

Property Management Chapter Quizzes

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Self-Check Answer Keys

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THE CAREER INSTITUTE



PROFESSIONAL PROPERTY MANAGEMENT

Chapter 1: Multiple Choice

1. The primary function of the property manager is to
 - a rent units for owners.
 - b generate greatest income for owner.**
 - c show space to prospective tenants.
 - d decrease the value of the property.

2. One of the contributing factors that has contributed to the development of property management is the
 - a declining cost of apartment building construction.
 - b centralization of traditional downtown areas.
 - c increased use of trolleys and rail lines.
 - d invention of steel frame buildings and elevators.**

- . The oldest residential property management certification program in the United States and which is HUD-approved is
 - a Certified Apartment Manager CAM .
 - b Professional Property Manager PPM .
 - c Registered Apartment Manager RAM .**
 - d Accredited Residential Manager ARM

4. Commercial real estate includes
 - a apartment buildings.
 - b farms.
 - c mines.
 - d office buildings.**

5. The largest demand for the services of the professional property manager is found in what type of property?
 - a Residential**
 - b Commercial
 - c Industrial
 - d Government

6. Shopping centers, factory outlets and super regional malls are examples of
 - a special purpose properties.
 - b distribution facilities.
 - c office property.
 - d retail property.**

7. Many business parks offer a combination of office and industrial space that is divided into units of various sizes. These spaces are called
 - a loft buildings.
 - b incubator spaces.**
 - c ministorage.
 - d light industrial.

- . Properties designed to meet specific needs of heavy industry are generally
 - a developed by real estate speculators.
 - b managed by large real estate companies.
 - c occupied and managed by the owner.**
 - d sold to investors and leased back.

- . All of the following are examples of concierge services E CEPT offering
- a business services to tenants fax, courier service.
 - b rental services of small equipment to tenants.
 - c personal services such as picking up cleaning, gift wrapping and shopping.
 - d extra storage space.
10. The professional manager, acting as agent for the owner, should
- a lay out a business plan according to business school standards.
 - b understand what the owner wants to achieve.
 - c help the owner recognize the superiority of the manager s experiences.
 - d not bother the owner with too many reports and plans.

Chapter 2: Multiple Choice

1. Which of the following best describes a market?
 - a Expansion and contraction phases
 - b Seasonal variations
 - c Cyclic and random changes
 - d Exchange of goods between buyers and sellers
2. The four phases of the business cycle are
 - a inflation, expansion, growth, contraction.
 - b expansion, growth, contraction, revival.
 - c expansion, recession, contraction, revival.
 - d contraction, growth, revival, contraction.
3. Long-term movements in the real estate industry may be _____ those in the general economy.
 - a opposite
 - b same as
 - c longer than
 - d shorter than
4. Which one of the following would be one of the more indirect government actions to influence the economy?
 - a Government decreasing taxes
 - b Downturn in general business economy
 - c Closure of defense facilities
 - d Major plant closing
5. The residential rental market corresponds roughly to
 - a cycles in multifamily housing starts.
 - b commercial properties.
 - c industrial property.
 - d construction of new shopping centers.
6. The financial and operational strategy for the ongoing management of a property is the
 - a property manager.
 - b evaluation of all properties in the area.
 - c management plan.
 - d five-year forecast.
7. A property manager can measure economic trends through all of the following EXCEPT
 - a regional market analysis.
 - b neighborhood market analysis.
 - c supply and demand.
 - d operating budget
8. If a property manager wants to find out if occupancy levels for a given type of property are rising or falling, he or she should
 - a call the local chamber of commerce.
 - b survey comparable properties.
 - c check with the census bureau.
 - d consult the Consumer Price Index CPI

. More available units than tenants indicates

- a occupancy trends.
- b curb appeal.
- c economic oversupply.
- d technical oversupply.

10. Which of the following is the first step in the management plan?

- a Prepare five-year forecast
- b Prepare an operating budget
- c Establish optimum rents
- d Predict anticipated revenue

Chapter 3: Multiple Choice

1. The principal-agent relationship in property management is created by
 - a management agreement.
 - b listing agreement.
 - c employment contract.
 - d equitable title.

