1. All of the following expenses can be deducted from the security deposit of a resident **EXCEPT**:
   
   A. Holdover rent  
   B. Unpaid rent  
   C. Background check fees  
   D. Eviction fees  

2. Who should complete a rental application?
   
   A. Prospective resident  
   B. Property manager  
   C. Minor occupant  
   D. Leasing professional  

3. Which reason **BEST** describes why it is important for an apartment manager to paraphrase a resident's remarks during a conversation?
   
   A. It provides the resident with information that he/she might not have known.  
   B. It reinforces that the resident is in control and directing the conversation.  
   C. It helps avoid miscommunication and shows that the apartment manager cares about the resident.  
   D. It gives the resident a sense of whether the apartment manager agrees or disagrees with the information.  

4. Which term is **BEST** defined as a legally enforceable contract that grants a resident the rights and responsibilities of possession and use of an apartment for a specified period of time?
   
   A. Lease  
   B. Offer  
   C. Amendment  
   D. Exclusion clause  

5. When may it be unnecessary to collect bids for a contract?
   
   A. The contract is for a negligible amount.  
   B. The contract is for a short period of time.  
   C. The contract covers work that can be completed on-site.  
   D. The contract has been previously awarded for similar work.
6. During contract work at a property, which method of risk reduction is used to encourage satisfactory completion of work by withholding a percentage of payment?

A. Retainage fee  
B. Lien waiver  
C. Certificate of insurance  
D. Payment and performance bond

7. Which term is **BEST** defined as a neutral policy or procedure that has a disproportionately negative effect on a protected class?

A. Limited liability  
B. Tenant subsidy  
C. Disparate impact  
D. Punitive damage

8. In which situation would it be **MOST** appropriate to ask for written verification of a disability from a person who requests reasonable modifications due to a disability?

A. Fulfilling the request will have a financial impact.  
B. The disability is not readily apparent.  
C. The modification is being requested for a minor.  
D. Public areas will be affected by the modification.

9. How should a property manager respond after being made aware that a sex offender lives on the property?

A. Seek legal counsel about disclosure responsibility.  
B. Tell no one and issue a notice to vacate at the end of the lease term.  
C. Disclose the information to the residents.  
D. Get written consent to release the information from the convicted resident(s).
10. Which term is **BEST** defined as the changes in the rules, services, practices, or policies that allow individuals with disabilities equal enjoyment of housing?

A. Modifications  
B. Renovations  
C. Accommodations  
D. Subsidization

11. What is the **FIRST** phase of the leasing process?

A. Marketing and advertising  
B. Orientation and move-in  
C. Leasing and follow-up  
D. Screening and applications

12. When criminal activity occurs on the property, what does the property manager have the responsibility to do **FIRST**?

A. Develop a crime intervention plan.  
B. Keep residents reasonably informed.  
C. Display details of the crime in an open area.  
D. Evict the resident(s) associated with the crime.

13. Which is the **BEST** way to avoid a dispute with a contractor who will be performing work?

A. Be flexible with payment guidelines.  
B. Ensure that all specifications are verbally agreed upon.  
C. Give the contractor opportunity to determine scope.  
D. Verify acceptable materials and permits prior to start.

14. In order to make the rental contract legal, what does the resident offer as **consideration**?

A. A co-signer  
B. A rental application  
C. Personal and credit history access  
D. Rent monies
15. Section 504 of the Rehabilitation Act of 1973 requires federally funded housing programs to be:

A. Redeemable in the form of rent vouchers.
B. Available and usable for new and remodeled housing.
C. Readily accessible to qualified persons with handicaps.
D. Provided to persons with a documented drug abuse diagnosis.

16. Under which condition can a resident be restricted from installing a satellite dish or antenna?

A. The resident has a history of delinquent rent payments.
B. The resident needs to drill holes in outside walls, roofs, or balconies.
C. There is an agreement with a third party to provide television services.
D. The satellite dish or antenna will be in a visible location.

17. At which point does *acceptance* occur in the rental process?

A. As the application is submitted
B. When the applicant signs a lease
C. After the applicant submits a security deposit
D. Immediately upon the applicant entering the unit

18. Which term *BEST* describes a legal concept in which employers and employees can terminate employment without cause or notice?

A. Leave-at-will
B. Perform-at-will
C. Terminate-at-will
D. Employment-at-will

19. What are the progressive steps in an employee disciplinary process?

A. Coaching, follow-up meeting, termination
B. Suspension, probation, termination
C. Verbal warning, written warning, termination
D. Written warning, suspension, employee evaluation
20. Which action by an apartment manager is MOST likely to undermine an employee's performance evaluation?

