

Organisme d'Autoréglementation du Courtage Immobilier du Québec (OACIQ) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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SAMPLE

Questions

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- 1. What should the broker inform the client about besides the purchase price?**
 - A. Return on investment calculations**
 - B. Real costs of purchasing a property**
 - C. Future property value predictions**
 - D. Estimated rental income potential**
- 2. What are the different types of real estate transactions?**
 - A. Only residential and commercial sales**
 - B. Residential sales, commercial sales, leasing, and property management**
 - C. Only leasing and property management**
 - D. Only auctions and private sales**
- 3. What should you prepare if the seller dies during a brokerage contract?**
 - A. Complete a new sales agreement**
 - B. Complete an AM form**
 - C. Notify the buyer of the death**
 - D. Revoke the brokerage license**
- 4. How is shared remuneration calculated with a collaborating broker based on the BCP?**
 - A. A flat rate of 3%**
 - B. 3% and 2.5% shared**
 - C. 2.5% with no additional fees**
 - D. 2.5% direct to seller's agency**
- 5. What does the term “earnest money” signify in a real estate context?**
 - A. A fee for property appraisals**
 - B. A deposit showing a buyer's serious intent to purchase**
 - C. The total cost of buying the property**
 - D. A payment made only after closing**

- 6. What is required from brokers concerning financial transparency?**
- A. Brokers must keep financial information confidential**
 - B. Brokers need to provide full disclosure of their financial dealings**
 - C. Brokers are exempt from financial reporting**
 - D. Brokers are required to offer personal loans to clients**
- 7. What hazardous material might be found in attics and between floors that requires testing?**
- A. Lead**
 - B. Asbestos**
 - C. Mold**
 - D. Radon**
- 8. What needs to be included to make a contract irrevocable?**
- A. A power of attorney**
 - B. A clause in 11.1 of BCS**
 - C. A seller's agreement**
 - D. A financial guarantee**
- 9. Who signs during a succession with a Will if there is no liquidator?**
- A. All legal heirs**
 - B. All legatees**
 - C. The liquidator only**
 - D. Only the deceased's representative**
- 10. What is needed for a seller to avoid responsibilities for repairs?**
- A. Keep the price unchanged**
 - B. Offer no warranty and let the buyer handle repairs**
 - C. Review repair estimates with the buyer**
 - D. Only communicate through legal representatives**

Answers

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

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Explanations

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1. What should the broker inform the client about besides the purchase price?

- A. Return on investment calculations**
- B. Real costs of purchasing a property**
- C. Future property value predictions**
- D. Estimated rental income potential**

The correct choice emphasizes the importance of brokers providing clients with comprehensive information regarding the real costs of purchasing a property. This goes beyond just the purchase price, which can often be misleading without context. Real costs include expenses such as closing costs, property taxes, maintenance and repair expenditures, and other ongoing costs associated with home ownership. Understanding these factors is essential for clients to make informed decisions regarding their investments. While other options like return on investment calculations, future property value predictions, and estimated rental income potential might provide useful insights, they do not capture the immediate, concrete financial implications of a property purchase as effectively as educating clients on the real costs. Ensuring clients are aware of these costs can help them avoid unpleasant surprises after the acquisition and foster a more transparent and trustworthy relationship between the broker and the client.

2. What are the different types of real estate transactions?

- A. Only residential and commercial sales**
- B. Residential sales, commercial sales, leasing, and property management**
- C. Only leasing and property management**
- D. Only auctions and private sales**

The classification of real estate transactions is comprehensive, encompassing various types that reflect the diversity of the market. The correct option identifies four distinct categories: residential sales, commercial sales, leasing, and property management. Residential sales deal with the buying and selling of homes and residential properties, which includes single-family homes, apartments, and condominiums. Commercial sales involve properties that are primarily used for business purposes, such as office buildings, retail spaces, and industrial sites. Leasing refers to the rental of properties, allowing individuals or businesses to occupy them for a specified period while paying rent. Finally, property management encompasses the oversight and administration of real estate properties, including maintenance, tenant relations, and rent collection, ensuring that the property is managed efficiently and effectively. This broad categorization captures the various functions and activities within the real estate sector, making it essential for professionals to understand the different types of transactions they may encounter in their practice. Other options might focus on a limited scope of real estate transactions, failing to represent the full spectrum that includes leasing and property management, which are crucial components of the real estate market.

