

SOUTH 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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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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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 the amount of commission due to a Broker-Associate determined?**
 - A. By state regulations
 - B. Mutual agreement
 - C. Broker's discretion
 - D. Standard commission rates
- 2. In real estate ethics, what is the primary concern regarding client relationships?**
 - A. To maximize profit for the agent
 - B. To ensure all client needs are met
 - C. To protect the confidentiality of client information
 - D. To obtain referrals through satisfied clients
- 3. Which of the following describes an action that could be considered part of procuring cause?**
 - A. Directly negotiating with a buyer
 - B. Advertising the property extensively
 - C. Hosting an open house event
 - D. Following up with interested buyers
- 4. What is the duration of record-keeping required for South Dakota real estate transactions?**
 - A. Two years
 - B. Four years
 - C. Six years
 - D. Eight years
- 5. 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

- 6. How are commissions earned by a broker determined in a real estate transaction?**
- A. By market trends
 - B. By the agreement of the broker and their principal
 - C. By standard commission rates
 - D. By the local real estate board
- 7. When is a seller required to provide a property condition disclosure report to a buyer?**
- A. Only when assisted by a licensed real estate licensee
 - B. Prior to the buyer making a written offer
 - C. Upon request of the buyer
 - D. Only if the property is in disrepair
- 8. What is required from both parties to finalize the terms of a real estate contract?**
- A. Written agreement from a legal consultant
 - B. Mutual agreement
 - C. A court approval
 - D. A verbal confirmation
- 9. How long must a tax sale purchaser wait before starting action to obtain title if there is no redemption?**
- A. Two years from the date of tax sale
 - B. One year from the date of tax sale
 - C. Three years from the date of tax sale
 - D. Five years from the date of tax sale
- 10. What is the implication when a buyer does not wish to enter into a buyer agency agreement?**
- A. The buyer can view in-house listings only
 - B. The buyer can negotiate without representation
 - C. The buyer must agree to an exclusive representation
 - D. The buyer cannot submit offers

Answers

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

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Explanations

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1. How is the amount of commission due to a Broker-Associate determined?

- A. By state regulations
- B. Mutual agreement**
- C. Broker's discretion
- D. Standard commission rates

The amount of commission due to a Broker-Associate is determined by mutual agreement between the Broker-Associate and the broker they are affiliated with. This reflects the idea that commission structures can vary significantly based on factors such as the specific brokerage's policies, the services offered, market conditions, and negotiations between the parties involved. In practice, the commission rate is often a result of discussions and agreements made before a transaction closes, allowing both the Broker-Associate and their broker to align on expectations and compensation. This flexibility is essential to accommodate various business models and to foster arrangements that benefit both the broker and the associate according to their individual contributions and market dynamics. While state regulations might provide guidelines within which these commissions must fall, they do not dictate specific commission amounts or structures. Similarly, standard commission rates can exist in the industry, but they are not binding; ultimately, it is the negotiation between the parties that determines the final agreement. The broker's discretion also plays a role, but again, it must align with what has been mutually agreed upon, making the collaborative aspect central to the determination of commission.

2. In real estate ethics, what is the primary concern regarding client relationships?

- A. To maximize profit for the agent
- B. To ensure all client needs are met
- C. To protect the confidentiality of client information**
- D. To obtain referrals through satisfied clients

In real estate ethics, the primary concern regarding client relationships is to protect the confidentiality of client information. This principle is fundamental to maintaining trust between real estate professionals and their clients. Confidentiality ensures that sensitive information shared by clients, such as personal financial details, motivations for buying or selling, and negotiation strategies, is kept private and not disclosed without the client's consent. Upholding this ethical standard is crucial for agents to build strong, trust-based relationships with their clients, ultimately fostering a positive professional environment. Confidentiality is also closely linked to the ethical obligation to act in the best interests of the client, ensuring that their information is securely handled. This tenet of real estate ethics aligns with broader professional standards across various sectors, emphasizing the importance of safeguarding client information in all interactions. By prioritizing confidentiality, agents demonstrate professionalism and integrity, which further enhances their credibility and the overall reputation of the real estate profession.

3. Which of the following describes an action that could be considered part of procuring cause?

- A. Directly negotiating with a buyer
- B. Advertising the property extensively
- C. Hosting an open house event**
- D. Following up with interested buyers

Procuring cause refers to the actions taken by a real estate professional that lead to a successful transaction, specifically those that are instrumental in bringing about a sale. Hosting an open house event is an effective strategy as it provides an opportunity for prospective buyers to view a property firsthand. During these events, the agent engages with attendees, answers questions, and creates interest in the property, all of which can directly lead to a sale. This kind of proactive engagement is vital in establishing the agent's role in the transaction. In contrast, while directly negotiating with a buyer, advertising a property, and following up with interested buyers are essential components of the real estate process, they may not individually encapsulate the entire effort involved in establishing procuring cause. Therefore, hosting an open house stands out as a specific action that not only showcases the property but also actively engages potential buyers, thereby strengthening the agent's connection to the eventual sale.

4. What is the duration of record-keeping required for South Dakota real estate transactions?

- A. Two years
- B. Four years**
- C. Six years
- D. Eight years

In South Dakota, real estate brokers and agents are required to maintain records related to transactions for a minimum of four years. This duration is important as it allows for the review and verification of transactions in case of disputes or audits. Keeping records for this time frame ensures that both the brokers and their clients have access to essential documentation, such as contracts, disclosure statements, and financial records, which may be necessary for legal reasons or to resolve any issues that arise after a transaction has been completed. This four-year period aligns with various legal standards and industry practices, providing a reasonable time frame for potential claims or inquiries to come up after a transaction has closed. It's crucial for real estate professionals to stay compliant with these record-keeping requirements to protect themselves and provide transparency in their operations.

