

VanEd National Real Estate Practice Exam (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

- 1. What type of partnership invests in but does not actively manage the operation?**
 - A. General Partnership**
 - B. Limited Partnership**
 - C. Joint Venture**
 - D. Sole Proprietorship**
- 2. If a 17-year-old signs a contract, how can that contract be characterized?**
 - A. Legally binding**
 - B. Void**
 - C. Unenforceable**
 - D. Valid with parental consent**
- 3. Which of the following is NOT covered by extended coverage title insurance?**
 - A. Government restrictions on property use**
 - B. Changes due to zoning ordinances**
 - C. Liens on the property**
 - D. Errors made in public records**
- 4. Is it legal for a title company to pay a broker for services rendered?**
 - A. Yes, it is allowed**
 - B. No, this is against the law**
 - C. Only if it's disclosed**
 - D. Yes, but only under certain conditions**
- 5. What type of easement can be claimed after a gate has been unlocked for 10 years, restricting access to a water source?**
 - A. By necessity**
 - B. By prescription**
 - C. By implication**
 - D. By written agreement**

- 6. In which situation does an attorney-in-fact violate their fiduciary duty?**
- A. Failing to disclose conflicts of interest**
 - B. Purchasing the principal's property**
 - C. Mismanaging the principal's funds**
 - D. Withholding sensitive information from the principal**
- 7. When did the closing for the Apton property take place?**
- A. March 7**
 - B. June 1**
 - C. August 18**
 - D. January 25**
- 8. If the interest for 4 months on a loan of \$80,000 is \$3,200, what is the annual interest rate?**
- A. 10%**
 - B. 12%**
 - C. 14%**
 - D. 16%**
- 9. What is an agreement called where one party acts on behalf of another party?**
- A. Contract**
 - B. Agency**
 - C. Partnership**
 - D. Representation**
- 10. What do you generally need to provide when making an offer on a property?**
- A. Proof of funds**
 - B. A letter of intent**
 - C. A pre-approval letter**
 - D. All of the above**

Answers

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

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Explanations

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1. What type of partnership invests in but does not actively manage the operation?

- A. General Partnership**
- B. Limited Partnership**
- C. Joint Venture**
- D. Sole Proprietorship**

A limited partnership is defined by having at least one general partner who manages the business and assumes unlimited liability, while the limited partners contribute capital and share in the profits without participating in day-to-day management. This structure allows limited partners to invest in a venture while protecting their personal assets beyond their initial investment in case of losses or legal issues. The other options represent different arrangements. A general partnership involves all partners actively managing the business and sharing liabilities, which does not fit the criteria of passive investment. A joint venture is typically a temporary partnership formed for a specific project, and participants usually manage the venture actively. A sole proprietorship is owned and operated by a single individual who is responsible for all aspects, including management. Therefore, the limited partnership uniquely suits the description of investors not directly managing operations.

2. If a 17-year-old signs a contract, how can that contract be characterized?

- A. Legally binding**
- B. Void**
- C. Unenforceable**
- D. Valid with parental consent**

A contract signed by a 17-year-old can generally be characterized as unenforceable. In most jurisdictions, individuals under the age of 18 are considered minors, and contracts they enter into are typically not legally binding on them. This means that while the contract exists, it cannot be enforced against the minor. The primary rationale for this principle is to protect minors from being held to agreements that they may not fully understand or that may take advantage of their inexperience. While the option of being void may seem plausible, a void contract implies that the contract is null from the outset and has no legal effect whatsoever, which differs from being unenforceable. A contract that is unenforceable does exist but cannot be enforced in a court of law. Validity with parental consent varies depending on local laws, and typically, for contracts involving minors, consent may allow for enforcement but does not automatically make the original contract valid. Therefore, describing the contract as unenforceable best captures its legal status.

