

WISCONSIN REAL ESTATE SALES PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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

<https://winsconsin-realestatesales.examzify.com>



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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. Fair housing laws do not apply to which type of properties?**
 - A. Residential properties
 - B. Fully commercial/industrial properties
 - C. Mixed-use properties
 - D. Rental properties for families
- 2. How are counter offers numbered?**
 - A. Randomly
 - B. Sequentially
 - C. Alphabetically
 - D. By urgency
- 3. If a licensee receives an item, such as a painting, that cannot be deposited as earnest money, what must they do?**
 - A. Exchange it for cash immediately
 - B. Draft an agreement to hold it
 - C. Cannot hold the item or draft an agreement
 - D. Sell it to a third party
- 4. Which of the following best describes "severalty" ownership?**
 - A. Ownership by one individual
 - B. Ownership shared by multiple parties
 - C. Community ownership
 - D. Joint ownership by two or more individuals
- 5. What should a broker do if they receive funds that cannot be deposited?**
 - A. Keep the funds until instructed
 - B. Hold it in a separate account
 - C. Forward funds to payee or return to payor
 - D. Donate the funds to charity

- 6. To obtain a loan at a rate lower than the open market, what might a buyer likely purchase?**
- A. Loan insurance
 - B. Discount points
 - C. Equity shares
 - D. Real estate options
- 7. When is a broker required to provide the agency disclosure?**
- A. During the first meeting
 - B. At the time of agency agreement
 - C. At the time of listing
 - D. Only after the sale
- 8. Which of the following is a duty owed to all individuals involved in a transaction?**
- A. Negotiation
 - B. Confidentiality
 - C. Honesty
 - D. Loyalty
- 9. When can a licensee refuse to draft or submit an offer?**
- A. When the offer includes contingencies
 - B. When the offer does not coincide with the seller's instructions
 - C. When the offer is too low
 - D. When the seller is not present
- 10. What aspect of property rights refers to enjoying the property without disturbance?**
- A. Control
 - B. Quiet enjoyment
 - C. Disposition
 - D. Possession

Answers

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

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Explanations

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1. Fair housing laws do not apply to which type of properties?

- A. Residential properties
- B. Fully commercial/industrial properties**
- C. Mixed-use properties
- D. Rental properties for families

Fair housing laws primarily aim to eliminate discrimination in housing. These laws apply to residential properties, which include anything from single-family homes to multi-family dwellings, ensuring that individuals have equal access to housing regardless of race, color, religion, sex, national origin, familial status, or disability. Fully commercial or industrial properties are not covered under the fair housing laws because these laws predominantly focus on residential living environments. Commercial properties, which are primarily used for business purposes, do not fall under the same protections as residential properties. Therefore, individuals seeking to lease or buy commercial/industrial properties are not protected by the same fair housing regulations that govern residential transactions. Mixed-use properties might include both residential and commercial components, and therefore, fair housing laws could apply to the residential parts of these properties. Similarly, rental properties intended for families are covered by these laws, which protect against discrimination in housing based on familial status. Overall, the distinction lies in the nature of the property: fair housing laws target residential housing to foster inclusive communities, while commercial and industrial properties operate under different legal frameworks that do not include those protections.

2. How are counter offers numbered?

- A. Randomly
- B. Sequentially**
- C. Alphabetically
- D. By urgency

Counter offers are numbered sequentially to organize the negotiation process clearly. This method allows all parties involved to keep track of each offer and counter offer in the order they were presented, facilitating better communication and understanding of the negotiations. Sequential numbering helps prevent confusion, ensuring that everyone is referencing the correct terms and conditions of each offer made. Additionally, this approach allows for an easy way to review the history of negotiations, allowing agents and clients to see how the discussions have evolved over time. Using a sequential system enhances the structure and effectiveness of real estate negotiations, making it easier to reach an agreement.

3. If a licensee receives an item, such as a painting, that cannot be deposited as earnest money, what must they do?

- A. Exchange it for cash immediately
- B. Draft an agreement to hold it
- C. Cannot hold the item or draft an agreement**
- D. Sell it to a third party

In real estate transactions, earnest money typically refers to a deposit made to demonstrate the buyer's serious intent to purchase a property. However, not all items can serve as earnest money, particularly those that cannot be easily liquidated or converted to cash, such as personal property like artwork. When a licensee receives an item that cannot be treated as earnest money, they must adhere to real estate rules regarding the handling of funds and assets in transactions. The appropriate action here is to refrain from holding the item or trying to draft an agreement concerning it. This is important to ensure compliance with real estate regulations and to avoid potential complications that could arise from holding non-cash items in a purchase agreement. Thus, the most suitable course of action when presented with an ineligible item for earnest money is to not hold it or draft any agreements, ensuring that the transaction adheres to legal standards and protects all parties involved.

4. Which of the following best describes "severalty" ownership?

- A. Ownership by one individual
- B. Ownership shared by multiple parties
- C. Community ownership
- D. Joint ownership by two or more individuals

"Severalty" ownership refers specifically to property ownership held by a single individual. This means that the owner has complete and exclusive rights to the property, without any joint interests or claims from other parties. This type of ownership allows the individual to manage, use, sell, or transfer the property as they see fit, fully controlling all aspects of ownership. In contrast, other forms of ownership like community property or joint ownership involve shared interests between multiple parties, which distinctly differentiates them from severalty ownership. Understanding this concept is crucial, as it impacts the rights and responsibilities of the property owner within real estate transactions and situations involving property ownership in Wisconsin.

