

# Texas Real Estate Principles 1 Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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 used to mark elevation in surveying?**
  - A. Level Line**
  - B. Benchmark**
  - C. Datum**
  - D. Altitude Marker**
  
- 2. What is the process called that separates the use of property?**
  - A. Zoning**
  - B. Easement**
  - C. Subdivision**
  - D. Land Use**
  
- 3. How many square feet are there in one acre?**
  - A. 10,000**
  - B. 20,000**
  - C. 43,560**
  - D. 54,450**
  
- 4. Which term refers to when a considerable amount of the contract is completed and accepted?**
  - A. Partial Performance**
  - B. Substantial Performance**
  - C. Specific Performance**
  - D. Accord and Satisfaction**
  
- 5. Which act attempts to ensure equal opportunity in credit regardless of income from public assistance?**
  - A. Civil Rights Act**
  - B. Equal Credit Opportunity Act of 1974**
  - C. Fair Housing Act**
  - D. Americans with Disabilities Act**

- 6. What is an encumbrance in relation to property?**
- A. A full ownership right**
  - B. A claim that limits fee simple estate**
  - C. A lease agreement**
  - D. A mortgage obligation**
- 7. What does equitable title provide the buyer in a property transaction?**
- A. Immediate Possession**
  - B. Right to Rescind**
  - C. Right to Demand Legal Title**
  - D. Exclusive Use of Property**
- 8. What unit is equivalent to 1 square mile or 640 acres?**
- A. Acre**
  - B. Parcel**
  - C. Unit**
  - D. Hectare**
- 9. A promise in exchange for an act describes which type of contract?**
- A. Bilateral Contract**
  - B. Unilateral Contract**
  - C. Executory Contract**
  - D. Void Contract**
- 10. What do you call a contract that has not been fulfilled by one or more parties?**
- A. Executed Contract**
  - B. Executory Contract**
  - C. Void Contract**
  - D. Enforceable Contract**

## Answers

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

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## **Explanations**

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## 1. What is used to mark elevation in surveying?

- A. Level Line
- B. Benchmark
- C. Datum**
- D. Altitude Marker

The correct answer is datum. In surveying, a datum serves as a reference point or a baseline from which measurements of elevation are taken. This reference point is critical because it establishes a common standard for planners and builders to measure heights and depths accurately across different locations. Datums can be local or global and provide a consistent framework for understanding how elevations relate to one another. For instance, a common datum used in the United States is the North American Vertical Datum of 1988 (NAVD88), which provides a consistent basis for evaluating elevations across the country. Other choices might refer to different aspects of surveying. A benchmark, for example, is a specific point that has a known elevation but is often used in conjunction with a datum. A level line is related to horizontal measurements rather than elevation, and an altitude marker is typically not a standard term used in surveying for establishing elevation. Thus, datum is the most accurate term that encapsulates the reference system for measuring elevation.

## 2. What is the process called that separates the use of property?

- A. Zoning**
- B. Easement
- C. Subdivision
- D. Land Use

Zoning is the process that regulates land use by designating specific areas for different types of activities, such as residential, commercial, industrial, or agricultural uses. This is implemented by local governments to ensure that land development and usage conform to community plans, promote orderly growth, and protect the character of neighborhoods. Zoning laws determine what types of buildings and activities are permissible in certain areas, helping to maintain the desired environment and support public welfare. Easements, while related to property rights, pertain specifically to granting access to or rights over another's property for a particular purpose, such as utility access or pathways. Subdivision refers to the process of dividing a tract of land into smaller parcels, which may arise after zoning laws dictate how the land can be used but does not itself manage the use of the property. Land use is a broader term that encompasses all aspects of property utilization but does not specifically refer to the regulatory process designed to separate uses, which is where zoning comes into play.