3. Which of the following is NOT covered by extended coverage title insurance?

- A. Government restrictions on property use**
- B. Changes due to zoning ordinances**
- C. Liens on the property**
- D. Errors made in public records**

Extended coverage title insurance is designed to cover a broader range of risks compared to standard title insurance policies, but there are still limitations to what it encompasses. One key exclusion from this type of insurance is changes due to zoning ordinances. Zoning ordinances can change how a property can be used, impacting its value and the owner's ability to develop or modify the property in the future. Since zoning regulations are subject to government authority and can evolve over time, they are not covered by title insurance. This means that any changes in zoning that occur after the issuance of the policy, or any existing zoning restrictions that were in place prior, would not be protected under the coverage provided. Understanding the limitations of title insurance is crucial for property buyers and investors, as it highlights the need for due diligence in checking local zoning laws and regulations prior to purchasing a property. Other items like government restrictions, liens, and errors in public records tend to have some level of coverage under extended policies, making zoning changes a notable exception.

4. Is it legal for a title company to pay a broker for services rendered?

- A. Yes, it is allowed**
- B. No, this is against the law**
- C. Only if it's disclosed**
- D. Yes, but only under certain conditions**

The legal framework surrounding payments from title companies to real estate brokers is guided by anti-kickback legislation, particularly the Real Estate Settlement Procedures Act (RESPA). Under RESPA, any form of compensation for referrals or services that is not compliant with established guidelines can constitute a violation. When considering whether a title company can pay a broker, it's essential to realize that such payments must be fully disclosed and must pertain to legitimate services performed. If a title company pays a broker simply for the referral of business, without any substantive service being provided, this action would be deemed illegal under RESPA and other related laws. Therefore, without proper disclosures and adherence to legal stipulations surrounding compensation practices, it is indeed against the law for a title company to pay a broker simply for services not rendered in a compliant manner, which aligns with the answer given. The refusal to allow such practices helps maintain transparency and fairness within real estate transactions.

5. What type of easement can be claimed after a gate has been unlocked for 10 years, restricting access to a water source?

A. By necessity

B. By prescription

C. By implication

D. By written agreement

An easement by prescription is established when someone uses another person's land openly, continuously, and without permission for a specific period of time, which is typically set by state law. In the scenario provided, the fact that a gate has been unlocked for 10 years suggests that there has been continuous and open access to the water source, indicating that the usage meets the criteria for a prescriptive easement. The key element here is the length of time—10 years of uninterrupted use, which is often the minimum duration required in many jurisdictions to claim such an easement. This access, if unchallenged, creates a legal right to use the water source. An easement by necessity typically arises when one property cannot access a road or utility without crossing another's property, but this situation doesn't suggest such dire need. An easement by implication occurs when property is divided, and the use of an existing benefit continues, but in this case, there's no mention of prior use or division of property. A written agreement would require explicit consent or documentation, which is not indicated here. Therefore, the correct answer is that the easement can be claimed by prescription, due to the long-term, uninterrupted use of the gate for access to the water source.

6. In which situation does an attorney-in-fact violate their fiduciary duty?

A. Failing to disclose conflicts of interest

B. Purchasing the principal's property

C. Mismanaging the principal's funds

D. Withholding sensitive information from the principal

An attorney-in-fact is someone appointed by another person (the principal) to act on their behalf in legal or financial matters. Fiduciary duty requires that the attorney-in-fact act in the best interests of the principal, maintaining loyalty, transparency, and accountability in their actions. When examining the situation where an attorney-in-fact purchases the principal's property, this can be seen as a violation of fiduciary duty because it creates a conflict of interest. The attorney-in-fact is expected to represent the principal's interests and make decisions that benefit them. By purchasing property from the principal, the attorney-in-fact may be prioritizing their own interests over those of the principal, leading to a breach of fiduciary duty, especially if the transaction is not made with full disclosure and fairness. In contrast, other situations such as failing to disclose conflicts of interest or mismanaging the principal's funds also represent violations of fiduciary duty. However, purchasing property directly from the principal is particularly egregious since it involves a self-dealing situation and could raise questions of ethics and legality. Withholding sensitive information from the principal is also a violation, but it does not encompass the same level of direct self-interest as purchasing property. Thus, the scenario

