

WASHINGTON ADVANCED REAL ESTATE CONTINUING EDUCATION PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. Which practice is considered a violation of federal antitrust laws?**
 - A. Refusing commissions on unethical practices
 - B. Set pricing for services with competitors
 - C. Discussing commission rates openly
 - D. Informing clients about service options
- 2. What is a consequence of price fixing among competitors in real estate?**
 - A. Increased competition
 - B. Improved market conditions
 - C. Potential antitrust lawsuits
 - D. Lower consumer prices
- 3. What kind of lien is awarded by the court after a creditor has filed suit and won?**
 - A. Attachment lien
 - B. Special assessment
 - C. Judgment lien
 - D. Excise tax
- 4. Which one of the following is NOT a duty that a typical property manager does?**
 - A. Investing profits earned from clients' properties
 - B. Making minor repairs
 - C. Marketing the property to entice tenants
 - D. Collecting rental property rents
- 5. Which of the following is true regarding landlord responsibilities for furnished appliances?**
 - A. The tenant must repair appliances
 - B. The landlord is responsible for repairs
 - C. Both parties must share the repair costs
 - D. None of the above

- 6. A unique series of letters and/or numbers assigned by a property manager that will be used on all transactions to identify the original property management agreement is called:**
- A. a security deposit account
 - B. an employee identification number
 - C. a clients' trust account number
 - D. an identifying code
- 7. What will an escrow agent do if both parties cannot agree on the disposition of funds?**
- A. File an interpleader action with the court
 - B. Advise both parties on legal action to be taken
 - C. Follow the direction of the listing party
 - D. Attempt to settle the dispute between parties
- 8. When is an earnest money deposit typically required?**
- A. Upon signing a lease agreement
 - B. At the initiation of the home inspection
 - C. Before the offer is conveyed to the seller
 - D. When the offer is accepted by the seller
- 9. Which statement reflects the principle of loyalty in agency relationships?**
- A. Agents can pursue their own interests
 - B. Agents must prioritize their interests
 - C. Agents must act solely for the principal
 - D. Agents can accept gifts from clients
- 10. Which of the following is NOT a characteristic of "steering" in real estate?**
- A. Guiding clients based on race
 - B. Providing equal options to all clients
 - C. Limiting choices based on income
 - D. Directing people to certain neighborhoods

Answers

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

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Explanations

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1. Which practice is considered a violation of federal antitrust laws?

- A. Refusing commissions on unethical practices
- B. Set pricing for services with competitors**
- C. Discussing commission rates openly
- D. Informing clients about service options

Setting pricing for services with competitors is a clear violation of federal antitrust laws because it constitutes price-fixing. Price-fixing occurs when businesses within the same industry agree on the prices they will charge for services, which ultimately restricts competition and harms consumers by eliminating the natural price fluctuations that would occur in a competitive market. Antitrust laws are designed to promote fair competition and prevent monopolistic practices that can lead to higher prices and reduce choices for consumers. When real estate companies collude to set prices, they undermine these principles, effectively eliminating competition among them. This is why option B is a violation; it directly disrupts the market's ability to function freely and fairly. In contrast, the other practices listed do not inherently inhibit competition in the same way. Refusing commissions based on unethical practices maintains ethical standards without interfering with competition. Discussing commission rates openly can be done legally, as long as it does not lead to coordinated pricing strategies. Informing clients about service options is a fundamental part of providing good customer service and does not control or manipulate pricing in any way.

2. What is a consequence of price fixing among competitors in real estate?

- A. Increased competition
- B. Improved market conditions
- C. Potential antitrust lawsuits**
- D. Lower consumer prices

Price fixing among competitors in real estate is an agreement between businesses to set prices at certain levels, rather than allowing market forces to dictate them. This practice is considered anti-competitive and is illegal under antitrust laws in the United States, including in Washington State. When competitors engage in price fixing, they limit competition, which can lead to higher prices for consumers and stifle innovation. The primary consequence is the risk of antitrust lawsuits. Regulatory agencies, such as the Federal Trade Commission and the Department of Justice, actively monitor and take action against companies suspected of engaging in this practice. Legal repercussions can include hefty fines, damage to reputation, and potential criminal charges against individuals involved. Understanding the legal framework that governs fair competition is essential for real estate professionals. This knowledge helps in ensuring compliance with laws designed to protect consumers and maintain a competitive marketplace.