2. A property manager who is authorized to obligate his/her principal in a contractual manner is a
 - a trustee.
 - b trustor.
 - c special agent.
 - d general agent.

3. The relationship that a property manager who is an agent has with the owner who is a principal is
 - a confidential.
 - b ethical.
 - c fiduciary.
 - d power of attorney.

4. If a property manager were negotiating with a property owner to manage a large property, the term of the management contract should be at least
 - a six months.
 - b three years.
 - c one year.
 - d five years.

5. Mixing owners funds with personal funds is an illegal activity called
 - a redlining.
 - b commingling.
 - c steering.
 - d conversion.

6. How are management fees determined?
 - a Agreement of participating property managers
 - b Average of local rates charged
 - c Set by state law
 - d Negotiated between the parties

7. Which type of fee is a wonderful incentive when the owner wants the manager to generate more income?
 - a Per-unit fee
 - b Flat fee
 - c Percentage fee
 - d Cost plus fee

8. To insure a smooth takeover of a property, all of the following should be done EXCEPT
 - a owner should provide all necessary documents.
 - b manager should use a takeover checklist.
 - c manager should personally inspect the entire property.
 - d offer the tenants an opportunity to terminate their leases.

. Security deposit balances and accounting are an essential part of a property takeover. How should the new property manager handle security deposits?

- a Follow the owner's instructions
- b Handle the deposits in the same manner as the previous manager
- c Adhere to state laws**
- d Create a new system

10. To maintain an on-going satisfactory relationship with the owner, the manager should

- a send the owner reports only upon written request from the owner.
- b send monthly earnings report and a personal letter.**
- c contact the owner only in an emergency.
- d send quarterly written reports and monthly phone calls.

Chapter 4: Multiple Choice

1. What is the best and least expensive method of renting property?
 - a Brochures
 - b Signs
 - c Referrals
 - d Direct mail

2. Which of the following exerts the strongest influence over the design of the marketing plan?
 - a Location of the property
 - b Kind of property
 - c Mood of the manager
 - d Influence of other property managers

3. What kind of marketing campaign is indicated if the building has a high vacancy rate?
 - a Well-planned promotional effort to enhance prestige
 - b Evenly-spaced advertising campaign
 - c Little or no advertising due to lack of income
 - d Advertise and heavily promote to quickly draw in potential tenants

4. Classified ads are the most prevalent method of advertising in which type of property?
 - a Residential
 - b Commercial
 - c Industrial
 - d Retail stores

5. Of the following, which is the most expensive form of advertising?
 - a Television
 - b Display ads
 - c Radio
 - d Classified ads

6. What type of advertising is often favored by industrial and commercial property owners?
 - a Direct mail.
 - b Periodicals.
 - c Radio.
 - d Television.

7. Which of the following offers 24-hour a day access to tenants who are trying to locate rental properties?
 - a Telephone answering service
 - b Taped phone messages
 - c Mixed media
 - d Internet site

8. Showing space, determining a prospect's needs, spatial requirements and urgency are considered part of
 - a closing techniques.
 - b negotiating.
 - c qualifying the prospect.
 - d direct selling.

. Which of the following are most often the best way to market a very large apartment complex?

- a Leasing agents
- b Broker cooperation
- c Show lists
- d Rental centers

10. An ad which cost \$500 produced 10 prospects. Another ad, costing \$ 00 produced 15 prospects. Which ad is most beneficial to the property manager?

- a The \$500 ad would be the most beneficial.
- b The \$ 00 ad would be most beneficial.
- c The ad that produced a good one-year lease would be the most beneficial.
- d Neither ad would be most beneficial since both are too expensive.

Chapter 5: Multiple-Choice

1. A leasehold estate used by most residential property managers is a n
 - a estate by the entireties.
 - b estate from period to period.
 - c estate for years.**
 - d tenancy at will.

