

Tennessee 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. In timeshare sales, is it true that a sales presentation requirement must be disclosed?**
 - A. True**
 - B. False**
 - C. Only in certain states**
 - D. Only if requested**
- 2. What happens if a licensee fails to complete continuing education requirements?**
 - A. They may face a fine**
 - B. They may lose their license**
 - C. They need to retake the licensing exam**
 - D. They will receive a warning letter**
- 3. Under the Consumer Protection Act, what type of offense is committing an unfair or deceptive act?**
 - A. Class A Felony**
 - B. Class C Misdemeanor**
 - C. Class B Misdemeanor**
 - D. Civil Liability**
- 4. What type of exam must a Time Share Salesperson take?**
 - A. Only the national part of PSI exam**
 - B. Only the state part of PSI exam**
 - C. Both the national and state parts of PSI exam**
 - D. No exam is required**
- 5. What are "co-mingling" funds in real estate?**
 - A. Mixing a client's funds with personal funds**
 - B. Maintaining separate accounts for each client**
 - C. Depositing funds into a trust account**
 - D. Using client funds for personal expenses**

6. What is the cost for a Tennessee affiliate broker license application?

- A. \$100
- B. \$110
- C. \$120
- D. \$150

7. What is the main purpose of the commission in real estate?

- A. To regulate fees
- B. To protect consumers
- C. To oversee advertising
- D. To manage license issuance

8. What is a "buyer's agent" responsible for?

- A. Advocating for the buyer's interests in a real estate transaction
- B. Representing the seller during negotiations
- C. Managing property appraisals
- D. Conducting open houses

9. Is it true that the odds of winning a prize or gift in a timeshare offer need to be provided?

- A. True
- B. False
- C. Only if the offer is misleading
- D. Only for large prizes

10. Which of the following is a primary mission of the Tennessee Real Estate Commission?

- A. Facilitate real estate education
- B. Protect the public
- C. Increase state revenue
- D. Support commercial real estate

Answers

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

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Explanations

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1. In timeshare sales, is it true that a sales presentation requirement must be disclosed?

- A. True**
- B. False**
- C. Only in certain states**
- D. Only if requested**

In timeshare sales, it is indeed required to disclose the sales presentation requirement. This means that when a potential buyer is approached or invited to a timeshare presentation, they must be informed that attendance at the presentation is part of the sales process. This transparency is crucial because it allows consumers to make an informed decision about whether they want to participate in the presentation. The requirement to disclose such information is intended to protect consumers by ensuring they are aware of what they are engaging in, as timeshare presentations can sometimes involve high-pressure sales tactics. By law, this disclosure must be clear and not misleading, facilitating an environment where the potential buyer can fully understand the implications of attending the sales presentation before committing to it. This practice is in line with consumer protection laws and ethical standards within real estate transactions, ensuring that the rights and interests of the consumer are upheld during the sales process.

2. What happens if a licensee fails to complete continuing education requirements?

- A. They may face a fine**
- B. They may lose their license**
- C. They need to retake the licensing exam**
- D. They will receive a warning letter**

If a licensee fails to complete continuing education requirements, they may lose their license. Continuing education is a crucial component of maintaining a real estate license, as it ensures that professionals stay updated on industry changes, regulations, and best practices. In Tennessee, the real estate commission mandates certain educational requirements to uphold the integrity and professionalism of licensees in the field. Failure to satisfy these educational obligations can result in severe penalties, including the suspension or revocation of the license. This is designed to protect consumers and maintain a high standard of service within the real estate industry. Other potential consequences may include fines or warnings, but the most significant and detrimental outcome is the loss of the license, which directly impacts the ability to practice in the field.

3. Under the Consumer Protection Act, what type of offense is committing an unfair or deceptive act?

- A. Class A Felony**
- B. Class C Misdemeanor**
- C. Class B Misdemeanor**
- D. Civil Liability**

Under the Consumer Protection Act, committing an unfair or deceptive act is classified as a Class B Misdemeanor. This classification indicates that the act is considered a criminal offense, but it is less severe than a felony. Class B Misdemeanors generally carry penalties that may include fines and possible jail time, but the repercussions are not as severe as those associated with Class A Felonies, which are more serious offenses. This legal framework is designed to protect consumers from fraud and deception, ensuring fairness in consumer transactions. By categorizing these unfair practices as a Class B Misdemeanor, the law emphasizes the importance of ethical conduct in commercial transactions while still providing avenues for civil remedies and enforcement. The other classifications, such as Class A Felonies or Class C Misdemeanors, represent different levels of severity in criminal offenses, while civil liability refers to the civil consequence that can arise from unfair and deceptive acts, such as lawsuits for damages. The distinction of Class B Misdemeanor specifically highlights the serious nature of engaging in such deceptive practices under the law.

4. What type of exam must a Time Share Salesperson take?

- A. Only the national part of PSI exam**
- B. Only the state part of PSI exam**
- C. Both the national and state parts of PSI exam**
- D. No exam is required**

In Tennessee, a Time Share Salesperson is required to take only the state part of the PSI exam. This requirement is specific to the licensing process for time share sales representatives, distinguishing it from other real estate licenses that may necessitate the completion of both national and state examinations. The state exam focuses on the laws, regulations, and practices specific to Tennessee, which is essential for anyone engaging in time share sales within the state. This ensures that the salesperson is well-versed in local real estate laws and practices, which is crucial for compliance and effective operation in the market. Hence, the correct choice highlights the tailored approach to the time share licensing process in Tennessee.