3. What should you prepare if the seller dies during a brokerage contract?

- A. Complete a new sales agreement**
- B. Complete an AM form**
- C. Notify the buyer of the death**
- D. Revoke the brokerage license**

In the event that a seller dies during a brokerage contract, it is necessary to prepare an AM form, specifically a "Declaration of the Seller's Death" form. This form is crucial as it formally acknowledges the death of the seller and outlines how the brokerage should proceed in light of this significant change. It serves to ensure that all parties involved, including the buyer and any legal representatives, are aware of the seller's death and can adjust their actions accordingly. Completing this form is part of the legal and ethical responsibilities of a real estate broker, ensuring compliance with relevant laws and regulations surrounding the brokerage's operations. By formalizing the seller's death, the brokerage can properly address subsequent contractual obligations or any changes in the sales process that may need to occur due to the seller's passing. While notifying the buyer of the death is important, it is ultimately the AM form that serves as the official documentation required in such situations. Other choices, like completing a new sales agreement or revoking the brokerage license, are not appropriate responses to the situation at hand. A new sales agreement would be unnecessary until the estate of the seller is settled, and revoking a brokerage license is unrelated to the seller's death under normal circumstances.

4. How is shared remuneration calculated with a collaborating broker based on the BCP?

- A. A flat rate of 3%**
- B. 3% and 2.5% shared**
- C. 2.5% with no additional fees**
- D. 2.5% direct to seller's agency**

The calculation of shared remuneration with a collaborating broker, based on the BCP (Brokerage Commission Policy), typically involves providing a split that is determined by the agreements made between the brokers involved in the transaction. In this context, a common setup is to allocate a percentage of the total commission between the listing broker and the collaborating broker. The correct answer indicates a scenario where the total commission is split with one party receiving 3% and the other 2.5%. This reflects collaboration and an agreement on the division of commission that is often based on the services provided by each broker. This shared remuneration model encourages teamwork and ensures that both brokers are compensated fairly for their roles in the transaction. In more detail, this arrangement allows for flexibility in negotiation and acknowledges the market practices that vary based on the transaction's circumstances and the agreements reached with clients. Understanding the nuances of remuneration calculations is essential for brokers to foster collaboration while complying with regulatory frameworks set by organizations like the OACIQ.

5. What does the term “earnest money” signify in a real estate context?

- A. A fee for property appraisals**
- B. A deposit showing a buyer's serious intent to purchase**
- C. The total cost of buying the property**
- D. A payment made only after closing**

In real estate, “earnest money” refers to a deposit made by a buyer to demonstrate their serious intent to purchase a property. This deposit is typically included with the purchase offer and serves as a good faith gesture. It assures the seller that the buyer is committed to the transaction and is not just making an inquiry without any real intention to follow through. Should the transaction proceed as planned, the earnest money is usually applied towards the buyer's down payment or closing costs. If the deal falls through due to circumstances specified in the purchase agreement, the earnest money may be returned to the buyer, depending on the terms established. This concept is critical in real estate negotiations as it helps to facilitate trust between the parties involved and signals a buyer's seriousness to potential sellers.

6. What is required from brokers concerning financial transparency?

- A. Brokers must keep financial information confidential**
- B. Brokers need to provide full disclosure of their financial dealings**
- C. Brokers are exempt from financial reporting**
- D. Brokers are required to offer personal loans to clients**

Brokers are obligated to provide full disclosure of their financial dealings to ensure transparency and maintain trust with clients and other stakeholders in real estate transactions. This requirement serves to protect the interests of all parties involved and promotes ethical practices within the industry. Full disclosure helps to prevent conflicts of interest, allowing clients to make informed decisions based on a complete understanding of any potential financial implications related to the transaction. This commitment to transparency aligns with the overarching goal of fostering a fair and responsible real estate market, where clients can feel secure in the accuracy of information provided to them. Additionally, financial transparency is crucial for upholding the integrity of the brokerage profession and complying with regulatory standards set by the Organisme d'Autoreglementation du Courtage Immobilier du Québec (OACIQ).