2. An estate that occurs at the end of a lease term without the consent of the owner is a n
 - a estate for years.
 - b tenancy at will.
 - c estate by the entireties.
 - d tenancy at sufferance.**

3. A lease under which the tenant pays a flat fee and the landlord pays all the expenses of the building is called a
 - a net lease.
 - b gross lease.**
 - c percentage lease.
 - d triple-net lease.

4. All of the following are correct regarding the basic elements of a valid lease EXCEPT
 - a Description of the property
 - b Names and signatures of lessors and lessees
 - c Consideration or amount of rent
 - d Racial composition of the tenants**

5. Which statute requires any leases not fully performable within one year be in writing to be legally enforceable?
 - a Statute of time and use
 - b Statute of limitations
 - c Statute of frauds**
 - d None of the above

6. Options to renew a lease favor the
 - a tenant.**
 - b landlord.
 - c landlord and tenant.
 - d None of the above

7. The clause in a lease that could help a new starting business is the
 - a index clause.
 - b step up clause.**
 - c pass-through.
 - d expense stop.

8. The transfer of a tenant's rights of all the remaining interest to a third party is called
 - a an assignment.**
 - b subletting.
 - c subrogation.
 - d release of liability.

- . The tenant may terminate his lease when the landlord fails to provide essential services by claiming
- a will noncompliance.
 - b notice to quite.
 - c actual eviction.
 - d constructive eviction.

10. Which is about the only reason that a manager should use a standard lease form?
- a Inexpensive
 - b May be out of date
 - c Often require much revision
 - d Manager is familiar with the legal ramifications and provisions

Chapter 6: Multiple Choice

1. Every prospect who walks in the door should complete a
 - a visitors registration form.
 - b lease application.
 - c credit report application.
 - d referral form.

2. The Civil Rights Act of 1968 Fair Housing Act make it illegal to refuse a prospective purchaser on the basis of
 - a public assistance, age, marital status.
 - b inability to hold a job.
 - c race, color, religion, sex, national origin, familial status and handicap.
 - d race, religion, sexual orientation, number of people in the rental unit.

3. To legally obtain a credit report, a property manager
 - a submits a phone request to national credit agency.
 - b need not obtain the applicant's consent.
 - c can do so for some applicants and not for others.
 - d can only do so with the applicant's permission.

4. All of the following are correct regarding the rationale behind validating a prospect's financial references EXCEPT
 - a Slow or erratic payers usually retain this pattern.
 - b Prompt and steady payers are inconsistent in meeting their obligations.
 - c Prospective tenant with an erratic history should be turned down.
 - d If there are only one or two lapses, allow the prospect to explain.

5. Another word for concession is a noun
 - a bribe.
 - b give away.
 - c inducement.
 - d bargaining.

6. One of the major concessions granted to balance the needs of the tenant and the prevailing market is
 - a owner alterations.
 - b expansion options.
 - c temporary free rent.
 - d to defray moving expenses.

7. Residential tenant alterations are usually restricted to
 - a highly customized alterations to meet their needs.
 - b decorating expenses.
 - c the established building standard.
 - d those done by the tenant.

8. What is the clause in a lease that allows a tenant an exclusive right to operate without competition?
 - a Step-up
 - b Noncompeting
 - c Encumbrance
 - d Acceleration

. Which of the following is an indirect way to ease moving costs of a tenant?

- a Lease assumption
- b Paying for the moving vans
- c Lease buy-out
- d Offer stationary with the new address at no charge

10. When the prospective tenant hesitates, the effective manager will employ several

- a styles of discussion.
- b qualifying questions.
- c closing techniques.
- d trial closes.

Chapter 7: Multiple Choice

1. Which of the following creates good tenant relations?
 - a Inconsistent maintenance of the property
 - b Little communication with the tenants
 - c Lax enforcement of the building rules
 - d Reputation for good maintenance of the property

2. Of the following, the best tool for good landlord tenant relations is
 - a many rules.
 - b move-in inspections.
 - c vague understanding of lease terms.
 - d varying rental rates from the same units.