### 3. How many square feet are there in one acre?

- A. 10,000
- B. 20,000
- C. 43,560**
- D. 54,450

One acre is defined as a unit of area that is equivalent to 43,560 square feet. This measurement is standard and widely recognized in real estate and land use contexts. Understanding this conversion is crucial for real estate professionals, as they often work with property sizes that require measurement in both acres and square feet. For instance, when evaluating land for development or sale, knowing how many square feet are in an acre helps in determining property values and assessing potential land use. This knowledge is frequently applied when comparing property sizes or in zoning discussions. The other figures listed do not accurately represent the size of an acre, reinforcing the importance of memorizing this specific conversion factor in real estate practices.

### 4. Which term refers to when a considerable amount of the contract is completed and accepted?

- A. Partial Performance
- B. Substantial Performance**
- C. Specific Performance
- D. Accord and Satisfaction

Substantial Performance is the correct term that refers to a situation where a considerable amount of the contract has been completed and accepted, even if some minor terms of the contract have not been fully met. This concept is especially important in contract law, as it recognizes that when the essential duties of a contract are performed, the performer may still be entitled to payment or completion of the contract obligations. In many cases, substantial performance allows for the assurance that the primary intentions of the contract have been satisfied, ensuring that one party is not unfairly penalized for minor deviations from the agreed terms. This principle balances the interests of both parties in the context of contractual obligations, affirming that the work done fulfills the core purpose of the agreement. Understanding substantial performance is vital for parties in a contract, as it provides clarity on how to proceed when there are disputes over contract fulfillment. In contrast, other terms like Partial Performance specifically relate to the extent of completion that doesn't meet the criteria for substantial fulfillment, and Specific Performance involves fulfilling the exact terms of a contract when monetary compensation isn't adequate. Accord and Satisfaction, meanwhile, is a different concept that refers to resolving a dispute by agreeing to a settlement.

**5. Which act attempts to ensure equal opportunity in credit regardless of income from public assistance?**

**A. Civil Rights Act**

**B. Equal Credit Opportunity Act of 1974**

**C. Fair Housing Act**

**D. Americans with Disabilities Act**

The Equal Credit Opportunity Act of 1974 is the legislation designed to eliminate discrimination in credit transactions. This act ensures that individuals, regardless of their race, color, religion, national origin, sex, marital status, or age, have equal access to credit. Importantly, it also stipulates that income derived from public assistance cannot be a factor that disadvantages a borrower when applying for credit. By safeguarding these rights, the act aims to promote fair lending practices and reduce barriers that might otherwise prevent eligible consumers from obtaining credit based solely on their financial status or source of income. In contrast, the Civil Rights Act primarily addresses discrimination in various areas of public life, including employment and education, but is not specifically focused on credit. The Fair Housing Act targets discrimination in housing transactions rather than credit. The Americans with Disabilities Act focuses on preventing discrimination against individuals with disabilities in various aspects, including employment and access to goods and services. Therefore, the Equal Credit Opportunity Act distinctly addresses the issue of equal access to credit opportunities, making it the correct choice.

**6. What is an encumbrance in relation to property?**

**A. A full ownership right**

**B. A claim that limits fee simple estate**

**C. A lease agreement**

**D. A mortgage obligation**

An encumbrance refers to a claim or a restriction on the property that limits the rights of the property owner. In the context of real estate, it signifies that someone else has a vested interest or legal right regarding the property, which can affect the owner's ability to use or transfer the property freely. In this scenario, the phrase "limits fee simple estate" accurately captures the essence of an encumbrance. A fee simple estate represents the highest form of property ownership, giving the owner complete control over the property. However, when an encumbrance is present, it imposes certain limitations on that ownership—such as easements, liens, or restrictions imposed by zoning laws or other regulations. The other options, while relevant in the realm of real estate, do not define encumbrances. Full ownership rights represent a complete and unobstructed ownership claim, a lease agreement pertains to the rental arrangement between a landlord and tenant, and a mortgage obligation, though it can be classified as an encumbrance because it represents a financial claim against the property, doesn't capture the broader range of encumbrances that can exist beyond just mortgages. Therefore, the definition of an encumbrance as it relates to property is best described by its ability to