5. 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.

6. How are commissions earned by a broker determined in a real estate transaction?

- A. By market trends
- B. By the agreement of the broker and their principal**
- C. By standard commission rates
- D. By the local real estate board

Commissions earned by a broker in a real estate transaction are primarily determined by the agreement made between the broker and their principal, which is typically the seller or the buyer. This agreement outlines the terms of the commission, including the percentage of the sale price or a flat fee that the broker will earn upon the successful completion of the transaction. This contractual relationship is crucial because it allows both parties to negotiate and agree on the specifics, taking into account various factors such as the level of service provided, the complexity of the transaction, and the prevailing market conditions. While market trends, standard commission rates, and local real estate board guidelines can influence commission structures, the definitive agreement between the broker and their principal governs the specific commission for each transaction.

7. When is a seller required to provide a property condition disclosure report to a buyer?

- A. Only when assisted by a licensed real estate licensee
- B. Prior to the buyer making a written offer**
- C. Upon request of the buyer
- D. Only if the property is in disrepair

The requirement for a seller to provide a property condition disclosure report prior to the buyer making a written offer is rooted in the principle of transparency in real estate transactions. This practice aims to ensure that potential buyers have access to essential information regarding the condition of the property before they commit to making an offer. Providing this report before an offer allows buyers to make informed decisions and assess any potential risks associated with the property. By having the disclosure report in hand, buyers can evaluate whether to proceed with the transaction, negotiate the offer based on the property's condition, or decide to walk away entirely if the disclosure reveals issues that are unacceptable to them. This requirement also helps to protect sellers by establishing a clear record of the property's condition, which can be beneficial in case any disputes arise later regarding what was disclosed at the time of sale. In contrast to other choices, requiring the report only when assisted by a licensed real estate licensee limits the transparency that should be afforded to all buyers, while providing it only upon request could lead to situations where potential buyers lack critical information in their decision-making process. Lastly, limiting the requirement to circumstances where the property is in disrepair fails to acknowledge that all properties, regardless of their condition, can have issues that a seller should disclose

8. What is required from both parties to finalize the terms of a real estate contract?

- A. Written agreement from a legal consultant
- B. Mutual agreement**
- C. A court approval
- D. A verbal confirmation

The requirement for mutual agreement between both parties is fundamental in finalizing the terms of a real estate contract. This concept, often referred to as "meeting of the minds," ensures that both the buyer and the seller have a clear understanding of the deal's specific terms and conditions. Mutual agreement signifies that both parties have accepted the same offer and are willing to perform their respective obligations under the contract. In the context of real estate transactions, mutual agreement is typically formalized through the signing of a contract, which outlines the details of the transaction, such as purchase price, property description, and any contingencies. The importance of this mutual consent cannot be overstated, as it reflects the intention of both parties to be bound by the terms of the agreement. Without this essential element, a contract may be deemed unenforceable, leading to potential disputes or misunderstandings. The notion of requiring a written agreement from a legal consultant is not standard; while having legal assistance is advisable, it is not a mandatory step in the contract finalization process. Similarly, court approval is not necessary for a typical real estate transaction between private parties, and verbal confirmation alone does not provide the legal enforceability that a written contract creates. Therefore, mutual agreement stands as the critical and necessary

9. How long must a tax sale purchaser wait before starting action to obtain title if there is no redemption?

- A. Two years from the date of tax sale
- B. One year from the date of tax sale
- C. Three years from the date of tax sale**
- D. Five years from the date of tax sale

In South Dakota, a tax sale purchaser is required to wait three years from the date of the tax sale before initiating action to obtain title to the property if there is no redemption. This three-year period is established by state law to provide property owners a sufficient timeframe to pay their delinquent taxes and redeem their property. The waiting period is crucial as it balances the interests of tax sale purchasers, who seek to secure a clear title, and the rights of property owners, allowing them the opportunity to resolve their tax obligations. Understanding this timeframe is essential for prospective purchasers at tax sales, as it directly impacts their strategy and expectations regarding property acquisition.

10. What is the implication when a buyer does not wish to enter into a buyer agency agreement?

- A. The buyer can view in-house listings only**
- B. The buyer can negotiate without representation
- C. The buyer must agree to an exclusive representation
- D. The buyer cannot submit offers

The correct answer reflects the scenario where a buyer chooses not to enter into a buyer agency agreement. By opting out of such an agreement, the buyer retains the ability to view properties listed by the same brokerage, often referred to as in-house listings. Without a buyer agency relationship, the buyer operates without formal representation from an agent, which means they may not receive the full spectrum of services that a dedicated buyer's agent would provide. This status does not limit the buyer solely to in-house listings, as they can still access other properties listed with different brokers; however, it indicates the absence of a formal engagement with an agent to represent their interests in the transaction. While the buyer can negotiate directly with sellers or their representatives, this can lead to a less informed and potentially disadvantageous position for the buyer in negotiations. Overall, the lack of a buyer agency agreement enhances the buyer's autonomy in viewing listings but also places the onus on them to navigate the complexities of real estate transactions without professional guidance.

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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