

WRA Broker Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

Copyright © 2025 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 from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Questions

SAMPLE

- 1. If the buyer does not deliver verification of funds by the agreed deadline, what action may the seller take?**
 - A. Extend the deadline for verification**
 - B. Terminate the offer**
 - C. File a complaint against the buyer**
 - D. Proceed with the transaction without verification**
- 2. What must a lead-based paint addendum include in order for the buyer to inspect for lead-based paint?**
 - A. Included in the final sale agreement**
 - B. Included in the offer prior to binding acceptance**
 - C. Attached as an addendum after acceptance**
 - D. Not required if the buyer is informed**
- 3. When a buyer is referred to as a 'customer', what does this indicate about their status with the firm?**
 - A. The buyer has a formal agency relationship**
 - B. The buyer is not represented by the firm**
 - C. The buyer is a potential investor**
 - D. The buyer is seeking multiple agency representation**
- 4. Under Wisconsin's license law, which knowledge area is NOT required for licensees?**
 - A. Local zoning laws**
 - B. The electrical components of a home**
 - C. Appraisal processes**
 - D. Environmental regulations**
- 5. When is a licensee required to distribute or sign a signed copy of a lease to a landlord?**
 - A. Upon the landlord's request**
 - B. At the time of the lease signing**
 - C. Once the lease has been fully executed**
 - D. At the conclusion of the rental period**

- 6. An individual is considered a client if they have what?**
- A. A verbal agreement with the agent**
 - B. A signed listing contract with a brokerage company**
 - C. Completed a home inspection**
 - D. Submitted a purchase offer**
- 7. What is a critical responsibility of a listing agent when handling offers?**
- A. To negotiate the best price**
 - B. To review all offers in detail**
 - C. To present all offers to the seller**
 - D. To secure financing for the buyer**
- 8. Which of the following is not a duty owed to a customer in a real estate transaction?**
- A. Disclosure of material facts**
 - B. Acting in the best interest of the seller**
 - C. Protecting client confidentiality**
 - D. Providing market analysis information**
- 9. What can be a consequence of failing to adhere to agency relationship requirements in real estate?**
- A. Increased commission fees**
 - B. Legal action against the firm**
 - C. Unbundling service agreements**
 - D. Lengthened property sale process**
- 10. Does a licensee need to have a listing agreement with a family member when assisting in the sale of a home?**
- A. Yes, because there must be an agency agreement in place prior to providing brokerage services**
 - B. No, family members do not require formal agreements**
 - C. Only if the family member requests it**
 - D. Yes, but only if a commission is charged**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. If the buyer does not deliver verification of funds by the agreed deadline, what action may the seller take?

- A. Extend the deadline for verification**
- B. Terminate the offer**
- C. File a complaint against the buyer**
- D. Proceed with the transaction without verification**

In real estate transactions, timely verification of funds is crucial for ensuring that the buyer is financially capable of completing the purchase. If the buyer fails to deliver verification of funds by the agreed deadline, the seller has the right to protect their interests. Terminating the offer is appropriate because it allows the seller to move on from a prospective buyer who has not fulfilled their obligation. By terminating the offer, the seller can explore other potential buyers who can provide the necessary verification of funds, thus minimizing any potential delays or complications in the sale of their property. This option serves to safeguard the seller's position, as it is critical to confirm that the buyer is capable of completing the transaction as agreed. While extending the deadline could be seen as giving the buyer a second chance, it is not always the best course of action, as it could lead to further uncertainty or delays. Filing a complaint may be a possibility in some situations, but it is generally more appropriate when there has been misconduct or violation of terms, rather than simply a delay in providing documentation. Proceeding with the transaction without verification jeopardizes the seller's interests and may lead to financial loss should the buyer be unable to fulfill their payment obligations. Therefore, terminating the offer is the most prudent action the seller

2. What must a lead-based paint addendum include in order for the buyer to inspect for lead-based paint?

- A. Included in the final sale agreement**
- B. Included in the offer prior to binding acceptance**
- C. Attached as an addendum after acceptance**
- D. Not required if the buyer is informed**

