

1. If two managers of separate properties get together to talk about how they plan to set their rental rates, is this legal?

**Yes, it is part of research for their market analyses**

**No, they're not allowed to set the same rental rates**

**No, it violates antitrust laws**

**No, it violates confidentiality laws**

2. Which of the following is not included in a property analysis?

**Tenants**

**Staff**

**Health and safety**

**Relevant market**

3. A department store with offices on the second level is what type of property?

**Retail**

**Office**

**Mixed-use**

**Special purpose**

4. Under which lease clause should the process and penalty for early termination be included?

**Options**

**Demising**

**Capacity to contract**

**Clear statement of term**

5. If a rental property has an NOI of \$250,000 with a cap rate of 8%, what price should an investor pay for the property?

**\$3,125,000**

\$2,000,000

\$275,100

\$1,250,000

6. Advertising anti-discrimination laws are geared towards  
office properties.

retail properties.

residential properties.

industrial properties.

7. The most important record the manager must keep for reporting to the owner is  
income and expense records.

tenant and lease records.

employee and payroll records.

property inspection records.

8. If it is impossible to acquire sufficient information to make an informed decision, what can be the least risky option to take?

Using gut feelings

Not doing anything

Do something because something is always better than nothing.

Let someone else make the decision.

9. If an office floor has 8,000 rentable square feet with a rental rate of \$10 per rentable square foot, what is the rental rate per usable square foot with 7,000 square feet of usable space?

\$10.53

\$11.11

\$11.43

**\$12.04**

10. When tenants must accept the leased property as is when they sign the lease, this is known as a maintenance clause.

a gross lease.

caveat emptor.

exculpatory clause.

11. What duty does the California Civil Jury Instructions place on business owners?

The duty to insure the safety of patrons, guests, and tenants.

The duty to exercise unlimited care for the safety of patrons, guests, and tenants.

The duty to inspect the premises for dangerous conditions.

The duty to protect patrons, guests, and tenants from all wrongful acts by another person.

12. Which of the following is not a component of a budget variance report?

Rental income

Operating expenses

Cash flow

Expense recoveries

13. A manager's ability to qualify and select tenants who will stay longer will reduce property damage.

vendor expenses.

vacancy rates.

owner involvement.

14. In California, employees must be given \_\_\_\_ minute meal breaks immediately after the first \_\_\_\_ hours of work.

**60, 4**

**30, 4**

**30, 5**

**60, 5**

15. Which type of report includes rental income, expense recoveries, operating expenses, and other revenue?

**Balance sheet**

**Rent roll**

**Budget variance**

**Delinquencies**

16. Which of the following statements is false?

**A tenant has the sole right to occupy the premises without interference from the landlord.**

**The landlord cannot place a shed in the property's driveway in such a way that the tenant cannot enter and park on the property.**

**The landlord is obligated to maintain the property's condition.**

**The landlord is not obligated to provide building services.**

17. How many and which reports a property manager must submit to the owner will vary; but at the very least, the manager should provide which of the following reports?

**Leasing activity**

**Property inspection**

**Delinquencies**

**Employee payroll**

18. A property manager who can be an individual property manager, an individual building manager, or a resident manager and whose job is to find tenants and get leases signed is called

a corporate manager.

an asset manager.

a concierge.

a leasing agent.

19. Which of the following is not typically a retail user economic concern?

Trade area

Tenant mix

Parking

Sales per square foot

20. The three types of business interruption endorsements do not include

Limited business interruption

Extended business interruption

Contingent business interruption

Business interruption

21. Security needs for retail properties are not necessarily determined by

location.

business hours.

available security technology.

size of property.

22. What should a manager do when he/she first takes over a property to manage?

Decide if he/she really wants to manage the property

Review all existing policies

Go through the accounts payable ledger

**Notify the tenants of the new management**

23. If a tenant's rent is being increased because she contacted the housing authorities about the condition of her rental unit,

the landlord should send her a 3-day unlawful detainer notice.

the landlord should hurry up and get the unit in good condition before the housing authority visits.

the landlord can be sued for actual and punitive damages.

the landlord doesn't need to do anything until the housing authority inspects the rental unit.

24. Who would most likely be held liable if, while driving to the bank to deposit lease security deposits, a property manager was at fault in an accident where another person was injured?