3. How should the manager deal with maintenance requests?
 - a Ignore them unless repeated three times
 - b Process once a week, preferably on Monday mornings
 - c Tell the tenant when the repair will be made, or why it won't be done
 - d Procrastinate and evade the issue

4. What is the benefit of a stable, satisfied tenant population?
 - a Threatens earning capabilities of the building
 - b Improves stability of property income
 - c Increases manager's time showing units
 - d Increases renovation costs

5. How can the manager encourage prompt rental payments?
 - a Accept valid excuses for late payments if made before the due date
 - b Begin with clear-cut understanding as to when and where payments are due
 - c Avoid charging late fees
 - d Shun offering incentives for early payments

6. All of the following would be bargaining factors when it comes time to renew the lease EXCEPT
 - a discussion of the national origin of other tenants.
 - b length of new lease term.
 - c extent of redecorating.
 - d rental amount increase.

7. How can a manager avoid tenant protest over a rent increase?
 - a Short notice, possibly less than 30 days
 - b No explanation for the rent increase
 - c Decrease services
 - d Long notice, three to six months, in advance

8. Which statement is correct when a tenant terminates a lease?
 - a Manager does not need to know the reason for the tenant's move.
 - b Manager does not need inspect the space with the tenant before he or she moves.
 - c Tenant must give notice of intent to vacate within a certain period
 - d Manager can dispense with the exit interview.

. One of the best ways for a manager to avoid misunderstandings when a tenant decides to vacate would be to

- a have a long talk with the tenant.
- b have an attorney contact the tenant.
- c write a letter outlining the procedures for moving out.
- d ignore the situation.

10. If a landlord intends to keep part or all of a security deposit, he or she should

- a need not give the tenant an itemized statement explaining the withholding of the deposit.
- b just keep the money with no other obligation.
- c may not be able to retain all or part of the deposit because of damages caused by the tenant.
- d follow state laws in regard to time periods.

Chapter 8: Multiple Choice

1. Which of the following types of maintenance is aimed at preserving the physical integrity of a property?
 - a Corrective maintenance
 - b Preventive maintenance**
 - c Deferred maintenance
 - d Routine maintenance

2. Which category of maintenance is closely tied to tenant relations?
 - a Corrective maintenance
 - b Routine maintenance
 - c New construction**
 - d Preventive maintenance

- . What person usually coordinates and executes all maintenance operations of an apartment building?
 - a Property manager
 - b Maintenance chief
 - c Construction crew
 - d Resident manager**

4. Regarding maintenance, the property manager
 - a need not be conversant with the economics, staffing and scheduling of maintenance personnel.
 - b must be aware of the maintenance needs of the building and where to turn for help when needed.**
 - c should be able to fix of all mechanical and electrical systems.
 - d must be a decorator, painter, roofer and plumber.

5. Who should have the responsibility for approving the hiring and firing of employees?
 - a Property manager**
 - b Resident manager
 - c Construction superintendent
 - d Property management executive

6. A manager could hire which of the following individuals to supervise and do the work of various skilled trades?
 - a Construction superintendent
 - b Subcontractor
 - c General contractor**
 - d Any of the above

7. The first step in designing a preventive maintenance program is
 - a keep records.
 - b inventory equipment and buildings.**
 - c calculate costs.
 - d schedule tasks.

- . What is the importance of a maintenance check?
 - a Few serious potential problems can be averted by regular inspections.
 - b The manager does not need a checklist of the building's features.
 - c Maintenance checks can be done sporadically, when there is time.
 - d The manager should inspect the interior and exterior of each property.**

. Which of the following laws requires that businesses and other facilities open to the public must remove physical barriers?

- a Americans with Disabilities Act ADA
- b Equal Credit Opportunity Act ECOA
- c Fair Housing Amendments of 1
- d Truth-in-Lending T-I-L

10. An example of appropriate life-cycle costing is

- a computing the cost of an energy product over one year.
- b ignoring investment tax credits when purchasing energy equipment.
- c buying a higher priced item with lower operating costs.
- d buying a lower priced item, no matter what.

