

South Dakota Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

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- 1. Who is responsible for confirming the status of an earnest money check after a contract has been signed?**
 - A. The buyer**
 - B. The listing broker**
 - C. The principal**
 - D. The title company**
- 2. For how long must a developer retain a copy of a timeshare plan contract?**
 - A. One year after the contract is signed**
 - B. One year after the developer's obligations are fulfilled**
 - C. Two years after the parties' obligations**
 - D. Indefinitely as per state regulations**
- 3. Which activity is NOT considered as "engaging in the real estate business" under South Dakota law?**
 - A. Renting residential apartments**
 - B. Negotiating sales of commercial properties**
 - C. Renting rooms at a lodging establishment**
 - D. Managing rental properties for landlords**
- 4. For a 12-year license renewal, how many hours of education can come from a correspondence course?**
 - A. 3 hours**
 - B. 6 hours**
 - C. 12 hours**
 - D. 24 hours**
- 5. What type of tenancy requires the landlord to provide notice before terminating the lease?**
 - A. Tenancy for years**
 - B. Tenancy at will**
 - C. Tenancy at sufferance**
 - D. Periodic tenancy**

6. When must a real estate licensee provide the agency disclosure?

- A. After showing only one property**
- B. Before they are shown more than one property**
- C. At the closing of the sale**
- D. Only if the buyer requests it**

7. What is the status of Mark's entitlement to a commission after the seller withdraws acceptance of a buyer's offer?

- A. He is not entitled to a commission**
- B. He is entitled to collect a commission**
- C. He can only collect a partial commission**
- D. He must wait for the seller to accept again**

8. On which dates do property taxes become delinquent in South Dakota?

- A. January 1 and June 1**
- B. April 1 and October 1**
- C. May 1 and November 1**
- D. July 1 and December 1**

9. When are property taxes usually assessed in South Dakota?

- A. Only when properties are sold**
- B. Once a year on January 1**
- C. Quarterly at the beginning of each quarter**
- D. Only when a new building is constructed**

10. What does a property manager primarily focus on?

- A. Defining property value**
- B. Administrative tasks related to property maintenance**
- C. Negotiating new property sales**
- D. Buying and selling properties**

Answers

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

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Explanations

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1. Who is responsible for confirming the status of an earnest money check after a contract has been signed?

- A. The buyer**
- B. The listing broker**
- C. The principal**
- D. The title company**

The listing broker is responsible for confirming the status of an earnest money check after a contract has been signed. This responsibility falls under the duties of the broker as they act as the intermediary in real estate transactions. The listing broker ensures that all conditions of the contract are being met, including the handling of earnest money. In this role, the broker checks that the earnest money has been properly deposited into an escrow account, which serves to protect both the buyer and the seller. By confirming the status of the earnest money, the listing broker helps facilitate a smooth transaction, ensuring that necessary funds are secure and that any current or potential issues can be addressed promptly. Other parties involved, such as the buyer or the title company, may play roles in the transaction, but it is specifically the duty of the listing broker to maintain oversight and ensure that the earnest money is managed correctly according to the terms set forth in the purchase agreement. The principal refers to the parties involved in the contract (buyer and seller), and while they should be kept informed, it is the broker who handles these specific administrative responsibilities.

2. For how long must a developer retain a copy of a timeshare plan contract?

- A. One year after the contract is signed**
- B. One year after the developer's obligations are fulfilled**
- C. Two years after the parties' obligations**
- D. Indefinitely as per state regulations**

A developer is required to retain a copy of a timeshare plan contract for one year after the developer's obligations are fulfilled. This requirement ensures that both the developer and the purchasers of the timeshare have a record of the contractual agreement for a sufficient period following the completion of all obligations. It allows for accountability and provides a reference in case of any disputes or issues that may arise after the obligations have been met. In the context of timeshare agreements, obligations can include things like the construction of the property, maintenance of shared facilities, and compliance with financial commitments. Once these obligations are met, retaining the contract for an additional year serves the purpose of offering protection to both parties and ensures compliance with state regulations while acknowledging that issues related to the timeshare may still emerge. The idea of keeping records indefinitely is not practical, as it would impose unnecessary burdens on developers while also complicating record-keeping. Similarly, retaining the contract for one or two years after all obligations do not provide enough time to address any potential late-dispute issues that could reasonably occur following the execution and fulfillment of the contract. Therefore, the retention period established is a balanced approach that meets regulatory standards while facilitating effective resolution of post-obligation matters.