3. What kind of lien is awarded by the court after a creditor has filed suit and won?

- A. Attachment lien
- B. Special assessment
- C. Judgment lien**
- D. Excise tax

A judgment lien is awarded by the court after a creditor has filed a lawsuit and successfully won that case. This type of lien allows the creditor to place a claim against the debtor's property to secure the amount owed as a result of the judgment. The judgment lien attaches to the debtor's real property in the county where the judgment was recorded and can facilitate the collection of the debt if the property is sold or refinanced. Other types of liens, such as an attachment lien, are typically secured before a judgment is finalized, and special assessments relate to charges for specific local improvements that benefit the property. An excise tax is a tax on the sale of goods or services, not related to property liens or judgments. Therefore, the judgment lien is the most relevant and correct answer in the context of liens resulting from court actions.

4. Which one of the following is NOT a duty that a typical property manager does?

- A. Investing profits earned from clients' properties**
- B. Making minor repairs
- C. Marketing the property to entice tenants
- D. Collecting rental property rents

A typical property manager is responsible for a range of duties that primarily focus on the efficient day-to-day operation of rental properties. Among these responsibilities are making minor repairs, marketing the properties to attract tenants, and collecting rents. These tasks are essential for maintaining the property's value and ensuring a steady income stream. Investing profits earned from clients' properties, however, falls outside the usual scope of property management. While property managers do manage properties and ensure they are profitable, the actual investment of profits into other ventures or financial instruments usually involves financial advisors or investment managers, rather than property managers. Their role is primarily centered around the operational management of real estate, not the strategic investment of funds generated from those operations. Therefore, investing profits is not a duty that is typically associated with the role of a property manager.

5. Which of the following is true regarding landlord responsibilities for furnished appliances?

- A. The tenant must repair appliances
- B. The landlord is responsible for repairs**
- C. Both parties must share the repair costs
- D. None of the above

In rental agreements that include furnished appliances, the landlord generally has the responsibility to maintain and repair those appliances. This obligation stems from the principle that landlords are expected to provide a habitable living environment, which includes ensuring that all supplied amenities function properly. When appliances are included with the rental property, it is typically the landlord's duty to address repairs or replacements unless the lease specifically states otherwise. For example, if an appliance like a stove or refrigerator breaks down under normal use, the landlord is usually responsible for fixing it, ensuring that the tenant can continue to enjoy the benefits of the furnished amenities. Tenants, on the other hand, are usually responsible for minor maintenance or issues that arise from misuse or negligence. However, for significant repairs, it falls under the landlord's duty to ensure that the appliances remain in working condition. Thus, the assertion that the landlord is responsible for repairs accurately reflects typical landlord-tenant laws and practices in many jurisdictions, including Washington.

6. A unique series of letters and/or numbers assigned by a property manager that will be used on all transactions to identify the original property management agreement is called:

- A. a security deposit account
- B. an employee identification number
- C. a clients' trust account number
- D. an identifying code**

The identifying code is a unique series of letters and/or numbers specifically created to facilitate the identification of an original property management agreement in all transactions related to that agreement. This code streamlines processes by providing a consistent reference point for property managers, which helps ensure accuracy and efficiency in record-keeping. Using an identifying code minimizes confusion and assists in organizing and tracking various agreements, making it easier to retrieve specific documents and maintain compliance with management standards. In contrast, a security deposit account refers to funds set aside to protect against tenant damage; an employee identification number is related to staff rather than property management agreements; and a clients' trust account number is designated for managing client funds, rather than serving as a unique identifier for specific agreements. Thus, identifying code is the most appropriate term for this function.