Chapter 9: Multiple Choice

1. Which of the following must be deducted from gross collectible income to arrive at net income?
 - a Laundromat fees
 - b back rent payments
 - c vacant space**
 - d pending contracts
2. Fixed expenses refer to expenses that
 - a fluctuate every year.
 - b are put aside for improvements.
 - c do not fluctuate with the amount of occupancy.**
 - d increase or decrease with the amount of occupancy.
3. When both fixed and variable expenses are deducted from gross collectible income, the result is
 - a net operating income.**
 - b effective gross income.
 - c potential gross income.
 - d personal income.
4. Which portion of debt service should be considered an expense on the profit and loss statement?
 - a Principal and interest
 - b Interest portion only**
 - c Principal portion only
 - d Neither principal nor interest is considered on the profit and loss statement
5. The per-unit fee of a small property should be
 - a decreased in buildings with problem tenants.
 - b decreased where there is deferred maintenance.
 - c increased whenever possible.
 - d increased due to inefficient decentralization.**
6. The form an employer must file for all income and taxes withheld from an employee is called a
 - a W-2.
 - b W-4.
 - c 1041.
 - d 41.**
7. Which type of depreciation is deductible for tax purposes?
 - a Physical deterioration**
 - b Functional obsolescence
 - c Economic obsolescence
 - d Locational deterioration
8. The general formula for a capitalization rate is
 - a effective gross income divided by a rate.
 - b net operating income divided by value.**
 - c net operating income divided by a rate.
 - d potential gross income divided by value.

- . If the manager is required to live on the premises, the manager
 - a must pay taxes on the fair market value of the rent.
 - b must pay into social security based on fair market value.
 - c does not have to pay taxes on the fair market value of the rent.
 - d must file a 10 on the fair market value.

- 10. An example of direct costs include
 - a general office overhead.
 - b accounting department expenses.
 - c corporate advertising.
 - d resident manager s salary.

Chapter 10: Multiple Choice

1. Which of the following is a forbidden activity under antitrust laws?
 - a lockbusting
 - b Steering
 - c Price-fixing
 - d Redlining

2. Which law was reinforced by the Jones v. Alfred H. Mayer Company Supreme Court decision prohibiting all racial discrimination?
 - a Civil Rights Act of 1966
 - b Title III of the Civil Rights Act of 1966
 - c Equal Credit Opportunity Act
 - d Fair Credit Reporting Act

3. Which of the following are protected classes under the Equal Credit Opportunity Act but not under the Fair Housing Laws?
 - a Race and color
 - b Religion and national origin
 - c Age and marital status
 - d Sex and handicap

4. Housing for the elderly is intended for
 - a those over the age of 55.
 - b those over the age of 62.
 - c elderly handicapped people.
 - d families with no infant children.

5. Residential rental properties must be handicap accessible if built before
 - a 1990.
 - b 1980.
 - c 1975.
 - d 2000.

6. Civil penalties assessed in fair housing actions are paid to
 - a the aggrieved party.
 - b HUD.
 - c United States treasury.
 - d the attorneys.

7. Which of the following is permitted information to consider when making a loan under the Equal Credit Opportunity Act?
 - a birth control practices
 - b Widowed or married
 - c Single or divorced
 - d Proof of income

8. The purpose of looking at a credit report is to see
 - a how a prospect has treated other lenders.
 - b privileged medical information.
 - c driving records.
 - d comments concerning job performance.

- . The lead-based paint disclosure act was passed to protect
- a property management companies.
 - b children under the age of six.**
 - c elderly tenants.
 - d vacationers.
10. The Lead-based Paint Disclosure Act places a burden on owners and managers to
- a contain chipping and peeling paint.**
 - b remove all lead-based paint.
 - c include blood testing for all children who live there.
 - d destroy all buildings built before 1978.

