

NORTH DAKOTA REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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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. Which phrase best encapsulates the duties of a real estate broker?**
 - A. Serving only sellers
 - B. Engaging in all real estate transactions
 - C. Representing clients for a fee
 - D. Finding tenants for properties only

- 2. What is a quitclaim deed?**
 - A. A deed that confirms ownership of a property through inheritance
 - B. A legal document that transfers interest in a property without warranty of title
 - C. A document used to secure a mortgage
 - D. A contract for real estate sales

- 3. Which educational requirement must be met to obtain a real estate license in North Dakota?**
 - A. Completion of 60 hours of training
 - B. Completion of 90 hours of pre-licensing education
 - C. Completion of 120 hours of training
 - D. Completion of a high school diploma

- 4. How are property assessments typically determined?**
 - A. Based on the homeowner's estimated selling price
 - B. According to a fixed percentage of income
 - C. By evaluating the market value and condition of the property
 - D. Through public voting

- 5. What is the required balance to be maintained in the education fund for recovery purposes by the commission?**
 - A. \$50,000
 - B. \$60,000
 - C. \$70,000
 - D. \$80,000

6. What is "title insurance"?

- A. Insurance against natural disasters
- B. Insurance that protects against losses due to defects in the title of a property
- C. Insurance for personal property within a home
- D. Insurance against foreclosure

7. What is a contingency clause in a real estate contract?

- A. A list of required inspections
- B. A provision that must be met for the contract to be valid
- C. A deadline for accepting offers
- D. A description of the property's condition

8. What is the North Dakota Century Code?

- A. A set of laws governing financial practices
- B. The laws of North Dakota, including regulations regarding real estate transactions
- C. A collection of historical documents
- D. A record of public property transactions

9. In which situation would disclosed dual agency apply?

- A. When two agents represent the same client
- B. When an agent represents both buyer and seller with consent
- C. When the seller has multiple buyers
- D. When two different agencies are involved

10. In accordance with which section must all moneys or fees collected by the commission be finalized?

- A. 54-44-10
- B. 54-44-11
- C. 54-44-12
- D. 54-44-13

Answers

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

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Explanations

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1. Which phrase best encapsulates the duties of a real estate broker?

- A. Serving only sellers
- B. Engaging in all real estate transactions
- C. Representing clients for a fee**
- D. Finding tenants for properties only

The phrase "Representing clients for a fee" best encapsulates the duties of a real estate broker because it highlights the fundamental role of a broker in the real estate transaction process. Brokers are licensed professionals who act on behalf of clients—whether buyers, sellers, landlords, or tenants—to facilitate real estate transactions. This representation is typically performed in exchange for a commission or fee, which is a standard practice in the industry. The duties of a broker involve not just completing transactions but also providing advice, negotiating on behalf of their clients, and ensuring that all processes comply with relevant laws and regulations. This encapsulates the comprehensive nature of their role, emphasizing the fiduciary responsibility they hold towards their clients. Other phrases do not capture the breadth of a broker's responsibilities or the essence of their role within the real estate industry. For example, serving only sellers limits the scope of their duties to just one type of client, which is not representative of the diverse clientele brokers serve. Engaging in all real estate transactions could imply a broader involvement that doesn't specifically address their representative role and could misinterpret their obligations. Similarly, focusing solely on finding tenants for properties narrows the broker's duties to just one aspect of real estate, overlooking their involvement in sales, property

2. What is a quitclaim deed?

- A. A deed that confirms ownership of a property through inheritance
- B. A legal document that transfers interest in a property without warranty of title**
- C. A document used to secure a mortgage
- D. A contract for real estate sales