5. What should a broker do if they receive funds that cannot be deposited?

- A. Keep the funds until instructed
- B. Hold it in a separate account
- C. Forward funds to payee or return to payor
- D. Donate the funds to charity

When a broker receives funds that cannot be deposited, the appropriate action is to forward the funds to the intended payee or return them to the payor. This ensures that the funds are managed ethically and legally, maintaining the trust of clients and complying with regulatory standards governing real estate transactions. Keeping the funds without taking action can lead to potential legal issues or accusations of misappropriation. Similarly, holding the funds in a separate account may not resolve the issue of why they cannot be deposited and could lead to complications in record-keeping and compliance. Donating the funds to charity is not appropriate unless there is a clear, agreed-upon reason by all parties involved, which is often not the case in real estate transactions. Therefore, forwarding the funds to the rightful payee or returning them to the original payor is the best practice to ensure transparency and accountability in managing financial transactions.

6. To obtain a loan at a rate lower than the open market, what might a buyer likely purchase?

- A. Loan insurance
- B. Discount points
- C. Equity shares
- D. Real estate options

A buyer looking to secure a loan at a rate lower than the prevailing open market rate is likely to purchase discount points. Discount points are essentially upfront fees paid to the lender at the time of closing, which reduce the interest rate on the mortgage. Each point typically costs 1% of the loan amount and can lower the interest rate by a fraction of a percentage point. By using this strategy, borrowers can save a significant amount on their monthly mortgage payments over the life of the loan, making it an attractive option for those who plan to stay in their homes for a long period. The upfront cost may seem substantial, but the long-term savings on interest can outweigh the initial expense, particularly if market rates are high. Thus, purchasing discount points is a common method for buyers to negotiate better financing terms and lower their rates effectively.

7. When is a broker required to provide the agency disclosure?

- A. During the first meeting
- B. At the time of agency agreement**
- C. At the time of listing
- D. Only after the sale

A broker is required to provide the agency disclosure at the time of the agency agreement. This is crucial because the agency agreement outlines the relationship between the broker and the client, making it essential for both parties to understand their rights and obligations from the start. The agency disclosure form informs the client whether the broker is representing the seller, buyer, or both, and outlines the duties the broker owes to the client under Wisconsin law. Providing the disclosure at this point ensures that the client is fully informed about the nature of the broker's role and how it affects their interests in the transaction. This early clarity helps prevent misunderstandings down the line and supports ethical practices within the real estate process. While some might think that providing the agency disclosure during the first meeting would suffice, it is specifically required at the time of entering into an agency agreement to ensure that the client has all the necessary information before formally engaging the broker's services. Additionally, delaying this disclosure until the listing or after the sale could lead to a lack of transparency and potential conflicts, underscoring the importance of timely and clear communication in real estate transactions.

8. Which of the following is a duty owed to all individuals involved in a transaction?

- A. Negotiation
- B. Confidentiality
- C. Honesty**
- D. Loyalty

The duty owed to all individuals involved in a real estate transaction is honesty. This principle is foundational to the practice of real estate and ensures that all parties have access to truthful information, fostering trust and transparency throughout the transaction process. Honesty is essential in maintaining ethical standards and serves as a basis for effective communication and negotiation. While negotiation, confidentiality, and loyalty are also important duties in real estate, their application is typically more specific. For example, confidentiality primarily applies to the relationship between an agent and their client, protecting sensitive information from being disclosed without permission. Loyalty involves a fiduciary duty where an agent must prioritize their client's interests above all else, which is not a universal duty owed to all parties involved in the transaction. In contrast, honesty is a universal obligation that applies equally to all individuals involved, making it the correct answer.

9. When can a licensee refuse to draft or submit an offer?

- A. When the offer includes contingencies
- B. When the offer does not coincide with the seller's instructions**
- C. When the offer is too low
- D. When the seller is not present

A licensee can refuse to draft or submit an offer when it does not align with the seller's instructions. This is crucial because a real estate agent has a fiduciary duty to act in the best interests of their client. If an offer contradicts the wishes or instructions provided by the seller, submitting that offer would be going against those interests, potentially jeopardizing the seller's objectives. The situation where an offer includes contingencies does not, in itself, give a licensee grounds to refuse the offer, as contingencies are common in real estate transactions. Similarly, while an offer that is perceived as too low may be discouraging to the seller, it is ultimately up to the seller to decide whether to accept, reject, or negotiate that offer. The absence of the seller during negotiations or offer drafting does not provide a basis for refusal either; agents are often authorized to act on behalf of their clients even when they are not present, provided they have the appropriate powers granted to them.

10. What aspect of property rights refers to enjoying the property without disturbance?

- A. Control
- B. Quiet enjoyment**
- C. Disposition
- D. Possession

The concept of "quiet enjoyment" refers specifically to the right of a property owner or tenant to use and enjoy their property without interference or disturbance from others, particularly from previous owners, landlords, or those with an interest in the property. This legal right ensures that the individual can occupy and utilize the property peacefully, without harassment. Quiet enjoyment protects against various forms of interference, including physical intrusions or acts that could obstruct one's ability to enjoy their home or business fully. It is a critical aspect of property law that balances the rights of property usage with the obligation of others to refrain from disrupting that enjoyment. The other choices relate to different facets of property rights. Control pertains to the authority a property owner has over the property, including making decisions and managing it. Disposition refers to the inherent right to sell, lease, or transfer property ownership. Possession is about the physical holding or occupancy of the property. None of these directly addresses the concept of undisturbed enjoyment, which is why quiet enjoyment is the most accurate 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://winsconsin-realestatesales.examzify.com>

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

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