

# Nevada Business Broker Content Outline

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The state-specific examination is made up of fifty (50) scored items. The exam also contains five to ten (5-10) pretest items. The pretest items are not identified and will not affect a candidate's score in any way.

- I. UNDERSTANDING AND RECASTING FINANCIAL STATEMENTS (18 ITEMS)
  - A. Accounting Terminology and Concepts
  - B. Understanding Key Financial Reports and Tax Returns
  - C. How to Recast Financials
  - D. Accrual vs. Cash Accounting
  - E. Identifying Seller's Discretionary Income
  - F. How to Identify Questionable Expenses
  - G. Distinctions Between Compiled/ Reviewed/Audited Financials
  
- II. BUSINESS VALUATION: DETERMINATION OF MOST PROBABLE SELLING PRICE (9 ITEMS)
  - A. Stock Sales vs. Asset Sales: Distinctions and Implications
  - B. Describing and Establishing Value of Assets
  - C. Determining Owner's Role in Business and Implications for Value
  - D. Identifying Potential Add-Backs, Deductions
  - E. Factors to Consider in Determining Appropriate Income Multiplier
  - F. Factors in Valuing Inventory
  - G. Application of Recast in Valuation
  - H. Comparative Market Data I. Other Valuation Techniques or Issues
  
- III. STRUCTURING LISTING AND PURCHASE OFFER AGREEMENTS (9 ITEMS)
  - A. Elements of a Business Listing Contract
  - B. Information to be Collected from Seller
  - C. Business Terminology
  - D. Key Elements of the Business Description
  - E. Necessity of Confidentiality Agreement
  - F. Standards for Prescreening Buyers
  - G. Elements Required in Transaction Timeline
  - H. Distinction Between Letter of Intent and Offer
  - I. Elements of a Business Offer to Purchase
  - J. Features that Protect Buyer (Earn-Outs, Holdbacks, etc.)
  - K. Lease Review and Related Issues
  - L. Including Real Property Interests in a Business Sale
  - M. Seller Financing
  - N. Miscellaneous Transaction Issues
  
- IV. ADDITIONAL TERMS/CONDITIONS IN BUSINESS ACQUISITION TRANSACTIONS (8 ITEMS)

Questions pertaining to the education and licensing process should be forwarded to Key Realty School:  
Email: [Email@KeyRealtySchool.com](mailto:Email@KeyRealtySchool.com) or Toll Free: 800 472 3893

Exam Applicants may register for the licensing exam through the state testing center:  
Online: [www.pearsonvue.com](http://www.pearsonvue.com) or Toll Free: 888 248 8055

All information provided within this document is deemed reliable but should be confirmed through the aforementioned Pearson Vue website as information is subject to change.

- A. Possible Contingencies to be Considered for Inclusion in Contract
  - B. Considerations in Sale of a Franchise
  - C. Contents of Seller's Voluntary Disclosure
  - D. Closing Documents
  - E. Adjustments at Close of Escrow
  - F. Other Contingency Issues
  - G. Removal of Contingencies
- V. ETHICAL ISSUES SPECIFIC TO BUSINESS BROKERAGE (2 ITEMS)
- VI. NEVADA LAWS AND REGULATIONS (4 ITEMS)
- A. Licensed Activities Requiring a Permit
  - B. Broker Supervision of Permit Holder
  - C. Renewal Requirements
  - D. Application of General Real Estate Regulation to Business Brokerage
  - E. Business Advertising Considerations
  - F. Other Regulatory Issues

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