A. Allowing the employee to explain performance issues  
B. Being direct about the changes that the employee should make  
C. Citing specific examples of poor performance or misconduct  
D. Using general words or examples to convey a message

21. There are federal laws in place to ensure that employers provide which type of benefit?

A. Holiday pay  
B. Overtime pay  
C. Paid vacation  
D. Sick leave

22. Under which federal act must employers pay employees overtime wages for hours worked over 40 within the legal work period?

A. Fair Labor Standards Act  
B. Title VII of the Civil Rights Act of 1964, as amended  
C. Fair Credit Reporting Act  
D. Civil Rights Act of 1991

23. What do yield/revenue management systems consider when pricing rents?

A. Criminal activity occurring within the property and immediate vicinity  
B. Number of evictions and delinquent rent payments at the property  
C. Past and present data associated with supply, demand, and economics  
D. Predictive reports regarding the current residents' debt-to-income ratios

24. Which action performed by apartment community staff BEST exemplifies internal marketing?

A. Advertising work to contractors  
B. Negotiating special pricing with vendors  
C. Sending promotional material to local neighborhoods  
D. Discussing the perks of the community with a resident

25. What is used to detail the objectives and methods that will be used to achieve a community's marketing goals?

A. Competitive survey  
B. Market analysis  
C. Marketing plan  
D. Neighborhood analysis
26. Which of the following acronyms identifies an analysis that defines problems and pinpoints enhancement opportunities within marketing efforts?

A. AIDA  
B. ARM  
C. DATA  
D. SWOT

27. A decrease in which ratio would be the BEST indicator of a successful marketing campaign?

A. Revenue per resident  
B. Cost per lease  
C. Residents per unit  
D. Price per advertisement

28. In order for the progress of a marketing campaign to be measured, the marketing plan must contain which type of elements?

A. Desirable  
B. Predictable  
C. Profitable  
D. Trackable

USE THE FOLLOWING INFORMATION TO ANSWER QUESTIONS 29-31.

An apartment community created the following table using marketing-related data collected over the previous 12 months:

<table>
<thead>
<tr>
<th>Method</th>
<th>Cost Per Month</th>
<th>Traffic Per Month</th>
<th>Leases Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio Advertisement</td>
<td>$1,200</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>Online locator website</td>
<td>$150</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Unlicensed sign</td>
<td>$1,200</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Resident referral</td>
<td>$800</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

29. According to the data, which marketing method is the MOST cost-effective for lease generation?

A. Radio advertisement  
B. Online locator website  
C. Unlicensed sign  
D. Resident referral
30. According to the data, which marketing method is the **LEAST** cost-effective for traffic generation?
   
   A. Radio advertisement  
   B. Online locator website  
   C. Unlicensed sign  
   D. Resident referral

31. According to the data, what is the cost to get one person in traffic using the online locator website?
   
   A. $24.50  
   B. $37.50  
   C. $44.50  
   D. $75.00

32. In relation to community marketing, what are **The Five P's**?
   
   A. Price, promotion, pride, place, and payment  
   B. Pride, product, plan, position, and promotion  
   C. Product, price, promotion, people, and place  
   D. Promotion, price, place, proof, and print

33. Market conditions are driving current rents down by an average of 10%, and properties are experiencing an increase in the number of current residents giving notice to vacate. As a result, which of the following is **MOST** likely to occur?
   
   A. Increased economic occupancy  
   B. Increased use of concessions  
   C. Decreased economic occupancy  
   D. Decreased use of concessions

34. Which pair of characteristics **BEST** describes **relationship selling**?
   
   A. Aggressive and urgent  
   B. Defined and professional  
   C. Flexible and individualized  
   D. Quick and consistent
35. Which term is **BEST** defined as current and potential residents who want to live in an apartment community and who are qualified to live there?

A. Prospects  
B. Stakeholders  
C. Market  
D. Region

36. What is the **PRIMARY** goal of a sales promotion?

A. To expand a market area  
B. To promote a positive image  
C. To increase sales  
D. To provide information

37. *Retrofitting* involves replacing worn or less efficient equipment with:

A. Refurbished or recertified equipment.  
B. Vintage equipment with market appeal.  
C. Equipment of the identical size and era.  
D. New energy-saving equipment.

38. Which information must be identified in the description of work for a service request?

A. Location of the work  
B. Person requesting the work  
C. Budget allotment for the work  
D. Materials needed to complete the work

39. What is the **PRIMARY** purpose of the bidding process when contracting work?

A. To ensure that work requirements are exceeded  
B. To get the work completed at the lowest cost  
C. To reduce time needed before the work is started  
D. To select the best contractor for the work
40. Who is ultimately responsible for the market-ready condition of the property?

