

SOUTH CAROLINA CE SHOP REAL ESTATE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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

<https://scceshoprealestate.examzify.com>



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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. What is the difference between zoning and subdivision controls?**
 - A. Zoning sets property taxes and zoning districts.
 - B. Subdivision controls govern zoning and density.
 - C. Zoning governs land use and density; subdivision controls govern division of land and improvements.
 - D. Subdivision controls govern ownership rights and easements.
- 2. The number of houses sold over a period of time is reflected in what?**
 - A. Inventory rates
 - B. New building permits
 - C. Price levels
 - D. Sales volume
- 3. In South Carolina, if a tenant abandons a lease early, which remedies might a landlord pursue?**
 - A. Termination of the lease, eviction, and damages
 - B. Forfeiture of option to purchase
 - C. Increase rent for next year
 - D. Convert tenancy to month-to-month without notice
- 4. Which term is NOT another name for the purchase agreement, sale contract, or contract of purchase and sale?**
 - A. Promissory note
 - B. Sales contract
 - C. Purchase agreement
 - D. Buyer representation agreement
- 5. What is amortization?**
 - A. A method of valuing property by market comps.
 - B. The process of paying property taxes.
 - C. A type of closing cost.
 - D. The gradual repayment of a loan's principal and interest over time.

6. The risk that the required return on investor capital will not be met is called _____ risk.
- A. Business
 - B. Capital
 - C. Financial
 - D. Leverage
7. Deducting the costs of maintaining and operating an income property provides a(n) _____ that's attractive to many real estate investors.
- A. Credit boost
 - B. Increase in equity
 - C. Profit
 - D. Tax shelter
8. In a sales contract, why must the property's legal description be included if the street address is used?
- A. It's required for tax purposes.
 - B. It's required for legal purposes.
 - C. It's required if the buyer plans to obtain financing.
 - D. It's required under the federal Fair Housing Act.
9. In SC, which statement describes the agency representation in a dual agency arrangement?
- A. Exclusive right to represent.
 - B. Dual agency with written consent.
 - C. Designated agency.
 - D. Single agency.
10. What is the difference between an escrow and a trust account?
- A. An escrow is the process or arrangement; a trust account is a bank account holding funds during the transaction.
 - B. An escrow is the bank account used to hold funds; a trust account is the process.
 - C. An escrow is used for mortgage payments only; a trust account is not.
 - D. A trust account is a personal savings account of the broker.

Answers

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

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Explanations

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1. What is the difference between zoning and subdivision controls?

- A. Zoning sets property taxes and zoning districts.
- B. Subdivision controls govern zoning and density.
- C. Zoning governs land use and density; subdivision controls govern division of land and improvements.**
- D. Subdivision controls govern ownership rights and easements.

Zoning defines how land can be used and how densely it can be developed in a given area. It creates districts that specify what uses are allowed (residential, commercial, industrial), plus standards like density, setbacks, height limits, and other rules that shape the character of neighborhoods. Subdivision controls regulate how a larger piece of land is divided into smaller parcels and what improvements must accompany that division. They cover platting requirements, street design and access, utilities, drainage, sidewalks, and the dedication of land or easements. These controls ensure infrastructure and orderly layout are in place before parcels are created or sold. So, the correct distinction is that zoning governs land use and density, while subdivision controls govern the division of land and the required improvements. Ownership rights and easements, and property taxes, are not set by subdivision controls and are addressed in different contexts.

2. The number of houses sold over a period of time is reflected in what?

- A. Inventory rates
- B. New building permits
- C. Price levels
- D. Sales volume**

The number of houses sold over a period is measured as sales volume. This term captures market activity by counting how many units actually closed in the chosen time frame, reflecting demand and turnover in the market. A higher sales volume means more properties were sold, indicating stronger activity, while a lower volume shows slower activity. This is different from inventory rates, which relate to how quickly homes are sold from the current listings or how much inventory is available. New building permits track future construction activity, not actual sales. Price levels reflect how much homes are selling for, not how many are sold.

3. In South Carolina, if a tenant abandons a lease early, which remedies might a landlord pursue?

- A. Termination of the lease, eviction, and damages**
- B. Forfeiture of option to purchase
- C. Increase rent for next year
- D. Convert tenancy to month-to-month without notice

When a tenant abandons, the lease is breached, so the landlord can pursue remedies to regain possession and recover losses. Terminating the lease is appropriate because abandonment effectively ends the tenant's obligations under the fixed term. Eviction is the lawful process to repossess the property if the tenant won't leave voluntarily. Damages cover the financial impact of the breach—typically the rent that would have been due for the remainder of the term, plus costs to re-rent the unit (such as advertising and any commissions or damages needed to make the unit ready for a new tenant). The landlord must mitigate by attempting to re-let, which helps limit damages, and the security deposit can be applied toward unpaid rent and damages. Reasoning why the other options don't fit: Forfeiture of an option to purchase relates to a separate contract feature, not a standard remedy for lease abandonment. A rent increase for next year isn't a remedy tied to the act of abandonment. Converting tenancy to month-to-month without notice isn't an automatic remedy of abandonment; it would depend on the lease terms or new agreement and isn't a granted remedy simply because the tenant left early.