Chapter 11: Multiple Choice

1. What is the major difference s between managing scattered site housing and apartment buildings?
 - a There is no difference
 - b Geography and time**
 - c Single-family homes are centralized
 - d Repair costs for apartments are less
2. Surveys of comparable properties and economic conditions are part of the
 - a building analysis.
 - b economic analysis.
 - c market analysis.**
 - d management analysis.
3. A prospective tenant's first impression of a property is created by the property's
 - a location.
 - b parking availability.
 - c design.
 - d curb appeal.**
4. When a property manager compiles a show list, it should include
 - a the names of nearby residents.
 - b at least five apartments of each type.
 - c general features of the building.
 - d specific apartments that are available for inspection.**
5. The major vehicle for advertising residential properties is
 - a television.
 - b radio.
 - c classified ads.**
 - d signage.
6. Apartment journals
 - a are published weekly.
 - b usually cost more than a newspaper display ad.
 - c list most rental houses in a local area.
 - d are free and are distributed in display stands.**
7. How are most leasing agents compensated?
 - a Hourly rate
 - b Number of units rented**
 - c iweekly
 - d Annual salary
8. Whether to hire full-time or contract services for maintenance depends on
 - a hourly rates in the area.
 - b extent of benefits that must be added to salaries.
 - c whatever is most convenient for the manager.
 - d services required and cost-effectiveness to the owner.**

. Additional income can be derived from the following sources E CEPT

- a selling tenant insurance.
- b vending machines.
- c parking fees.
- d Laundromat availability.

10. Whether to subsidize the building, sell out, or make a major improvement is a decision the owner must make after studying

- a five-year forecast.
- b operating budget.
- c management pricing worksheet.
- d cash flow analysis

Chapter 12: Multiple Choice

1. When someone purchases shares of stock in a corporation that owns title to an entire apartment building, it is properly called a

- a condominium.
- b time-share.
- c cooperative.**
- d proprietary lease

2. Individual ownership in a unit and an undivided interest in the common elements is a

- a condominium.**
- b cooperative.
- c time-share.
- d mixed use development

3. When an individual with a membership certificate is granted the right to occupy a specific unit in a building, the individual obtains a

- a lease.
- b rental agreement.
- c proprietary lease.**
- d deed of trust.

4. Which of the following establishes condominium ownership?

- a CC R declaration
- b Deed**
- c Proprietary lease
- d All of the above

5. The property manager of a condominium has fiduciary responsibilities to the

- a tenants.
- b board of directors.
- c owners.**
- d president of the corporation.

6. A major benefit to coop and condo owners is

- a many participants in management decisions.
- b few confining rules and regulations.
- c numerous sources of income to keep down building expenses.
- d freedom from maintenance.**

7. A fee for an unbudgeted capital expenditure is called a n

- a condominium fee.
- b special assessment.**
- c fee for common elements.
- d ownership fee.

8. Managers of coop and condo communities usually determine their fees by using a n

- a operating budget.
- b income and expense statement.
- c five-year forecast of earnings.
- d management pricing worksheet.**

. Condominium income is derived primarily from

- a special assessments.
- b reserve funds left by developers.
- c owner s monthly assessments.
- d auxiliary services such as laundry facilities and vending machines.

10. The federal government has programs that property managers can use to create drug-free climates in the properties they manage. Which statement is correct?

- a HUD has written a model paragraph to include in leases.
- b New laws have been written to allow police and housing inspectors to inspect certain units under certain conditions.
- c All public housing authorities must certify a drug-free workplace.
- d All of the above

Chapter 13: Multiple Choice

1. The number-one factor influencing the selection of office facilities is
 - a bus and highway accessibility.
 - b environment of area.
 - c cost.**
 - d labor market.

2. Which of the following provides a basis for setting a rental schedule, estimating income and expenses and anticipates prospect reaction?
 - a Market analysis
 - b Property analysis**
 - c Neighborhood analysis
 - d Comparable analysis

- . The standard method of floor measurement that measure construction, rental and usable space was developed by
 - a IREM.
 - b OMA.**
 - c New York.
 - d NAR.

4. Which of the following reflects the features of the property and relative cur-rent value?
 - a Minimum rate
 - b New York method
 - c ase rent**
 - d Optimum rents

5. The best prospecting method for leasing office space is
 - a canvassing.**
 - b referrals.
 - c signs.
 - d ads.

6. An open or closed work area for more than one person is called a n
 - a single-office space.
 - b open space.
 - c multipersonnel space.**
 - d special facility.