A. Resident  
B. Leasing professional  
C. Maintenance supervisor  
D. Community manager

41. What is preventative maintenance intended to reduce?

A. The number of problems that are unexpected  
B. The number of internal and external inspections  
C. The frequency in which work must be contracted out  
D. The amount of staff required by the maintenance team

42. What are frequent property inspections designed to reduce MOST?

A. Cost of repairs  
B. Number of work orders  
C. Number of residents making service requests  
D. Amount of work the maintenance team performs

43. The cost to upgrade 25 units is $3,500 per unit. The owner decides to reduce the cost per unit to $2,800 by upgrading only the units' refrigerators instead of all the appliances. What is the payback period if the additional market rent is now $54 per month?

A. 31 months  
B. 39 months  
C. 45 months  
D. 52 months

44. A property was purchased for $2,000,000 with a down payment of $500,000. The annual GPR is $400,000, VAC is 5%, and OI is $15,000. What is the EGI?

A. $365,000  
B. $380,000  
C. $395,000  
D. $1,500,000
SCENARIO A:
Enclave Apartments is a 220-unit multifamily property. Using the following financials from 2020 (end-of-year actuals), perform the requested calculations. As of 12/31/2020, the property had 208 occupied units.

Gross Potential Rent = $958,920
Total Rental Revenue = $795,623
Other Income = $78,146
Effective Gross Income = $873,769
Other Expenses = $474,646
Net Operating Income = $399,123
Capital Expenses = $32,412
Debt Service = $267,876
Replacement Reserves = $34,020
Cash Flow = $64,815

45. What is VAC?
   a. $163,297
   b. $64,815
   c. $873,769
   d. $98,835

46. What is the operating expense ratio?
   a. 59.7%
   b. 54.3%
   c. 49.5%
   d. 56.4%

47. What is the economic occupancy?
   a. 95%
   b. 42%
   c. 83%
   d. 91%

48. Assume that an investor in this property made an initial investment of $1,125,000. What is the ROI (return on investment)?
   a. 6%
   b. $399,123
   c. 35%
   d. $64,815

49. Assume that an investor in this property made an initial investment of $1,125,000. What is the cash-on-cash return? a. 35%
   b. 6%
   c. $399,123
   d. $64,815
50. Using a cap rate of 7.15%, what is the property’s value?
   a. $5,582,140
   b. $906,504
   c. $558,214
   d. $1,341,147

51. The manager is able to increase NOI by 5% by increasing income and reducing expenses. Using the same cap rate (7.15%), what is the new property value?
   a. $586,125
   b. $279,105
   c. $5,582,140
   d. $5,861,247

52. What is the physical occupancy?
   a. 83%
   b. 95%
   c. 42%
   d. 91%

Scenario B: Bay Pointe Apartments – Use this rent schedule to answer the following questions.

<table>
<thead>
<tr>
<th>Type</th>
<th># of Units</th>
<th>Square Footage per Unit</th>
<th>Total Square Footage</th>
<th>Monthly Rent</th>
<th>Total Monthly Rent</th>
<th>Rent per Square Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1x1</td>
<td>180</td>
<td>467</td>
<td></td>
<td>$489</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2x1</td>
<td>120</td>
<td>911</td>
<td></td>
<td>$739</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

53. How many total units does Bay Pointe Apartments have?
   a. 180
   b. 400
   c. 120
   d. 300

54. What is the total square footage for the entire property?
   a. 109,320
   b. 193,380
   c. 273,300
   d. 206,700
55. What is the total monthly rent for all unit types?
   a. $88,020
   b. $88,680
   c. $176,700
   d. $184,200

56. Calculate the rent per square foot for 2x1’s.
   a. $0.81
   b. $0.67
   c. $0.97
   d. $0.79

57. Bay Pointe expects 167 move-outs this year. Calculate the annual turnover based on this information.
   a. 86%
   b. 67%
   c. 56%
   d. 49%

58. The manager wants to reduce annual turnover to 45%. How many move-outs need to be “saved” (prevented) to reach this goal?
   a. 119
   b. 32
   c. 135
   d. 23

Scenario C: The Vue has 11 visitors (traffic) for the week; 6 of the visitors place a deposit. Of these 6: 3 move in, 2 applications are denied, and 1 application is rejected.

59. What is the gross closing ratio?
   a. 27%
   b. 50%
   c. 19%
   d. 55%

60. What is the net closing ratio?
   a. 55%
   b. 27%
   c. 50%
   d. 19%
Scenario D: Overlook Apartments places an ad that costs $3200. The ad generates 23 pieces of traffic and 7 move-ins.

61. What is the cost per lead?
   a. $139
   b. $457
   c. 7.18%
   d. 2.2%

62. What is the cost per lease?
   a. $139
   b. 7.18%
   c. 2.2%
   d. $457