

**National Apartment Association Education  
Institute Practice Exam - Certified Apartment  
Manager (CAM) V2**

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:

| Method                 | Cost Per Month | Traffic Per Month | Leases Per Month |
|------------------------|----------------|-------------------|------------------|
| Radio Advertisement    | \$1,200        | 27                | 6                |
| Online locator website | \$150          | 4                 | 1                |
| Unlicensed sign        | \$1,200        | 16                | 3                |
| Resident referral      | \$800          | 4                 | 2                |

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. Which general ledger category is NOT one of the four types of rental revenue adjustments?
- A. Vacancy
  - B. Other Income
  - C. Concessions
  - D. Bad Debt
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.

| Type  | # of Units | Square Footage per Unit | Total Square Footage | Monthly Rent | Total Monthly Rent | Rent per Square Foot |
|-------|------------|-------------------------|----------------------|--------------|--------------------|----------------------|
| 1x1   | 180        | 467                     |                      | \$489        |                    |                      |
| 2x1   | 120        | 911                     |                      | \$739        |                    |                      |
| Total |            |                         |                      |              |                    |                      |

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