7. Which clause protects the owner when leases run for more than a year?
 - a Recapture clause
 - b Assignment clause
 - c Sublet clause
 - d Escalation clause**

- . Which of the following requires constant maintenance to provide good service, safety and cleanliness?
 - a Lobby
 - b Elevators**
 - c Stairs
 - d Restrooms

. Which of the following is significantly different between managing a residential property and managing an office building?

- a Preventive maintenance
- b Housekeeping
- c Showing properties
- d Negotiating a lease

10. Another source of income in an office building is that from

- a charging to clean offices at night.
- b routine cleaning fees.
- c charging tenants to comply with the ADA.
- d Selling remodeling construction to existing tenants

Chapter 14: Multiple Choice

1. A center that is about 100,000 square feet and is designed to provide convenient shopping for customers in a 1.5-mile radius is called a
 - a community center.
 - b neighborhood center.**
 - c strip mall.
 - d convenience center.
2. National firms that sell discounted merchandise are classified as
 - a specialty centers.
 - b power centers.
 - c discount department stores.
 - d factory outlets.**
3. Which of the following describe a combination of uses for a single property?
 - a Mixed-use development**
 - b Flea market
 - c Specialty center
 - d Power center
4. The most important form of advertising for a retail center is
 - a classified ads.
 - b brochures.
 - c signage.**
 - d referrals.
5. What is the most effective method of finding shopping center tenants?
 - a brochures
 - b Direct mail
 - c Newspaper pullout sections
 - d Personal contact solicitation**
6. A tenant's success in a shopping center will depend on
 - a the type of service offered.
 - b location and tenant mix.**
 - c a specialized customer market.
 - d shaky financial backing.
7. A lease in which the percentage rental rate changes according to the volume of business done is a n
 - a variable scale lease.**
 - b straight percentage lease.
 - c overage lease.
 - d maximum percentage lease.
8. One reason preventive maintenance programs and routine inspections are important to retail centers is because of the
 - a design.
 - b weather.
 - c heavy traffic.**
 - d structure.

. The difference between the operating budget for a retail center and other properties is

- a little variation in potential income.
- b flexible budgeting.
- c most of the budget can be affected by economic measures.
- d capital expenditures must be listed separately.

10. The insurance for shopping centers can be expensive. Two of the most expensive types of insurance policies are general liability and fire and also

- a pollution insurance.
- b automobile insurance.
- c extended coverage insurance.
- d coinsurance coverage.

Chapter 15: Multiple Choice

1. When a corporation sells a property and leases it back, it is called a
 - a sale contract back.
 - b conditional sale.
 - c sale leaseback.**
 - d All of the above

2. Technological changes make specialized industries susceptible to what kind of depreciation?
 - a Functional obsolescence**
 - b Physical deterioration
 - c Economic obsolescence
 - d Locational obsolescence

- . When two large industrial or business centers expand with allied businesses or plants on two major arteries, this grouping will be called a n
 - a industrial park.
 - b corridor development.**
 - c regional cooperation.
 - d business park.

4. Which of the following allows a company to import finished goods or component parts, and to warehouse them duty free until shipped?
 - a Industrial revenue bonds
 - b Research and development
 - c Private industry councils
 - d Foreign trade zone**

5. What have been established in economically depressed areas in some states to encourage the establishment of industry and business?
 - a Enterprise zones**
 - b Foreign trade zones
 - c Incubator spaces
 - d None of the above

6. Industries that need to be near sources of raw material are called
 - a labor-oriented industries.
 - b resource-oriented industries.**
 - c market-oriented industries.
 - d consumer-industries.

7. One important consideration in industrial tenant qualifications not found in other groups is
 - a available amenities.
 - b prestige of property.
 - c zoning requirements.**
 - d availability of research facilities.

- . More than any other type of property, environmental contamination is greatest in industrial properties. What should a property manager do when leasing industrial property?
 - a The manager should make a thorough inquiry into the possibility of hazardous materials
 - b Put provisions in lease regarding proper disposal of hazardous waste
 - c Periodically monitor the operation of the property
 - d All of the above**

- . The most common lease used by industrial tenants is the
- a ground lease.
 - b gross lease.
 - c percentage lease.
 - d net lease.
10. The property manager of industrial property is most involved in
- a leasing space and enforcing terms of lease.
 - b security procedures.
 - c maintenance activities.
 - d housekeeping activities.