5. What are "co-mingling" funds in real estate?

- A. Mixing a client's funds with personal funds**
- B. Maintaining separate accounts for each client**
- C. Depositing funds into a trust account**
- D. Using client funds for personal expenses**

Co-mingling funds in real estate refers to the inappropriate mixing of a client's funds with personal funds. This practice is generally considered unethical and can violate state regulations governing real estate transactions and the handling of client funds. When a real estate agent or broker mixes their personal funds with those of their clients, it obscures the clarity of financial transactions and can lead to various legal issues, including the potential for misappropriation of client funds. Maintaining separate accounts for each client is a best practice in the industry that helps to ensure transparency and accountability. Depositing funds into a trust account is also a proper method of handling client funds, as it keeps them secure and distinct from personal finances. Using client funds for personal expenses is clearly a misappropriation of funds, which can lead to serious legal consequences and harm the professional reputation of the agent or broker involved. Therefore, recognizing co-mingling funds is crucial for maintaining ethical standards in real estate transactions.

6. What is the cost for a Tennessee affiliate broker license application?

- A. \$100**
- B. \$110**
- C. \$120**
- D. \$150**

The cost for a Tennessee affiliate broker license application is indeed \$100. This fee is established by the Tennessee Real Estate Commission and is applicable for those seeking to obtain their affiliate broker license. Understanding the licensing fees is crucial for prospective real estate professionals as it forms part of the initial costs associated with entering the field. It's important for applicants to be aware of any additional costs that might be involved in the licensing process, such as exam fees or pre-licensing coursework. However, when considering just the application fee itself, \$100 is the established amount that must be paid to submit an application for an affiliate broker license in Tennessee.

7. What is the main purpose of the commission in real estate?

- A. To regulate fees
- B. To protect consumers**
- C. To oversee advertising
- D. To manage license issuance

The main purpose of the commission in real estate is to protect consumers. This role is crucial as it ensures that real estate practices are conducted fairly and ethically. The commission establishes rules and regulations that govern the actions of real estate professionals, which helps to maintain a standard of practice that safeguards buyers, sellers, and renters from fraud and unethical behavior. By enforcing these standards, the commission aims to create a transparent and reliable market environment, fostering consumer confidence in real estate transactions. While regulating fees, overseeing advertising, and managing license issuance are important functions of the commission, they serve as means to an end, which is the overarching goal of consumer protection. Protecting consumers involves not only regulatory oversight but also educating them about their rights and responsibilities within the real estate market. Thus, the emphasis on consumer protection is vital in maintaining the integrity of the real estate profession.

8. What is a "buyer's agent" responsible for?

- A. Advocating for the buyer's interests in a real estate transaction**
- B. Representing the seller during negotiations
- C. Managing property appraisals
- D. Conducting open houses

A buyer's agent is responsible for advocating for the buyer's interests in a real estate transaction. This role involves guiding the buyer through the complex process of purchasing property, providing advice on market conditions, helping to identify suitable homes, and negotiating offers. The buyer's agent acts in the best interests of the buyer, ensuring that their needs and preferences are prioritized throughout the transaction. This includes obtaining the best possible price and terms on behalf of the buyer, as well as facilitating communication and transactions between the buyer and other parties involved, such as sellers and lenders. The other options pertain to responsibilities that do not align with the role of a buyer's agent. For instance, representing the seller during negotiations is the role of a listing agent, who advocates for the seller's interests. Managing property appraisals is typically conducted by licensed appraisers, while conducting open houses is usually a task associated with agents representing sellers.

9. Is it true that the odds of winning a prize or gift in a timeshare offer need to be provided?

- A. True**
- B. False**
- C. Only if the offer is misleading**
- D. Only for large prizes**

In Tennessee, the regulations surrounding timeshare offers include the requirement for clear and truthful communication regarding any promotions, including prizes or gifts associated with a timeshare presentation. However, if the odds of winning a prize or gift are not legally required to be disclosed, it indicates that presenting the odds is not a mandated practice within these offers. This means that although it is best practice to be transparent about promotional winnings—which builds trust and credibility—there is no legal obligation to provide odds in every instance. Therefore, the statement asserting that the odds need to be provided is false in the context of Tennessee law. This absence of obligation helps create a regulatory framework where not all promotional elements must be laid out in detail, leading to the classification of the statement as incorrect.

10. Which of the following is a primary mission of the Tennessee Real Estate Commission?

- A. Facilitate real estate education**
- B. Protect the public**
- C. Increase state revenue**
- D. Support commercial real estate**

The primary mission of the Tennessee Real Estate Commission focuses on protecting the public in real estate transactions. This is central to the Commission's role, as it aims to ensure that consumers engage in transactions that are fair, transparent, and conducted by professionals who adhere to established standards and ethical practices. By regulating real estate licenses, overseeing compliance with the law, and implementing measures to safeguard consumers' interests, the Commission works to maintain trust in the real estate market and prevent potential fraud or unethical behavior. Although facilitating real estate education is important and plays a role in enhancing industry standards, it is a means to an end—the ultimate goal remains the protection of the public. Similarly, while increasing state revenue and supporting commercial real estate might be beneficial outcomes related to a healthy real estate market, these objectives do not define the Commission's core mission. The emphasis is always placed on consumer protection as the foundational element of the Commission's responsibilities.

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://tennesseerealexam.examzify.com>

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

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