A quitclaim deed is a legal document that primarily serves the purpose of transferring interest in a property from one party to another without any guarantee or warranty of title. This means that the person transferring their interest (the grantor) does not assure the recipient (the grantee) that the title is valid or free from encumbrances. Essentially, it merely conveys whatever rights the grantor has in the property, which could be complete ownership, partial interest, or potentially no interest at all. This type of deed is often utilized in situations where the parties know each other and trust each other, such as in transactions between family members or in divorce proceedings when one party may relinquish their interest in a property. Because it does not involve warranties of ownership, a quitclaim deed is quite different from other types of deeds, such as warranty deeds, which do provide assurances regarding the title's validity. In contrast to the other choices, which involve different aspects of property transactions—like confirming ownership through inheritance, securing a mortgage, or serving as a contract for sales—the quitclaim deed focuses solely on the transfer of interest without titles guarantees, making it the correct answer in this context.

3. Which educational requirement must be met to obtain a real estate license in North Dakota?

- A. Completion of 60 hours of training
- B. Completion of 90 hours of pre-licensing education**
- C. Completion of 120 hours of training
- D. Completion of a high school diploma

To obtain a real estate license in North Dakota, an applicant must complete 90 hours of pre-licensing education. This requirement is designed to ensure that prospective agents acquire a comprehensive understanding of real estate principles, practices, laws, and ethics, which are essential for effectively handling real estate transactions. The completion of this specified education not only prepares individuals for the state licensing examination but also instills a foundational knowledge necessary for navigating the complexities of the real estate market. This education typically covers a wide range of topics, including real property law, real estate finance, contracts, property management, and agency relationships. Understanding the required hours of educational training underscores the seriousness of professional standards in the industry and highlights North Dakota's commitment to equipping new licensees with the essential knowledge and skills they need in their future careers.

4. How are property assessments typically determined?

- A. Based on the homeowner's estimated selling price
- B. According to a fixed percentage of income
- C. By evaluating the market value and condition of the property**
- D. Through public voting

Property assessments are typically determined by evaluating the market value and condition of the property. This process involves assessing various factors such as the property's size, location, features, and any improvements made. Local assessors analyze recent sales of comparable properties in the area to ensure that the assessment reflects the current market conditions. This method allows for a standardized approach to property valuation, ensuring that assessments are as accurate and fair as possible. It is crucial for establishing property taxes, which are often based on this assessed value. By focusing on market value, assessors can adjust the property's assessment over time to align with fluctuations in the real estate market, ensuring that the tax burden is equitable among property owners. Other methods mentioned, such as using the homeowner's estimated selling price, a fixed percentage of income, or public voting, do not typically play a role in the assessment process. These approaches do not provide the objective and comprehensive assessment that is necessary for reliable property taxation.

5. What is the required balance to be maintained in the education fund for recovery purposes by the commission?

- A. \$50,000
- B. \$60,000**
- C. \$70,000
- D. \$80,000

The required balance to be maintained in the education fund for recovery purposes by the commission is \$60,000. This amount is critical as it serves as a financial cushion to ensure that the commission can adequately address recovery claims from consumers who have suffered losses due to the actions of real estate licensees. Maintaining this balance supports the stability of the fund and reinforces the commission's commitment to protecting the interests of the public within the real estate market. Having a clearly defined required balance helps in managing the fund effectively and ensures that there are sufficient resources available for claims that may arise, thereby instilling trust in the real estate regulatory system.

6. What is "title insurance"?

- A. Insurance against natural disasters
- B. Insurance that protects against losses due to defects in the title of a property**
- C. Insurance for personal property within a home
- D. Insurance against foreclosure

Title insurance is a form of indemnity insurance that protects property buyers and mortgage lenders from losses related to defects or issues in a property's title. This includes problems such as outstanding liens, fraudulent titles, or disputes over ownership. When a person purchases property, they want to ensure that they have clear ownership without risks of claims or disputes arising from previous owners or other parties that could affect their rights to the property. In this context, selecting title insurance ensures that the buyer is financially protected if any title issues come to light after the purchase. This is important in real estate transactions, as discovering defects in the title can lead to significant financial loss or legal challenges. The other choices do not accurately describe title insurance. Insurance against natural disasters is related to different types of insurance that cover physical damages, while insurance for personal property within a home pertains to homeowners or renters insurance. Insurance against foreclosure addresses different financial risks concerning the inability to repay a mortgage, rather than concerns pertaining to the title of a property itself.