**7. What does equitable title provide the buyer in a property transaction?**

- A. Immediate Possession**
- B. Right to Rescind**
- C. Right to Demand Legal Title**
- D. Exclusive Use of Property**

Equitable title is a legal concept that gives a buyer certain rights to a property before they receive legal title. When a buyer has equitable title, it signifies that they have obtained a stake or interest in the property, usually through a contract to buy it, even though the legal title has not yet transferred to them. The most significant aspect of equitable title is that it provides the buyer with the right to demand legal title at the closing of the transaction. This means that as the buyer fulfills their obligations under the contract (such as payment), they gain the expectation and right to eventually receive full ownership of the property. This principle helps to ensure that the buyer can take possession of the property and enjoy its benefits once all contractual conditions are met. In contrast, other options like immediate possession, the right to rescind, or exclusive use of property do not fully encompass the specific legal implications of equitable title. While equitable title might provide some level of use or access depending on the agreement terms, its primary significance lies in the buyer's right to demand the legal title upon satisfying the conditions of the sale.

**8. What unit is equivalent to 1 square mile or 640 acres?**

- A. Acre**
- B. Parcel**
- C. Unit**
- D. Hectare**

The answer provided is not the most accurate choice regarding the equivalent of 1 square mile. The unit that is equivalent to 1 square mile is actually 640 acres. Each square mile contains exactly 640 acres, establishing a direct conversion between these two units of measure. Acre is a specific unit of land measure, but it does not represent 1 square mile; rather, it is the building block used to calculate square miles, where 640 acres makes up one square mile. Parcel refers to a piece of land but is not a standardized measurement unit like an acre or square mile. Hectare is another unit of area, used predominantly outside the United States, where 1 hectare is approximately 2.47 acres. Therefore, it does not equal 1 square mile either. The accurate representation of the relationship in question is crucial as it pertains to real estate transactions and land measurement in Texas and beyond.

**9. A promise in exchange for an act describes which type of contract?**

- A. Bilateral Contract**
- B. Unilateral Contract**
- C. Executory Contract**
- D. Void Contract**

A promise in exchange for an act characterizes a unilateral contract. In a unilateral contract, one party makes a promise that is contingent upon the performance of an act by another party. For example, if someone offers a reward for the return of a lost pet, the offeror is making a promise to pay upon the performance of the act of returning the pet. The contract is only formed when the act is performed, meaning that the party who is accepting the offer does not need to respond or promise anything in return; they simply need to complete the action specified. In contrast, a bilateral contract involves mutual promises where both parties agree to perform certain obligations in exchange for the other's performance. An executory contract refers to a contract that has been agreed upon but for which the terms have not yet been fully completed — this is not related to the concept of a promise in exchange for an act. A void contract is one that is not legally enforceable, either due to missing essential elements of a valid contract or being against public policy, but this does not apply in the context of promises and acts.

**10. What do you call a contract that has not been fulfilled by one or more parties?**

- A. Executed Contract**
- B. Executory Contract**
- C. Void Contract**
- D. Enforceable Contract**

A contract that has not been fulfilled by one or more parties is referred to as an executory contract. This term describes agreements where one or more obligations remain to be performed. In real estate, for example, if a buyer has signed a purchase agreement but the sale has not yet closed, the contract is executory, as the parties have ongoing responsibilities to fulfill. In contrast, an executed contract is one where all parties have fulfilled their obligations, resulting in completion of the contract terms. A void contract is one that is not legally enforceable from the moment it is created, often due to illegal content or lack of capacity, meaning that it never had legal effect. An enforceable contract is valid and can be upheld in a court of law, but this term does not specifically address the status of performance by the parties involved. Therefore, the accurate designation for a contract with outstanding obligations is indeed an executory contract.

## 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](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://txrealestateprinciples1.examzify.com>**

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