

WASHINGTON REAL ESTATE FUNDAMENTALS ROCKWELL PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

[https://
warealestatefundamentalsrockwell.examzify.com](https://warealestatefundamentalsrockwell.examzify.com)



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

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	15

SAMPLE

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

SAMPLE

- 1. Can Sam become owner of the farm by adverse possession if he maintains possession?**
 - A. Yes, as long as he maintains possession
 - B. No, possession alone is never enough
 - C. Yes, if he pays taxes on time
 - D. Yes, only if the owner signs over title
- 2. Which term describes permission to deviate from a zoning ordinance?**
 - A. Variance
 - B. Zoning permit
 - C. Conditional use
 - D. Special exception
- 3. Ned and Carla buy a house listed at \$105,000; their offer for \$5,000 less than that is accepted. They obtain a loan with an 80% loan-to-value ratio. The loan is for 30 years with a 5.5% interest rate. Taxes for the year are \$4,000; insurance for the year is \$800. What is their monthly PITI payment?**
 - A. 333
 - B. 454
 - C. 67
 - D. 854
- 4. If a property manager neglects to prevent damage by vagrants, who is liable?**
 - A. The seller
 - B. The property manager and the designated broker
 - C. The designated broker only
 - D. The property manager only
- 5. An investor looks at a property listed for \$150k, with a monthly net operating income of \$1k. He decides instead to offer \$120k. What kind of income approach analysis would he have used to arrive at that conclusion?**
 - A. Gross operating income multiplier
 - B. Capitalization rate
 - C. Cash-on-cash return
 - D. Debt service coverage ratio

- 6. What is a key functional duty of the real estate commission?**
- A. Prepare licensing questions, advise the director regarding new regulations, hold educational conferences for the benefit of the real estate industry
 - B. List properties, host open houses, process closings
 - C. Appraise properties, produce title reports, broker loans
 - D. Enforce contracts, prosecute violations, audit brokers
- 7. An agent shows his customer, who is an Asian-American, homes only in neighborhoods that are predominantly Asian-American. This is called:**
- A. Steering
 - B. Blockbusting
 - C. Redlining
 - D. Escalation
- 8. What is the best way to determine whether there is an encroachment of a boundary line?**
- A. Have a survey done
 - B. Review the boundary lines on the plat map
 - C. Check the neighbor's boundary
 - D. Compare street addresses
- 9. An affiliated licensee rarely works from the firm's main office. Where must the records for the licensee's transactions be kept?**
- A. The firm's office
 - B. The licensee's home
 - C. A third-party storage facility
 - D. At the local county recorder's office
- 10. An agent sends faxes to clients highlighting prospective properties that they might like. The faxes should always include the:**
- A. Instructions on how to opt out of receiving more faxes
 - B. The fax number of the recipient
 - C. A color brochure
 - D. A warranty certificate

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Can Sam become owner of the farm by adverse possession if he maintains possession?

A. Yes, as long as he maintains possession

B. No, possession alone is never enough

C. Yes, if he pays taxes on time

D. Yes, only if the owner signs over title

Adverse possession works when someone uses land as if it were their own in a way that is actual, open and notorious, exclusive, and hostile to the true owner for the required statutory period. If Sam keeps possession in that manner for the full period, he can acquire title even without the owner's signature or paying taxes. Taxes owed on the property aren't required to claim adverse possession, and the owner does not have to sign over the deed. The critical point is maintaining possession that satisfies all the elements for the entire statutory period (for Washington, typically about 10 years). If any of those elements are missing, adverse possession wouldn't apply.

2. Which term describes permission to deviate from a zoning ordinance?

A. Variance

B. Zoning permit

C. Conditional use

D. Special exception

The concept being tested is how a property owner gets relief from a strict zoning rule. That relief is called a variance. A variance provides permission to depart from the exact dimensional or use requirements of the zoning ordinance because applying the rule would create undue hardship or practical difficulties due to unique features of the property, such as its size, shape, topography, or existing development. It's not a general permit to build or a change in uses; it's a narrowly tailored exception granted after showing that the deviation won't negatively impact the public welfare or the surrounding neighborhood. A zoning permit simply authorizes construction or alteration that complies with current zoning and building codes. A conditional use and a special exception allow certain uses that aren't normally permitted in a zone but are allowed under specific conditions and with review.

3. Ned and Carla buy a house listed at \$105,000; their offer for \$5,000 less than that is accepted. They obtain a loan with an 80% loan-to-value ratio. The loan is for 30 years with a 5.5% interest rate. Taxes for the year are \$4,000; insurance for the year is \$800. What is their monthly PITI payment?

A. 333

B. 454

C. 67

D. 854

PITI is all the monthly housing costs: the loan's principal and interest plus monthly property taxes and homeowners insurance. First, the purchase price is 105,000 minus 5,000 = 100,000. With an 80% loan-to-value, the loan amount is 80,000. The loan is 30 years at 5.5%, so the monthly interest rate i is $0.055/12 = 0.0045833$, and the number of payments n is 360. The monthly principal and interest is found with the standard amortization formula. Using these numbers, the P&I comes out to about 454. Monthly taxes are 4,000 per year, which is $4,000 / 12 \approx 333$. Monthly insurance is 800 per year, which is $800 / 12 \approx 67$. Add them together: $454 + 333 + 67 \approx 854$. So the monthly PITI is about 854.