7. What hazardous material might be found in attics and between floors that requires testing?

- A. Lead**
- B. Asbestos**
- C. Mold**
- D. Radon**

Asbestos is a hazardous material commonly encountered in attics and spaces between floors, particularly in buildings constructed prior to the 1990s. It was widely used in construction for its fire-resistant properties and insulation capabilities. However, asbestos fibers can become airborne when disturbed, posing serious health risks when inhaled, including lung disease and cancer. When encountering older buildings during real estate transactions or inspections, it is essential to consider the potential presence of asbestos in insulation, roofing, flooring, and other materials. Testing for asbestos becomes crucial in ensuring safety for occupants and workers involved in renovations or demolitions. Proper handling and remediation practices must be followed if asbestos is identified, often leading to more informed decisions regarding property safety and value.

8. What needs to be included to make a contract irrevocable?

- A. A power of attorney**
- B. A clause in 11.1 of BCS**
- C. A seller's agreement**
- D. A financial guarantee**

The inclusion of a specific clause in section 11.1 of the Brokerage Act (BCS) is essential for rendering a contract irrevocable. This clause typically outlines the conditions under which a contract can remain binding and enforceable, despite the usual ability of parties to withdraw or terminate agreements under certain circumstances. By incorporating this clause, the parties ensure that their agreement is protected from sudden cancellations, thus providing stability and assurance in the transaction. Understanding the mechanics of such clauses is vital for real estate professionals, as it directly impacts their clients' commitments and the reliability of agreements made in the course of real estate transactions. This focus on contract integrity reflects the legal frameworks surrounding brokerage transactions and emphasizes the importance of clear terms to avoid misunderstandings.

9. Who signs during a succession with a Will if there is no liquidator?

- A. All legal heirs**
- B. All legatees**
- C. The liquidator only**
- D. Only the deceased's representative**

The correct answer is that all legatees sign during a succession with a Will if there is no liquidator. This situation arises when the estate's affairs must be managed and distributed according to the terms of the Will, but a liquidator has not been appointed to take on the responsibility of overseeing that process. In such cases, legatees—the individuals identified in the Will who are entitled to receive specific gifts or assets—are given the authority to act collectively. They work together to ensure that the wishes of the deceased, as specified in the Will, are honored and implemented. This includes signing necessary documents and decisions regarding the distribution of the estate. Their involvement is critical because they have a direct interest in the estate and its assets. While it is common for a liquidator to facilitate the succession process, when absent, the legatees step in to fulfill this role. They effectively ensure that the estate is settled according to the deceased's wishes, reflecting the principle that those who stand to benefit from the estate have a role in its management. This reflects a collaborative approach among the legatees to make decisions and take actions that are in line with the terms of the Will.

10. What is needed for a seller to avoid responsibilities for repairs?

- A. Keep the price unchanged**
- B. Offer no warranty and let the buyer handle repairs**
- C. Review repair estimates with the buyer**
- D. Only communicate through legal representatives**

The correct understanding revolves around the seller's ability to limit their liability for repairs during a real estate transaction. If a seller offers no warranty regarding the condition of the property, it effectively shifts the responsibility of handling repairs to the buyer. This is often formalized through the sale contract, where the seller explicitly states that they are not providing any guarantees about the property condition. This means the buyer should conduct their own due diligence, such as inspections, and understand that any necessary repairs will be their responsibility after the purchase. The other choices do not effectively address the seller's responsibility towards repairs. Maintaining the price unchanged does not influence liability, reviewing estimates with the buyer may inform them but does not absolve the seller of responsibility, and only communicating through legal representatives may complicate the process without affecting warranty terms.