PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Rescission

Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Contracts	Contract remedies and status	Define, distinguish, apply, retrieve

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Rescission mean?

Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Rescission ends and unwinds the bargain. Specific performance enforces it, while damages compensate for loss caused by breach.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

A contractual termination right, mutual agreement, fraud, mistake, or another legal ground may support rescission. The source of the right matters.

WORKED EXAMPLE

A buyer proves material fraudulent inducement and seeks return of the deposit while giving up rights under the purchase contract.

EXAM TRAP

Termination and rescission are often used loosely, but not every ended contract requires both sides to restore all prior benefits.

Memory cue: Termination and rescission are often used loosely, but not every ended contract requires both sides to restore all prior benefits.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Rescission?

- **A** Specific performance is an equitable remedy ordering a party to carry out a contract.
- **B** Liquidated damages are an amount or measure the parties agree in advance will be recoverable after a specified breach, when the clause is enforceable rather than an unlawful penalty.
- **C** A voidable contract is a valid contract that one protected party may affirm or avoid because of a legal condition such as fraud, duress, misrepresentation, incapacity, or another recognized defense.
- **D** Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions.

CORRECT ANSWER: D

Rescission is correct. Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions. Rescission ends and unwinds the bargain. Specific performance enforces it, while damages compensate for loss caused by breach. A contractual termination right, mutual agreement, fraud, mistake, or another legal ground may support rescission. The source of the right matters.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Specific performance

Specific performance is an equitable remedy ordering a party to carry out a contract.

https://www.passgeorgiarealestate.com/glossary/specific-performance

RELATED TERM

Liquidated damages

Liquidated damages are an amount or measure the parties agree in advance will be recoverable after a specified breach, when the clause is enforceable rather than an unlawful penalty.

https://www.passgeorgiarealestate.com/glossary/liquidated-damages

RELATED TERM

Voidable contract

A voidable contract is a valid contract that one protected party may affirm or avoid because of a legal condition such as fraud, duress, misrepresentation, incapacity, or another recognized defense.

https://www.passgeorgiarealestate.com/glossary/voidable-contract

RELATED TERM

Due-diligence period

A due-diligence period is a negotiated contract window during which a buyer may investigate the property and exercise the termination rights stated in the agreement, often for any reason when the contract grants that broad right.

https://www.passgeorgiarealestate.com/glossary/due-diligence-period

RECOMMENDED NEXT COMPLETE LESSON

Contracts complete lesson

https://www.passgeorgiarealestate.com/study-guide/contracts/performance-breach-remedies

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672