3. Which activity is NOT considered as "engaging in the real estate business" under South Dakota law?

- A. Renting residential apartments**
- B. Negotiating sales of commercial properties**
- C. Renting rooms at a lodging establishment**
- D. Managing rental properties for landlords**

Renting rooms at a lodging establishment is not classified as "engaging in the real estate business" under South Dakota law because this activity typically falls under the realm of hospitality or transient lodging, which is regulated differently than residential or commercial real estate transactions. In South Dakota, the definition of engaging in real estate business primarily involves activities that pertain to the buying, selling, negotiating, or renting of real property that is occupied for longer durations or considered permanent residences. In contrast, activities such as renting residential apartments, negotiating sales of commercial properties, and managing rental properties for landlords directly involve the ongoing use and negotiation of real estate assets, which are integral to real estate operations and require proper licensing and regulatory compliance. Therefore, these activities are clearly defined as part of the real estate business in South Dakota.

4. For a 12-year license renewal, how many hours of education can come from a correspondence course?

- A. 3 hours**
- B. 6 hours**
- C. 12 hours**
- D. 24 hours**

For a 12-year license renewal in South Dakota, the regulations specify that a maximum of 6 hours of continuing education can be obtained through a correspondence course. This is an important aspect of maintaining an active license and ensuring that real estate professionals stay updated on current laws, practices, and industry standards. Correspondence courses provide flexibility for licensees to complete their continuing education requirements at their own pace, often making it easier for busy professionals to manage their time. However, the limitation on the number of hours ensures that licensees engage with a variety of educational formats and face-to-face learning opportunities, which can enhance comprehension and retention of crucial information. Therefore, understanding and adhering to this requirement is essential for maintaining compliance with state regulations and for the professional development of real estate agents in South Dakota.

5. What type of tenancy requires the landlord to provide notice before terminating the lease?

- A. Tenancy for years**
- B. Tenancy at will**
- C. Tenancy at sufferance**
- D. Periodic tenancy**

The type of tenancy that requires a landlord to provide notice before terminating the lease is periodic tenancy. This form of tenancy operates on a specified time period (such as weekly, monthly, or yearly) and automatically renews at the end of each period unless one party (the landlord or the tenant) provides proper notice to terminate the arrangement. In a periodic tenancy, the notice period that must be given is often outlined by state law or specified in the lease agreement. For example, if a tenant is renting month-to-month, the landlord typically must provide at least 30 days' notice before terminating the lease. This requirement is in place to protect the rights of both landlords and tenants, ensuring that neither party can abruptly end the tenancy without warning. In contrast, other forms of tenancy, such as tenancy for years, generally involve a predetermined end date and do not require notice for termination, as the lease naturally ends when the specified term concludes. Tenancy at sufferance pertains to situations where a tenant remains on the property without the landlord's consent after the lease has expired and does not inherently provide for a notice requirement for termination. Tenancy at will allows either party to terminate the agreement without advance notice, which further distinguishes it from periodic tenancy.

6. When must a real estate licensee provide the agency disclosure?

- A. After showing only one property**
- B. Before they are shown more than one property**
- C. At the closing of the sale**
- D. Only if the buyer requests it**

A real estate licensee is required to provide the agency disclosure before they show more than one property to a prospective buyer. This timing is significant because it ensures that the buyer is informed about the type of agency relationship they are entering into, which impacts their rights and the obligations of the licensee. By disclosing this information early in the process, the licensee helps the buyer make informed decisions and promotes transparency in the transaction. Providing the disclosure before multiple property showings establishes a clear understanding between the parties, helping to avoid potential conflicts of interest and misunderstanding later on. This practice aligns with the principles of ethical conduct in real estate, reinforcing the importance of disclosure in maintaining trust in the client-agent relationship.