Chapter 16: Multiple Choice

1. Safety programs coupled with loss reduction plans and emergency preparedness are examples of
 - a avoiding the risk.
 - b retaining the risk.
 - c transferring the risk.
 - d **controlling the risk.**
2. Shifting risk in part or wholly to insurers is an example of
 - a avoiding the risk.
 - b retaining the risk.
 - c **transferring the risk.**
 - d controlling the risk.

. The property owner wants to ensure that the insurance policy will pay for a new roof if the ten-year-old roof is totally damaged by a windstorm. What kind of insurance policy should the owner obtain?

- a Actual cash value policy
 - b **Replacement cost insurance policy**
 - c Actual depreciated value policy
 - d Multiperil insurance policy
4. Which of the following coverage must always be purchased as a separate policy from the standard owners multiperil insurance policy?
 - a Fire
 - b Windstorm
 - c Loss of income
 - d **Flood**
 5. Which of the following pollutants is caused by faulty water heaters and inadequately vented furnaces?
 - a **Carbon monoxide**
 - b Radon
 - c Molds
 - d Chlorofluorocarbons
 6. Which of the following is implicated as a cause of many indoor air quality complaints?
 - a Radon
 - b Carbon monoxide
 - c Chlorofluorocarbons
 - d **Formaldehyde**
 7. Many commercial managers have had to supervise the removal of
 - a radon.
 - b formaldehyde.
 - c PC s.
 - d **asbestos.**
- . Any present or past property owner may be required to pay for the cleanup of a hazardous substance as
- a **potentially responsible parties.**
 - b innocent landowners.
 - c strictly nonliable.
 - d a deep pocket.

. Which of the following illnesses persist after the tenant leaves the building?

- a Chronic fatigue syndrome CFS
- b Toxic shock syndrome TSS
- c Sick building syndrome S S
- d Building related illness RI

10. Which act requires the preparation of an environmental impact statement in advance of any proposed federal action?

- a The Comprehensive Environmental Response, Compensation and Liability Act CERCLA
- b The Resource Conservation and Recovery Act RCRA
- c The National Environmental Policy Act NEPA
- d The Clean Air Act

Chapter 17: Multiple Choice

1. A good life safety and security program would include
 - a skilled use of equipment.
 - b skilled personnel.
 - c good procedures.
 - d All of the above

2. The focal point of an up-to-date emergency response system is the
 - a resident manager.
 - b property manager.
 - c central control panel.
 - d head of security.

- . The first priority of a life safety and security program is the protection of the
 - a property.
 - b human life.
 - c security staff.
 - d reputation of the owner.

4. In an emergency, pedestrian and automobile traffic is the responsibility of the
 - a chief security officer.
 - b property manager.
 - c resident manager.
 - d local police.

5. The person who has the responsibility to assist in tenant evacuation as well as enforce safety measures is the
 - a life safety officer.
 - b emergency spokesperson.
 - c life safety control center operator.
 - d property manager.

6. One way to work towards controlling illegal drug activities is to
 - a ignore maintenance needs.
 - b not involve other tenants.
 - c ignore employee crime.
 - d make improvements to potentially hazardous locations.

7. One post-disaster result of lack of electricity and phone service, is that merchants have customers but
 - a they cannot see well enough to buy anything.
 - b not enough of the products that the customers want.
 - c not enough people to assist the customers.
 - d cannot process credit cards.

- . Which of the following potential disasters offers little or no warning?
 - a Earthquakes
 - b Hurricanes
 - c Tornadoes
 - d omb threats

- . In any building emergency, the property manager should first
 - a file an insurance claim.
 - b alert the newspapers.
 - c call the police.
 - d contact each tenant.

- 10. The effect of putting out a fire or arresting an intruder is considered
 - a preventing security breaches.
 - b detecting a breach.
 - c counteracting the damage by prompt and proper action.
 - d containing or confining the damage.