-party mediator, do not define a dual agency.

2. To whom must Material Facts be disclosed?

- A. Only to the buyer
- B. Only to the seller
- C. All parties, including 3rd parties**
- D. Only to the Real Estate Commission

Material facts must be disclosed to all parties involved in a real estate transaction, including third parties. This broad disclosure requirement is essential to ensure transparency and maintain trust between all parties. By revealing material facts, such as issues related to the property's condition, neighborhood factors, or legal encumbrances, real estate professionals help buyers and sellers make informed decisions. This practice not only protects the interests of the clients but also helps ensure compliance with legal obligations and ethical standards within the real estate industry. The rationale behind this comprehensive approach to disclosure lies in the nature of material facts, which are defined as information that significantly affects the value or desirability of the property. When all parties, including third parties, are aware of these facts, it promotes fairness and accountability throughout the transaction process. In contrast, limiting disclosure to either the buyer or the seller fails to uphold the ethical standards expected in real estate practices, undermining the integrity of the transaction and potentially leading to legal implications for non-disclosure. Similarly, informing only the Real Estate Commission does not serve the immediate interests of the parties involved and does not fulfill the broader requirement for transparency in dealings. Therefore, disclosure to all relevant parties is essential in fostering an honest and equitable real estate market.

3. What is zoning?

- A. Private agreements governing property use
- B. Financial arrangements for property development
- C. Government regulations that dictate how land can be used in specific areas**
- D. Legal restrictions on property sales

Zoning refers to government regulations that are established to dictate how land can be used in specific areas. These regulations are crucial for urban planning and development as they help organize land use in a way that promotes orderly growth and development in communities. Zoning laws can specify various aspects such as the types of structures that can be built, their intended use (residential, commercial, industrial, etc.), the density of development, and other considerations that help manage the community's overall aesthetics and functionality. This form of regulation is imposed by local government authorities and may include stipulations on lot sizes, building heights, and other specifics that ensure that land is utilized in a manner consistent with the needs and desires of the community, as well as the character of the neighborhood. By establishing these laws, municipalities can prevent conflicts among land uses—such as separating industrial areas from residential ones—promoting safety, health, and overall welfare within the community.

4. In North Carolina, what must be included in a written agency agreement?

- A. The commission structure for the broker
- B. The duties and obligations of both the broker and the client**
- C. Specific timelines for the agreement
- D. Disclosure of all prior transactions

In North Carolina, a written agency agreement must include the duties and obligations of both the broker and the client. This requirement is essential because it outlines the responsibilities and expectations of both parties involved in the real estate transaction. Clearly defining these roles helps to ensure that both the broker and the client understand their commitments, leading to a smoother working relationship and minimizing the potential for disputes throughout the process. Including the duties and obligations establishes a framework of accountability, detailing what services the broker is expected to provide and what the client must agree to in return. This forms a foundational aspect of the agency relationship, reinforcing the legal concept of agency in real estate, where one party acts on behalf of another. The other choices, while relevant to real estate agreements, are not mandatory components of a written agency agreement. The commission structure, specific timelines, and disclosures of prior transactions may be discussed or even included as supplementary information, but they do not capture the critical requirement of delineating the foundational responsibilities and obligations inherent to the agency relationship.

5. If a seller refuses to sign an offer that is below the list price, is a commission due?

- A. Yes, immediately
- B. No, unless the price is agreed upon**
- C. Yes, only if the buyer is still interested
- D. No, it isn't due until the property is sold

A commission is typically due only when there is a binding agreement in place regarding the sale of the property, which means that the seller must accept and sign an offer for a contract to be formed. If a seller refuses to sign an offer that does not meet their list price, it indicates that there is no agreement on the terms of the sale, which includes the price. Since a commission is contingent on the completion of a sale or an accepted offer, it would not be owed in this situation until both the buyer and seller agree on the terms. Thus, until the seller signs an agreement that reflects a price that both parties accept, the commission is not considered due.

6. What does the term "closing costs" refer to in real estate?

- A. Costs associated with the upkeep of a property
- B. Fees and expenses incurred in the finalization of a property sale**
- C. Discounts applied to finalize a mortgage loan
- D. Payments made by the seller for property improvements

The term "closing costs" in real estate refers to the fees and expenses incurred in the finalization of a property sale. These costs are typically associated with the closing process, which is the meeting where the transfer of ownership of the property takes place. Closing costs can include a wide array of items such as title insurance, appraisal fees, inspection fees, attorney fees, and any required taxes or recording fees necessary for the transaction. Understanding closing costs is crucial for both buyers and sellers, as these expenses can significantly affect the overall cost of purchasing or selling a property. The costs are usually detailed in the closing disclosure document, which both parties review before the transaction is finalized. Other options, while related to real estate, do not accurately define closing costs. For example, the upkeep of a property pertains to maintenance and ongoing expenses, which is not what closing costs encompasses. Similarly, discounts related to mortgage loans are more about financing arrangements rather than the costs associated with closing a real estate transaction. Payments made by the seller for property improvements fall under renovation or repair expenses, which are separate from the closing costs incurred to finalize a real estate sale.