7. What is a contingency clause in a real estate contract?

- A. A list of required inspections
- B. A provision that must be met for the contract to be valid**
- C. A deadline for accepting offers
- D. A description of the property's condition

A contingency clause in a real estate contract refers to a specific provision that must be fulfilled for the contract to be valid and legally binding. This clause outlines conditions that can impact the agreement, such as the buyer needing to secure financing, the property passing an inspection, or the buyer selling their existing home before purchasing a new one. If the contingencies are not met within the agreed-upon timeframe, the contract may be voided without penalty to the party protecting the contingencies. Understanding the role of a contingency clause is crucial for both buyers and sellers, as it ensures that both parties have a clear understanding of what must occur for the sale to proceed. It provides a safeguard for buyers, allowing them to back out of the purchase if certain critical conditions are not satisfied, which can protect them from potential financial loss or burdens.

8. What is the North Dakota Century Code?

- A. A set of laws governing financial practices
- B. The laws of North Dakota, including regulations regarding real estate transactions**
- C. A collection of historical documents
- D. A record of public property transactions

The North Dakota Century Code is indeed a comprehensive compilation of the laws of North Dakota, which includes various regulations that govern numerous aspects of life within the state, including real estate transactions. It serves as the legal framework for all aspects of law in North Dakota, ensuring that regulations are consistently applied and accessible to the public. This body of law encompasses everything from criminal justice to property rights and commercial transactions, providing clarity and structure to legal processes. Understanding the Century Code is essential for anyone engaged in real estate or other legal matters in North Dakota, as it outlines the rights and responsibilities of parties involved in real estate transactions, such as buyers, sellers, and agents. This context marks it as a fundamental resource for legal practitioners and individuals navigating property laws within the state.

9. In which situation would disclosed dual agency apply?

- A. When two agents represent the same client
- B. When an agent represents both buyer and seller with consent**
- C. When the seller has multiple buyers
- D. When two different agencies are involved

Disclosed dual agency applies when an agent represents both the buyer and the seller in a transaction, but only with the informed consent of both parties. In this arrangement, the agent must fully disclose their dual role and any potential conflicts of interest to ensure that both the buyer and seller are aware of the situation and agree to the agent's dual representation. This dual agency scenario helps facilitate the transaction while maintaining trust and transparency between all parties involved. In contrast, other scenarios described do not embody the principle of disclosed dual agency. For instance, when two agents represent the same client, that situation describes a single agency relationship rather than dual agency, as it involves one party only and does not include both sides of a transaction. When a seller has multiple buyers, there is no representation of both parties by the same agent, thus not fulfilling the requirements of dual agency. Lastly, when two different agencies are involved, this typically indicates separate representation for the buyer and the seller, which again does not constitute dual agency as one agent is not representing both sides in the same transaction.

10. In accordance with which section must all moneys or fees collected by the commission be finalized?

- A. 54-44-10
- B. 54-44-11
- C. 54-44-12**
- D. 54-44-13

The correct answer pertains to section 54-44-12, which outlines the procedures and regulations regarding the finalization of all moneys or fees collected by the commission. This section is crucial as it establishes the accounting and disbursement processes that ensure financial integrity and compliance with state regulations. It specifically details how the commission must handle funds, including requirements for record-keeping, reporting, and the appropriate use of these collected fees. Such integrity in financial management is essential for maintaining public trust and ensuring that the commission operates within the legal framework established by North Dakota law. In contrast, the other sections mentioned may address different aspects of commission responsibilities or other regulatory requirements, but they do not specifically focus on the finalization process for collected funds. This distinction makes 54-44-12 the relevant and correct choice regarding the management of moneys or fees collected 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://northdakota-realestate.examzify.com>

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

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