**The property owner**

The other driver

The property manager

No one

25. Where would a For Rent sign be most effective?

Along a major highway

In a rural area

Near an industrial park

On a downtown building

26. Which California agency monitors the administration of workers' compensation claims?

**Commission on Health and Safety and Workers' Compensation**

Appeals Board

State Compensation Insurance Fund

Division of Workers' Compensation

28. A relationship in which the manager only has the authority to act on behalf of the owner in a specific transaction is called

employer-employee relationship.

formal fiduciary relationship.

special agency relationship.

trust.

27. To create an operating budget for the plan, the manager would not need anticipated revenue.

optimum rents.

cost-benefit analysis.

adjusted income based on anticipated market trends.

28. How would the variable expense ratio be determined for a rental property with \$400,000 in variable expenses, \$950,000 in potential rental income, \$250,000 in debt service, and \$225,000 in fixed operating expenses?

\$250,000 / \$400,000

\$225,000 / \$250,000

\$400,000 / \$950,000

\$225,000 / \$950,000

29. What is one advantage of the modified cash-basis accounting method?

Gives clear idea of how much expenses and revenues are each month

Matches expenses and revenues in time

No accounting standard imposed rules on its usage

Shows monthly profits

30. Obtaining an assessment of the property's condition is a necessary step in

developing a maintenance plan.

performing a property appraisal.

routine maintenance.

cost-control analysis.

31. Single-tenant is an example of

building type.

building category.

building configuration.

space ratio.

32. If maintenance reports show that one tenant in particular has ongoing maintenance problems, what should the manager do?

Evict the tenant

Replace the item that is causing the problem

Talk to the tenant to uncover the cause of so many problems

Ignore the tenant's complaints because this tenant is just a problem

33. The objective when choosing an advertising medium is

reaching as many people as possible.

the best way to show the rental unit.

finding the most cost effective method.

reaching as many prospective tenants as possible.

34. The following is not a type of staff.

Management

Agency

Administrative

Maintenance

35. Which of the following would most likely not be required to comply with the ADA?

Changing door hardware

Changing how a door opens

Changing a wooden door to a glass door

Changing the width of doorways

36. In California, which of the following is not allowed?

Security deposits and operating funds in same account

Security deposits in separate account

Security deposits and personal funds in same account

Security deposits and reserve funds in same account

37. A shopping center with a group of chain stores that are not related to one another and are each a dominant player in its own line of business is called

lifestyle shopping center.

power shopping center.

factory outlet.

super regional center.

38. A long-term relationship in which the manager is authorized to sign contracts within the realm of the manager's duties on behalf of the owner, obligating the owner to the terms of the contracts is called

special agent relationship.

general agent relationship.

formal fiduciary relationship.

employer-employee relationship.

39. In California, how long should property managers or owners keep leases?

1 year

4 years

7 years

Permanently

40. What will determine what percentages of the marketing budget will be spent on each type of marketing effort?

Amount of moneys

Most popular advertising methods

Targeted audience

Availability of print resources

41. Occupancy and vacancy rates are a direct reflection of

rental rates.

supply and demand.

property condition.

management policies.

42. Replacing broken floor tile is a task under which maintenance procedure?

Routine

Corrective

Preventative

Construction

43. Which of the following statements is true?

Social networking offers the opportunity to replace the existing online and offline presence.

Social networking offers the opportunity to provide helpful, relevant information that is useful to a specific group.

Social networking offers the opportunity to promote events, promotions, and specials to specific audiences.

Social networking offers the opportunity to put a face on a business and show the corporate personality.

44. Community association managers in California are required to have what kind of license?

Real estate broker's license

None

Property manager's license

CAM license

45. The official unit of housing demand is

the household.

employment.

supply.

economic condition.

**46.** A real estate broker who manages properties for one or a number of owners is usually

a site manager.

an individual property manager.

a regional manager.

an executive manager.

**47.** Physical barriers in a neighborhood can restrict

rental rates.

growth potential.

occupancy rates.

relevant market.

**48.** Which of the following is NOT an exemption to the California licensing requirements for property managers?

Property owners who manage their own buildings.

Managers who perform real estate acts without compensation

A resident manager at a rental complex that consists of 10 or more apartments

Managers of hotels

**49.** According to construction standards, structures that have brick and joist structure with masonry bearing walls are

Type II

Type III

Type IV

Type V

50. \_\_\_\_\_ is directly linked to employment numbers of workers who use the space.