7. When did the closing for the Apton property take place?

A. March 7

B. June 1

C. August 18

D. January 25

The correct choice is significant because it sets a timeline for understanding the entire process surrounding the sale of the Apton property. The closing date is a critical milestone in real estate transactions, as it marks the point at which ownership of the property is officially transferred from the seller to the buyer. Knowing the exact date helps in various ways, such as determining deadlines for contingencies, understanding when financial transactions occurred, and considering the implications for property taxes or other financial obligations. In this context, identifying June 1 as the closing date allows for a clearer understanding of the entire transaction timeline, which may involve steps preceding the closing like contract negotiations, inspections, and the financing process. It's crucial to remember that closing dates can impact other aspects, such as the market dynamics or subsequent actions taken by either party related to the property. Therefore, recognizing the correct closing date is essential for grasping the full picture of the real estate process.

8. If the interest for 4 months on a loan of \$80,000 is \$3,200, what is the annual interest rate?

A. 10%

B. 12%

C. 14%

D. 16%

To determine the annual interest rate, we start by understanding the relationship between the interest, principal amount, rate, and time. In this scenario, the interest accrued over 4 months on a loan of \$80,000 is \$3,200. The formula for interest is: $\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$ Here, the principal is \$80,000, and the time is 4 months. To work with an annual rate, we need to express the time in years. Since 4 months is one-third of a year, we can translate that into the fraction of time as: $\text{Time} = \frac{4}{12} = \frac{1}{3} \text{ years}$ Now, we can rearrange the formula to solve for the annual interest rate (R): $R = \frac{\text{Interest}}{\text{Principal} \times \text{Time}}$ Substituting in the values we have: $R = \frac{3200}{80000 \times \frac{1}{3}}$ This simplifies further: $R =$

9. What is an agreement called where one party acts on behalf of another party?

- A. Contract**
- B. Agency**
- C. Partnership**
- D. Representation**

The correct term for an agreement where one party acts on behalf of another party is known as an "agency." In real estate and many other fields, agency refers to a fiduciary relationship in which one individual, the agent, is authorized to act on behalf of another individual, known as the principal. This relationship involves the agent performing tasks, making decisions, and executing transactions as directed by the principal, typically with the expectation that the agent will act in the principal's best interests. Understanding the agency is crucial in real estate transactions, as agents are responsible for representing their clients and must adhere to a legal and ethical duty of loyalty, care, and full disclosure. The concept emphasizes the trust and reliance that is placed within the relationship between the principal and the agent, highlighting the importance of this role in facilitating transactions and negotiations. The other terms in the context of this question do have distinct meanings but do not directly describe the relationship characterized by acting on another's behalf. For instance, a contract refers to a legally binding agreement between parties, while a partnership denotes a business arrangement where two or more individuals share ownership and responsibilities. Representation, while related to agency, does not specifically capture the agreement aspect where one party is authorized to act on another's behalf.

10. What do you generally need to provide when making an offer on a property?

- A. Proof of funds**
- B. A letter of intent**
- C. A pre-approval letter**
- D. All of the above**

When making an offer on a property, it is generally important to provide several key documents that support your financial capability and intent to purchase. This includes proof of funds, as it shows the seller that you have the necessary resources to complete the transaction. A letter of intent can outline the buyer's interest in the property and the proposed terms, indicating serious interest in negotiations. Additionally, a pre-approval letter from a lender demonstrates that the buyer is qualified for financing and capable of affording the property in question. Including all of these elements strengthens the offer and can make it more attractive to the seller, effectively showcasing the buyer's seriousness and readiness to proceed with the purchase. Together, they represent a comprehensive approach that assures the seller of the buyer's qualifications and intentions. Hence, it is generally required to provide proof of funds, a letter of intent, and a pre-approval letter when making an offer on a property, making the combination of all options the best and most complete answer.

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://vanednatlrealestate.examzify.com>

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