7. Are all in-house transactions classified as Dual Agency?

- A. Yes, they always involve Dual Agency
- B. No, exceptions include Seller Sub Agency or Unrepresented Buyers**
- C. Yes, but only if both parties are represented
- D. It depends on the agent's discretion

For transactions in which an agent represents both the buyer and seller within the same brokerage, it is essential to understand the nuances of agency relationships. The reason the correct choice states that not all in-house transactions are classified as dual agency is due to specific scenarios that can occur. In North Carolina, dual agency arises when an agent or brokerage represents both the buyer and the seller in a transaction without appointing different agents to represent each party. However, there are exceptions, such as when the seller employs a sub-agency structure or when a buyer is unrepresented. In these cases, the existence of a sub-agency means that the buyer is represented by an agent who is not the listing agent for the seller, thus eliminating the dual agency connection. Similarly, if a buyer is unrepresented, the listing agent is only representing the seller, and thus, it does not constitute dual agency. Overall, this understanding emphasizes the importance of clarifying representation and agency relationships within real estate transactions, showcasing that not all in-house dealings automatically imply dual agency. Hence, the noted exceptions greatly influence the classification of the agency relationship.

8. What must agents provide to clients in a dual agency situation?

- A. Exclusive representation
- B. Complete confidentiality
- C. Standard service without any conflicts
- D. Full disclosure of all interests**

In a dual agency situation, the most important responsibility of agents is to provide full disclosure of all interests. This means that agents must openly communicate any potential conflicts of interest to both parties involved in the transaction. Such disclosures help ensure that each client understands the implications of the dual agency relationship and is aware of any factors that might affect their decisions. Full disclosure promotes transparency and builds trust between the agent and clients. It allows clients to make informed decisions since they have knowledge of all relevant interests, including any ties the agent may have that could influence their actions or advice. By ensuring both parties are aware of these interests, agents can help facilitate smoother negotiations and reduce the risk of misunderstandings or dissatisfaction later in the process. In dual agency scenarios, while confidentiality and standard service without conflicts might be desired, they are secondary to the necessity of transparency about interests at stake. Exclusive representation is not possible in dual agency, as an agent represents both parties simultaneously, underscoring the importance of the disclosure requirement.

9. What is a brokerage agreement?

- A. An agreement between brokers only
- B. A contract outlining the relationship between agent and client**
- C. A lease agreement for office space
- D. An agreement for sharing commission with multiple agents

A brokerage agreement is fundamentally a contract that outlines the relationship between an agent and a client. This document serves to delineate the duties, responsibilities, and expectations of both parties within a real estate transaction. It establishes the scope of services the agent will provide, such as market analysis, property showings, and negotiation on behalf of the client. Additionally, the agreement specifies the terms of compensation and other critical details necessary for facilitating a smooth transaction. In the context of real estate, these agreements are essential for defining the obligations of the parties involved, as well as protecting the legal rights of each party. It facilitates a clear understanding of what the client can expect from the agent, and vice versa, which is integral for building a trustworthy professional relationship. The other options, while related to the real estate industry, do not accurately reflect the definition of a brokerage agreement. For example, an agreement between brokers would not encompass the agent-client dynamic, and a lease agreement for office space refers to the renting of physical property rather than a real estate service contract. Lastly, a commission-sharing agreement pertains to how agents distribute earnings among themselves, rather than detailing a specific client-agent relationship.

10. Who can The Real Estate Commission fine?

- A. Agents who fail to report
- B. Time Share Developers**
- C. Brokers who misrepresent
- D. Homeowners

The Real Estate Commission has the authority to fine time share developers primarily due to the specific regulations that govern the time share industry. Time share developers must comply with particular laws and standards, including proper advertising and disclosures regarding the sale of time shares. If they fail to adhere to these regulations, they can face fines as a consequence of their non-compliance. This enforcement is crucial to maintaining integrity and protecting consumers in the real estate market. While agents, brokers, and homeowners may be subject to other forms of discipline or penalties, the direct authority to impose fines specifically on time share developers stems from the nature of their business operations and the need for strict oversight in that area. Other entities may deal with different forms of reprimand or corrective actions rather than fines by the commission.

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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!

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