Size of property

Space demand

Property features

Space type

51. With commercial property abandonment, the law requires

the landlord to suspect the tenant has abandoned the property.

the tenant to have turned off the utilities.

the tenant to have demonstrated an intent to abandon.

the landlord to enter the property to confirm the tenant has abandoned.

52. A property manager should request to be included on the owner's insurance policies as

a right of subrogation.

a named insured.

a claimant.

co-insured.

53. Decreasing which of the following expenses will increase NOI?

Debt service

Income tax

Reserves

Staff salaries

54. A photography studio is considered what type of retail tenant?

Anchor

Service

Specialty

Major

55. Taking existing inventory footage, subtracting square footage expected to be demolished or condemned, and adding the square footage expected to come on line is required for

forecasting demand.

forecasting supply.

determining load factor.

determining space need.

56. The majority of a property management business marketing plan should be devoted to

cost and performance criteria.

detailing the marketing strategy.

comparable businesses analysis.

marketing budget and resources.

57. Which professional organization offers a Certified Apartment Manager certification?

NAA

ICSC

CAR

IREM

58. A \_\_\_\_\_ may contain 20-75 stores including a Target or Home Depot, fast food restaurants, and a quick auto lube center.

neighborhood shopping center

urban pedestrian mall

regional shopping center

community shopping center

59. If an insurance policy has a coinsurance provision and is insuring a property worth \$400,000 with an 80% required policy limit, what is the amount of claim that would be paid if 25% of the insured building is destroyed?

\$80,000

\$320,000

\$300,000

\$100,000

60. Sometimes, maintenance employees can be more costly than contractors because

employees' salaries are higher.

employees are on the property more often.

contractors may be desperate for work and provide low bids.

employees receive benefits.

61. Under what law are property managers required to tell a tenant applicant that a credit report was used to deny the tenant's application?

ECOA

FCRA

URLTA

FEHA

62. When marketing an office property, the manager need not

understand the market.

know the customer's budget.

know the competition.

understand the customer's wants.

66. If a manager breaches a property management contract, the owner should

withhold the manager's compensation.

terminate the contract.

notify the tenants of the breach.

sue the manager.

67. If a property manager offers a discounted rental rate in exchange for sexual favors by a tenant, is this illegal?

Not if the tenant agrees

Not if the sexual favors are performed off the property

Yes, it is sexual harassment

Yes, it violates Megan's Law

68. Which type of report should include beginning and ending arrears, resident charges, paid YTD, and other fees?

Balance sheet

Rent roll

Budget variance

Delinquencies

69. Which of the following statements is true?

A title page is not necessary for a management plan.

If the manager has written the plan carefully, there is no need for someone else to read it before presentation to the owner.

The two most important sections of the plan are the table of contents and the conclusion.

The owner's goals are the determining factor in the manager's analyses and types of information included in the plan.

70. In a \_\_\_\_\_, just the essential facts are recorded, not the entire lease.

sublease

memorandum of lease

clear statement of terms

demising clause

71. Which of the following is not included when determining management fees?

Shared costs

Indirect costs

Direct Costs

Profit

72. The types of staff typically required for an office property usually does not include

food service.

maintenance.

janitorial.

security.

73. An organization that gathers and provides data on vacancy rates, new home construction, housing patterns based on state, county, city, zip code, and other demographic and economic factors is the

California Regional Economic Analysis Project.

US Department of Commerce

US Census Bureau

Institute of Real Estate Management

74. Allowable interview questions in California include questions or statements regarding

school completion dates.

legal right to work within the U.S.

religious days observed.

applicant's arrest record.

75. People should not leave a spare key hidden outside the rental unit because

they might forget where they hid it.

criminals know the common hiding places.

it would be lost in a catastrophe.

someone might see them hide it.

76. The minimum standard for legal compliance and activities is set by

state laws.

local laws.

federal laws.

ethics.

77. After a tenant files for bankruptcy but still pays some rent, what is the landlord required to do with the payments?

Apply payments to the oldest due rent

Apply payments only to rent due after the bankruptcy filing

Deposit the payments into an escrow account

Give the payments to the bankruptcy court for holding until the case is completed

78. Property management software systems would not typically include applications for

budgeting.

marketing.

payroll.

maintenance.

79. Capital expenditures differ from operating expenses in that capital expenses

are recurring.

must be financed.

are depreciated.

cost more.

80. Which of the following is NOT regulated by California's rent control legislation?

Amount of initial rent

**Evictions**

**Rent increases**

**Additional landlord-tenant regulations**