7. What is the status of Mark's entitlement to a commission after the seller withdraws acceptance of a buyer's offer?

- A. He is not entitled to a commission**
- B. He is entitled to collect a commission**
- C. He can only collect a partial commission**
- D. He must wait for the seller to accept again**

In real estate transactions, entitlement to a commission typically hinges on the terms outlined in the listing agreement and the actions taken by the parties involved. When a seller withdraws acceptance of a buyer's offer, if a broker has already facilitated a ready, willing, and able buyer, the broker may still be entitled to a commission. The rationale behind this lies in the broker's role in the transaction. The broker earns a commission primarily for bringing buyers and sellers together and facilitating the sale, regardless of whether the sale ultimately goes through. If the seller decided to withdraw the acceptance after the broker's work, it does not negate the broker's entitlement to the commission as per the listing agreement, assuming no specific terms state otherwise. This understanding aligns with standard practices wherein the broker's right to commission is secured once a valid offer is presented and considered, even if subsequent actions by the seller terminate that offer. In this scenario, Mark would be entitled to collect a commission for his efforts in bringing a buyer to the seller, regardless of the seller's decision to retract the offer.

8. On which dates do property taxes become delinquent in South Dakota?

- A. January 1 and June 1**
- B. April 1 and October 1**
- C. May 1 and November 1**
- D. July 1 and December 1**

In South Dakota, property taxes are typically assessed as of January 1 each year, and they are due in two installments. The first installment is due on May 1, and the second is due on November 1. If a property owner fails to pay their taxes by these due dates, the taxes become delinquent. This structure reflects the state's taxation timeline and ensures that property taxes are collected in an organized manner. Choosing May 1 and November 1 accurately represents the delinquent dates after which the taxes would incur penalties. Understanding this timeline is crucial for property owners in managing their tax obligations and potential consequences of late payment.

9. When are property taxes usually assessed in South Dakota?

- A. Only when properties are sold
- B. Once a year on January 1**
- C. Quarterly at the beginning of each quarter
- D. Only when a new building is constructed

Property taxes in South Dakota are assessed annually on January 1. This means that the assessment of property values, which serves as the basis for property taxation, occurs at the start of the year, providing a consistent and predictable timeline for property owners and tax authorities alike. This annual assessment cycle allows for the valuation of property to reflect changes such as improvements or market fluctuations, ensuring that taxes are based on up-to-date property values. Options that suggest property taxes are assessed only upon sale or when new constructions occur do not accurately reflect the ongoing nature of the assessment process. Such approaches would lead to potentially inequitable taxation, as properties could be undervalued or overvalued depending on market conditions between transactions. The annual assessment on January 1 helps standardize the process, allowing all property owners to be treated consistently, regardless of when they purchased their property or made improvements.

10. What does a property manager primarily focus on?

- A. Defining property value
- B. Administrative tasks related to property maintenance**
- C. Negotiating new property sales
- D. Buying and selling properties

A property manager primarily focuses on administrative tasks related to property maintenance. This role involves overseeing the day-to-day operations of a property, which includes managing tenant relations, ensuring that maintenance and repairs are conducted, collecting rent, and handling leasing agreements. Keeping the property in good condition is essential for maximizing tenant satisfaction and retention, as well as maintaining the property's value. Property managers are not typically involved in defining property value, negotiating sales, or directly buying and selling properties. Their main responsibility is to ensure that the property operates smoothly and efficiently in terms of maintenance and tenant management, which ultimately benefits the property owner. By focusing on these administrative tasks, property managers allow property owners to maximize their investment while reducing the burdens of management.

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://sdrealestate.examzify.com>

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

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