PASS GEORGIA

DISTINCTION CORRECTION DECK

Common Georgia Exam Traps

Eighteen high-yield distinctions with the correct rule, the tempting error, and a one-line recovery move.

TRAPS 18 corrected	**FORMAT** Rule + error + move	**PRACTICE** Original prompts

SOURCE EDITION
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How to use this deck

Cover the last three columns. Explain the distinction aloud. Then reveal the correction rule and compare your reasoning, not only your conclusion.

Trap set 1

Distinction	Correct rule	Tempting error	Recovery move
Client vs customer	A written brokerage engagement creates the client relationship.	Assuming showings, advice, or time spent creates representation.	Ask: is there a written engagement?
Dual vs designated agency	Dual agency is one broker or agent representing both clients with written informed consent. Designated agency assigns separate agents.	Treating the two structures as synonyms.	Count the advocates, then check consent.
Material fact vs confidence	A material fact about property is disclosed. A client's negotiating position is generally confidential.	Calling every secret a material fact.	Ask what the fact is about: property or party?
Security deed vs note	The note is the promise to repay. The security deed secures the debt with real property.	Calling both documents the loan.	Promise = note. Collateral = security deed.
Price vs loan	Transfer tax follows consideration. Intangible recording tax follows the note.	Using the sale price in both calculations.	Transfer = price. Intangible = loan.
Void vs voidable	Void never became enforceable. Voidable operates until the protected party avoids it.	Assuming either word means canceled.	Could anyone elect to enforce?

Trap set 2

Distinction	Correct rule	Tempting error	Recovery move
Assignment vs novation	Assignment transfers rights. Novation substitutes a party and releases the original through agreement.	Assuming assignment automatically releases liability.	Look for consent and release.
Executed vs executory	Executed means fully performed. Executory means performance remains.	Confusing executed with signed.	Ask whether duties remain.
General vs specific lien	General liens reach multiple assets. Specific liens attach to identified property.	Classifying only by voluntary or involuntary.	Ask what property the lien reaches.
Actual vs constructive notice	Actual notice is direct knowledge. Recording can create constructive notice.	Assuming unrecorded means invalid between parties.	Notice and validity are separate questions.
CMA vs appraisal	A CMA is brokerage market analysis. An appraisal is an opinion of value by a qualified appraiser.	Calling a CMA an appraisal.	Match the product to the professional role.
Cost, price, value	Cost is expenditure, price is an amount paid, value is an opinion or relationship.	Treating the three as interchangeable.	Identify the noun the stem actually gives.

Trap set 3

Distinction	Correct rule	Tempting error	Recovery move
NOI vs cash flow	NOI excludes debt service, income tax, depreciation, and capital expenditures.	Subtracting the mortgage before cap rate.	Stop at operating expenses.
Cap rate vs GRM	Cap rate uses NOI. GRM uses gross rent.	Mixing a percentage with a multiplier.	Net = cap. Gross = GRM.
Debit vs credit	A debit is charged to a party. A credit benefits that party on the statement.	Memorizing direction without reading payment status.	Name who owes and who receives.
Mill vs percent	One mill is $1 per $1,000 of assessed value.	Treating 25 mills as 25%.	Divide assessed value by 1,000 first.
EXCEPT and NOT	The stem asks for the one answer outside the rule.	Selecting a true statement and moving on.	Restate the stem in positive words.
Authority vs duty	Authority asks what an agent may do. Duty asks what an agent must do.	Answering a permission question with a fiduciary list.	Circle may or must mentally.

Original check questions

1. An agent has shown a buyer twelve properties but no engagement is signed. What is the buyer's status?

Answer and why: Customer. Work performed does not replace the written engagement.

2. A recorded deed gives the public legal notice even when a buyer did not actually inspect it. What type?

Answer and why: Constructive notice.

3. A comparable has a pool worth $20,000 and the subject does not. Which property is adjusted and in what direction?

Answer and why: Subtract $20,000 from the comparable.

4. A $300,000 property secures a $240,000 note. Which figure begins Georgia intangible recording tax?

Answer and why: $240,000, the note amount.

5. A contract has been signed but the closing has not occurred. Executed or executory?

Answer and why: Executory because performance remains.

6. An investor gives price and gross annual rent but no expenses. Cap rate or GRM?

Answer and why: GRM. Cap rate needs NOI.

Sources, scope, and revision record

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Every high-stakes number has an official source. Rules that vary by facts are framed as study distinctions, not personal legal advice.

[1] **PSI Georgia Candidate Information Bulletin, 7/1/2026**
https://test-takers.psiexams.com/api/content/bulletin/4672

[2] **Georgia Real Estate Commission**
https://grec.state.ga.us

[3] **Georgia Rules, Chapter 520**
https://rules.sos.ga.gov/gac/520

Edition control	Value
Primary exam source	PSI Georgia Candidate Information Bulletin, 7/1/2026
Publisher	Pass Georgia Real Estate Exam Prep
Corrections	https://www.passgeorgiarealestate.com/exam-guide/corrections

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