The correct answer emphasizes the necessity for the lead-based paint addendum to be included in the offer prior to binding acceptance. This requirement is rooted in federal regulations that govern lead-based paint disclosure to protect buyers, particularly in transactions involving homes built before 1978, when the use of lead-based paint in residential properties was banned. Including the addendum in the offer ensures that the buyer is adequately informed about potential lead-based paint hazards before they are obligated to complete the transaction. It allows the buyer to have the opportunity to consider this information and make decisions regarding inspections for lead hazards, reflecting the intention of the law to promote transparency and buyer safety. Additionally, ensuring the addendum is included in the offer phase rather than at a later point in the transaction underscores the importance of timely disclosure. It helps to establish the terms under which the buyer may inspect and assess any risks associated with lead-based paint before committing to purchase the property, which is essential for informed decision-making. By contrast, it is not sufficient for the addendum to be merely included in the final sale agreement or attached as an addendum after acceptance. These scenarios would not provide the buyer with the necessary opportunity to consider their options regarding lead-based paint before the contract becomes binding, which could potentially compromise

3. When a buyer is referred to as a 'customer', what does this indicate about their status with the firm?

- A. The buyer has a formal agency relationship**
- B. The buyer is not represented by the firm**
- C. The buyer is a potential investor**
- D. The buyer is seeking multiple agency representation**

When a buyer is referred to as a 'customer', it indicates that the buyer is not represented by the firm. This terminology is important in real estate as it delineates the nature of the relationship between the buyer and the brokerage. A 'customer' does not have a legally binding agency relationship with the brokerage, meaning that the firm is not obligated to represent the buyer's interests as they would for a client. Customers may seek assistance, but the firm's obligations are limited in that they provide information without a fiduciary duty towards the buyer. This contrasts with clients, who have a formal agency relationship that requires the broker to act in the client's best interests.

4. Under Wisconsin's license law, which knowledge area is NOT required for licensees?

- A. Local zoning laws**
- B. The electrical components of a home**
- C. Appraisal processes**
- D. Environmental regulations**

The correct answer indicates that knowledge of the electrical components of a home is not a required area of expertise for licensed professionals under Wisconsin's license law. In the context of real estate licensing, real estate licensees are primarily focused on areas that directly impact their ability to facilitate sales, understand property value, and adhere to legal requirements. Local zoning laws are essential knowledge for licensees as they affect how properties can be used and developed. Similarly, understanding appraisal processes is critical as it relates to determining property values, which directly impacts clients during transactions. Environmental regulations are also key, as they govern property use and can significantly influence marketability and price. While understanding the basic electrical systems might be beneficial for a more comprehensive view of property condition, it does not fall under the mandatory knowledge areas established for obtaining and maintaining a real estate license in Wisconsin. Thus, the focus remains on broader, more relevant aspects of real estate practice that enhance a licensee's competency and protect consumer interests.

5. When is a licensee required to distribute or sign a signed copy of a lease to a landlord?

- A. Upon the landlord's request**
- B. At the time of the lease signing**
- C. Once the lease has been fully executed**
- D. At the conclusion of the rental period**

The correct understanding in this context is that a licensee is required to provide a signed copy of a lease to a landlord upon the landlord's request. This reflects the principle that, although it is essential for landlords to receive documentation pertaining to their agreements, it is ultimately the landlord's responsibility to initiate that request if they desire a copy. Providing the signed lease upon request allows for an efficient workflow while ensuring that both parties are aware of the terms agreed upon. It emphasizes the importance of communication and transparency in landlord-tenant relationships and allows landlords to retain accurate records of their transactions. The other choices do not capture the nuances of this process accurately. Providing a signed copy at the time of signing is not typically required since the lease is still being finalized, and distributing it once the lease is fully executed could undermine the intent to maintain open lines of communication. Finally, giving a lease copy at the conclusion of the rental period is irrelevant since the landlord would not likely need the lease until the period of occupancy begins.

6. An individual is considered a client if they have what?

- A. A verbal agreement with the agent**
- B. A signed listing contract with a brokerage company**
- C. Completed a home inspection**
- D. Submitted a purchase offer**

An individual is considered a client when they have a signed listing contract with a brokerage company. This contractual relationship establishes a formal commitment between the agent and the client, where the agent agrees to provide specific services in exchange for the client's loyalty and compliance with the terms outlined in the contract. This relationship typically includes fiduciary duties, meaning the agent is obligated to act in the best interest of the client, maintaining confidentiality, loyalty, and full disclosure. The key aspect that distinguishes a client from other individuals engaging with an agent is the existence of this written agreement, which signifies a higher level of engagement and responsibility. In contrast, a verbal agreement, while showing intent or commitment, does not provide the same legal protections or obligations as a written contract. Completed home inspections and submitted purchase offers may indicate interest or steps toward a transaction, but they do not establish the formal client-agent relationship characterized by a signed contract.