4. If a property manager neglects to prevent damage by vagrants, who is liable?

A. The seller

B. The property manager and the designated broker

C. The designated broker only

D. The property manager only

In Washington real estate practice, the designated broker has the duty to supervise licensees and ensure they perform duties properly. The property manager, as the licensee or employee handling the property, also owes a duty of care to protect the owner's property and prevent foreseeable harm. If the property manager neglects to prevent damage by vagrants, both parties can be held responsible: the property manager for the negligent act itself, and the designated broker for failing to provide adequate supervision and oversight of that licensee. The seller isn't at fault here because the issue concerns the management and supervision of the property after the sale, not the seller's actions.

5. An investor looks at a property listed for \$150k, with a monthly net operating income of \$1k. He decides instead to offer \$120k. What kind of income approach analysis would he have used to arrive at that conclusion?

A. Gross operating income multiplier

B. Capitalization rate

C. Cash-on-cash return

D. Debt service coverage ratio

Cap rate analysis focuses on turning income into value. The key idea is value equals NOI divided by the capitalization rate, or conversely, the cap rate equals NOI divided by value. Here the property's annual net operating income is 12,000 (1,000 monthly times 12). If the investor is willing to offer 120,000 instead of 150,000, that implies an implied cap rate of $12,000 / 120,000 = 10\%$, higher than the $12,000 / 150,000 = 8\%$ that the listed price would produce. So the price drop reflects applying a higher cap rate to achieve the desired return. The other options don't fit: gross operating income multiplier uses gross income rather than NOI, cash-on-cash return looks at cash flow relative to cash invested (financing-influenced), and debt service coverage ratio relates NOI to debt service rather than setting a value.

6. What is a key functional duty of the real estate commission?

- A. Prepare licensing questions, advise the director regarding new regulations, hold educational conferences for the benefit of the real estate industry**
- B. List properties, host open houses, process closings
- C. Appraise properties, produce title reports, broker loans
- D. Enforce contracts, prosecute violations, audit brokers

Understanding the regulator's role helps here. A real estate commission is a state agency that oversees licensing, regulation, and education for licensees. It develops and enforces rules, helps shape policy, and supports ongoing education for the industry. The first choice reflects those activities: preparing licensing questions for exams, advising the director on new regulations, and organizing educational conferences for the benefit of the real estate industry. These are exactly the kinds of duties a commission handles to ensure proper licensure and professional standards. The other options describe tasks that belong to licensees or private entities rather than the regulatory body. Listing properties, hosting open houses, and processing closings are transactional activities performed by brokers or firms. Appraising properties, producing title reports, and brokering loans are specialized professional services carried out by other professionals. Enforcing contracts, prosecuting violations, and auditing brokers mix rule enforcement with contract law, which isn't the commission's primary function.

7. An agent shows his customer, who is an Asian-American, homes only in neighborhoods that are predominantly Asian-American. This is called:

- A. Steering**
- B. Blockbusting
- C. Redlining
- D. Escalation

Steering is guiding a buyer toward or away from certain neighborhoods based on protected characteristics like race or ethnicity. In this example, directing an Asian-American client to only neighborhoods that are predominantly Asian-American is steering because it limits the client's housing options based on race. This infringes on fair housing laws, which prohibit steering and require equal opportunity for buyers to choose where they want to live. It's different from redlining, which involves denying services in a area, or blockbusting, which exploits demographic changes to frighten owners into selling. Escalation refers to bidding tactics in a sale, not to discriminatory guidance of where to look for homes.

8. What is the best way to determine whether there is an encroachment of a boundary line?

- A. Have a survey done**
- B. Review the boundary lines on the plat map
- C. Check the neighbor's boundary
- D. Compare street addresses

Determining encroachment hinges on locating the true property lines on the ground and tying them to the deed. A licensed survey does this by measuring, placing markers, and comparing the actual improvements to the recorded legal description. It provides an objective, defensible finding of whether any structure or feature crosses onto a neighboring parcel or sits within setbacks. Plat maps can help orient you but may be outdated or imprecise; they don't guarantee that the line on the map matches the real-world boundary. Relying on what a neighbor says, or checking street addresses, isn't reliable for boundary location—the address has no relation to the boundary. So the best way to determine encroachment is to have a survey done.

9. An affiliated licensee rarely works from the firm's main office. Where must the records for the licensee's transactions be kept?

A. The firm's office

B. The licensee's home

C. A third-party storage facility

D. At the local county recorder's office

In Washington, the brokerage is responsible for keeping all transaction records for affiliated licensees, and those files must be stored at the firm's office or another location approved by the firm. This ensures the supervising broker can access and review the records, maintaining proper supervision, confidentiality, and regulatory compliance. Personal storage like a licensee's home isn't appropriate because it can hinder supervision and auditing, and the county recorder's office holds public documents (like deeds), not the brokerage's internal transaction records. So the records belong to and stay at the firm's office.

10. An agent sends faxes to clients highlighting prospective properties that they might like. The faxes should always include the:

A. Instructions on how to opt out of receiving more faxes

B. The fax number of the recipient

C. A color brochure

D. A warranty certificate

When you advertise by fax, you must provide a clear way for the recipient to stop future faxes. This opt-out instruction fulfills the legal requirement designed to prevent unwanted solicitations and give recipients control over whether they want to receive more faxes. Including the opt-out instructions ensures compliance with federal rules governing fax advertisements. A fax number alone doesn't guarantee an opt-out method, and a brochure or warranty certificate isn't the required mechanism for stopping future transmissions.

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://warealestatefundamentalsrockwell.examzify.com>

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

SAMPLE