7. What will an escrow agent do if both parties cannot agree on the disposition of funds?

- A. File an interpleader action with the court**
- B. Advise both parties on legal action to be taken
- C. Follow the direction of the listing party
- D. Attempt to settle the dispute between parties

An escrow agent acts as a neutral third party in a transaction, holding funds until the transaction conditions are met. If the parties involved cannot agree on what should happen with those funds, the escrow agent cannot simply choose sides or act based on one party's wishes. Filing an interpleader action with the court is the correct course of action in this scenario. This legal process allows the escrow agent to seek a resolution from the court regarding the ownership of the funds, relieving the agent of liability while ensuring that the funds are distributed appropriately based on a judicial decision. This action protects the interests of all parties involved and follows legal protocol, ensuring a fair resolution without further complicating the situation. While settling disputes or giving advice may seem like potential solutions, they do not apply to the role of the escrow agent in this context. Involving the court is a structured approach to resolving disagreements that cannot be settled informally.

8. When is an earnest money deposit typically required?

- A. Upon signing a lease agreement
- B. At the initiation of the home inspection
- C. Before the offer is conveyed to the seller
- D. When the offer is accepted by the seller**

An earnest money deposit is typically required when the offer is accepted by the seller as this demonstrates the buyer's serious intent to purchase the property. Once the seller agrees to the terms of the offer, the buyer submits the deposit as a gesture of good faith and to secure the deal. This deposit is usually held in escrow and can be used towards the down payment or closing costs if the transaction proceeds smoothly. Understanding this timing is crucial in real estate transactions, as it marks the transition from negotiation to a binding agreement, creating a commitment from the buyer to follow through with the purchase. The earnest money helps protect the seller in case the buyer backs out without a valid reason, as it can be forfeited under certain circumstances. The other options presented do not accurately reflect the standard practice surrounding earnest money deposits. For instance, a lease agreement does not generally involve an earnest money deposit in the same context as a purchase agreement, and a home inspection typically occurs after an offer is accepted, not before the earnest money is submitted. Also, offering an earnest deposit prior to the offer being conveyed is generally not practiced, as the deposit aligns with the acceptance of the offer.

9. Which statement reflects the principle of loyalty in agency relationships?

- A. Agents can pursue their own interests
- B. Agents must prioritize their interests
- C. Agents must act solely for the principal**
- D. Agents can accept gifts from clients

The principle of loyalty in agency relationships dictates that agents have a fiduciary duty to act in the best interests of their clients, often referred to as the principal. This means that agents are required to prioritize their client's goals and needs above their own. By acting solely for the principal, agents foster trust and ensure that they are fulfilling their responsibilities. This principle is fundamental to maintaining a strong ethical foundation in agency interactions, as it reinforces the idea that the agent's actions should align with the principal's interests at all times. In contrast, pursuing their own interests, prioritizing their own needs, or accepting gifts from clients could create conflicts of interest or issues with loyalty. Such actions may compromise the trust necessary for a successful agency relationship, violating the essential duty an agent has towards their principal. Thus, the correct answer exemplifies the core obligation that agents have under the principle of loyalty.

10. Which of the following is NOT a characteristic of "steering" in real estate?

- A. Guiding clients based on race
- B. Providing equal options to all clients**
- C. Limiting choices based on income
- D. Directing people to certain neighborhoods

The correct answer is based on the definition of steering in the context of fair housing laws. Steering refers to the practice of guiding clients toward or away from neighborhoods based on characteristics such as race, religion, or national origin, thereby limiting their options and potentially perpetuating segregation. Providing equal options to all clients is fundamentally opposed to the practice of steering. It aligns with fair housing principles, where all individuals should have the ability to freely choose among available housing options without bias. This characteristic emphasizes inclusivity and equality, ensuring that clients receive information about all appropriate housing available to them rather than being directed to specific areas based on their personal characteristics. In contrast, guiding clients based on race, limiting choices based on income, and directing people to certain neighborhoods all exemplify steering behavior. These practices are considered discriminatory and violate the Fair Housing Act, as they restrict clients' choices based on characteristics unrelated to their housing needs.

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://waadvrealestatece.examzify.com>

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

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