7. What is a critical responsibility of a listing agent when handling offers?

- A. To negotiate the best price**
- B. To review all offers in detail**
- C. To present all offers to the seller**
- D. To secure financing for the buyer**

A critical responsibility of a listing agent is to present all offers to the seller. This ensures that the seller is fully informed about the options available to them, which is essential for making an educated decision regarding the sale of their property. Presenting all offers allows the seller to weigh not only the financial aspects of each offer but also other factors such as contingencies, closing timelines, and the qualifications of the buyers. In real estate transactions, transparency is vital. The seller must understand the landscape of offers they are receiving, and it is the listing agent's duty to provide that comprehensive overview. Presenting all offers also fosters trust between the agent and the seller, as the seller can see that the agent is acting in their best interest by not withholding any potential opportunities. Other responsibilities, while important—such as negotiating the best price or reviewing offers in detail—are secondary to the primary obligation of presenting every offer to the seller. Securing financing for the buyer, on the other hand, falls outside the scope of the listing agent's responsibilities, as that duty primarily lies with the buyer's agent.

8. Which of the following is not a duty owed to a customer in a real estate transaction?

- A. Disclosure of material facts**
- B. Acting in the best interest of the seller**
- C. Protecting client confidentiality**
- D. Providing market analysis information**

The choice that accurately reflects a duty not owed to a customer in a real estate transaction is acting in the best interest of the seller. In a real estate transaction, the agent's primary duty is to the client they represent, which often is either the buyer or the seller. If an agent is representing the seller, they owe their duties, including acting in the seller's best interests, to the seller specifically. On the other hand, protecting client confidentiality, disclosing material facts, and providing market analysis information are essential responsibilities that an agent must uphold to all parties involved in the transaction, including customers who are not their direct clients. Disclosure of material facts is crucial because it ensures transparency and integrity in the transaction. Confidentiality must be maintained for the information shared with clients to build trust. Providing market analysis supports informed decision-making, benefiting the customer and enhancing the agent's service. Thus, the correct understanding aligns with the duties an agent has towards a customer versus a client in real estate transactions.

9. What can be a consequence of failing to adhere to agency relationship requirements in real estate?

- A. Increased commission fees**
- B. Legal action against the firm**
- C. Unbundling service agreements**
- D. Lengthened property sale process**

In real estate, an agency relationship is a legal and fiduciary relationship in which one party (the agent) acts on behalf of another party (the principal). Failing to adhere to the requirements of this relationship can lead to significant legal repercussions, including legal action against the firm. When agents do not follow the established laws and guidelines governing agency relationships, they may breach their fiduciary duties, such as loyalty, confidentiality, and full disclosure. This breach can give rise to lawsuits from clients who may seek damages for the agent's negligent or unethical behaviors. By properly following the agency relationship requirements, agents can maintain trust and protect their clients' interests, thereby minimizing the risk of legal disputes. The potential for legal action underscores the importance of understanding and complying with these responsibilities in order to maintain ethical standards within the real estate profession.

10. Does a licensee need to have a listing agreement with a family member when assisting in the sale of a home?

- A. Yes, because there must be an agency agreement in place prior to providing brokerage services**
- B. No, family members do not require formal agreements**
- C. Only if the family member requests it**
- D. Yes, but only if a commission is charged**

A licensee must have a listing agreement in place before providing brokerage services, including when assisting family members in the sale of a home. This requirement ensures that there is a clear understanding of the roles and responsibilities of both parties involved in the transaction. The listing agreement acts as a formal contract that outlines the terms under which the licensee will assist in the sale, including expectations for communication, effort, and other critical details that help to manage the relationship effectively. Having a formal agreement also protects the interests of both the broker and the family member, ensuring that there is legal documentation of the relationship and the services to be provided. This protects against misunderstandings and establishes a professional standard that applies regardless of the personal relationship between the parties involved. Therefore, it's essential for a licensee to adhere to this practice even when dealing with family.