4. Which term is NOT another name for the purchase agreement, sale contract, or contract of purchase and sale?

- A. Promissory note**
- B. Sales contract
- C. Purchase agreement
- D. Buyer representation agreement

The fundamental idea is recognizing different real estate documents by purpose. A purchase agreement (also called a sale contract or contract of purchase and sale) is the contract that sets the sale terms—price, contingencies, closing date, and what's being transferred. A promissory note, on the other hand, is a debt instrument: a written promise to repay money borrowed. It lays out loan details (amount, interest, payments) but does not set the sale terms or transfer ownership. So it's not another name for the purchase agreement or sale contract. The buyer representation agreement is a separate contract with a broker, not the real estate sale contract, but the term that least resembles a sale contract is the promissory note because it fundamentally functions as a loan document rather than a sales contract.

5. What is amortization?

- A. A method of valuing property by market comps.
- B. The process of paying property taxes.
- C. A type of closing cost.**
- D. The gradual repayment of a loan's principal and interest over time.

Amortization is the gradual repayment of a loan's principal and interest over the term of the loan. With each payment, interest is charged on the current loan balance, and the remainder reduces the principal. As you progress through the loan, the interest portion of each payment typically decreases while the portion applied to principal increases, so the loan is paid off by the end of its term. An amortization schedule shows the breakdown for every payment and the evolving loan balance. This concept helps you understand how much total interest you'll pay and how loan term and payment amount affect how quickly the loan is repaid. It is not about valuing property by comps, paying taxes, or a closing cost.

6. The risk that the required return on investor capital will not be met is called _____ risk.

- A. Business**
- B. Capital
- C. Financial
- D. Leverage

Operating risk, or business risk, is the chance that a property's income won't be enough to meet investors' expected return. This comes from how the business performs—occupancy, rents, operating expenses, and other day to day factors. If those results are weaker than projected, cash flow falls and the required return on invested capital may not be reached. Financial risk relates to how the investment is financed—debt can magnify returns but also losses—so it affects the certainty of meeting the return, but the issue described is about the business's ability to generate earnings, not the financing setup. Leverage is a facet of financial risk, not a separate category, and capital risk isn't the standard term used here.

7. Deducting the costs of maintaining and operating an income property provides a(n) _____ that's attractive to many real estate investors.

- A. Credit boost
- B. Increase in equity
- C. Profit
- D. Tax shelter**

Deductions for maintaining and operating an income property create a tax shield. By deducting legitimate expenses—such as repairs and maintenance, property management, insurance, taxes, mortgage interest, and depreciation—the investor's taxable income is reduced, which lowers the amount of tax owed. This tax savings is highly attractive because it improves after-tax cash flow, making real estate investments more profitable over time. The idea isn't that you instantly gain cash or equity; rather, you keep more of your income by sheltering it from taxes. This is why the term that fits is tax shelter.

8. In a sales contract, why must the property's legal description be included if the street address is used?

- A. It's required for tax purposes.
- B. It's required for legal purposes.**
- C. It's required if the buyer plans to obtain financing.
- D. It's required under the federal Fair Housing Act.

The key idea here is that a street address alone isn't enough to identify a piece of real estate with certainty. A sales contract must pin down exactly which parcel is changing hands, and that requires a legal description that defines the boundaries and identifies the exact property as it's recorded in public records. The legal description—often a metes-and-bounds description or a lot-and-block description from a plat—remains consistent even if street names or numbers change, or if there are properties sharing the same address. That precise identification is essential for recording the deed, transferring title, and protecting both parties against boundary disputes. While tax records and financing may involve the property's description, the contract's requirement is driven by legal purposes: to unambiguously identify the property being conveyed. The other options don't address the need for a precise, legally recognized identification in a transfer.

9. In SC, which statement describes the agency representation in a dual agency arrangement?

- A. Exclusive right to represent.
- B. Dual agency with written consent.**
- C. Designated agency.
- D. Single agency.

Dual agency happens when the same licensee represents both the buyer and the seller in the same transaction. Because this setup can create conflicts of interest and affect duties like confidentiality and loyalty, South Carolina requires written consent from both parties after full disclosure of the licensee's duties and potential conflicts. So, the description that fits a dual agency arrangement is that it is dual agency with written consent. The other concepts differ: an exclusive right to represent involves a contract giving the broker sole rights to represent one client, designating agency uses separate agents from the same brokerage to represent each party, and single agency means representing only one party.

10. What is the difference between an escrow and a trust account?

- A. An escrow is the process or arrangement; a trust account is a bank account holding funds during the transaction.**
- B. An escrow is the bank account used to hold funds; a trust account is the process.
- C. An escrow is used for mortgage payments only; a trust account is not.
- D. A trust account is a personal savings account of the broker.

Escrow is the arrangement in a real estate transaction where a neutral third party holds funds or documents until conditions are met. A trust account is the actual bank account that the broker uses to hold those funds on behalf of clients during the transaction. So, escrow is the mechanism and process; a trust account is the specific place (the bank account) where the funds are stored. This setup protects clients' money and ensures it's handled only as authorized, separate from the broker's own funds. In practice, earnest money might be placed into an escrow arrangement or deposited into the broker's trust account, depending on the agreement.

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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://scceshoprealestate.examzify.com>

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

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