ACCREDITED RESIDENTIAL MANAGER (ARM) CERTIFICATION PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. What term is used for the practice of holding back a portion of payment until all work is completed satisfactorily?

A. Retainage

B. Escrow

C. Withholding

D. Deposit

2. What report provides a listing of all rental units, including residents' names, rental rates, and collection status?

A. Rent Collection Report

B. Unit Status Report

C. Rent Roll/Collections Report

D. Rental Ledger

3. What does Due Diligence involve in property management?

A. Investigating and reviewing a property for legal liabilities

B. Marketing strategies for tenant acquisition

C. Negotiating lease terms with tenants

D. Conducting inspections for maintenance issues

4. Which document would be most valuable for employees wanting to understand company policies?

A. Employee Handbook

B. Training Manual

C. Technical Document

D. Workplace Guidelines

5. What is the primary purpose of an operating budget in property management?

A. A detailed plan for managing a property's finances over the year

B. A projection of the cash position in a business on a monthly basis

C. To identify costs that change with usage in property management

D. An annual statement listing income and expenses for the property

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6. What is a key characteristic of variable costs in property management?

A. They remain constant regardless of usage

B. They change based on the level of activity or usage

C. They are predictable and fixed over time

D. They only apply to direct services offered

7. What is the purpose of a retainage fee in project management?

A. To provide upfront payment to workers

B. To withhold a percentage until specifications are met

C. To cover unexpected costs

D. To expedite the completion of jobs

8. What is the term for revenues generated from rent and other sources?

A. Profits

B. Income

C. Net Revenue

D. Capital Gains

9. What term describes a person who is protected by the terms of an insurance policy but is not the insured party?

A. Additional Insured

B. Named Insured

C. Beneficiary

D. Policyholder

10. What does ECRA stand for in relation to credit transactions?

A. Equal Credit Reporting Act of 1974

B. Equitable Credit Reporting Assessment

C. Enhanced Credit Risk Analysis

D. Emergency Credit Relief Act

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Answers

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1. A
2. C
3. A
4. A
5. A
6. B
7. B
8. B
9. A
10. A

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Explanations

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1. What term is used for the practice of holding back a portion of payment until all work is completed satisfactorily?

A. Retainage

B. Escrow

C. Withholding

D. Deposit

The term "retainage" refers to the practice of withholding a certain percentage of payment from a contractor or subcontractor until the completion of a project or certain milestones are met satisfactorily. This financial strategy is primarily used in construction and contract work to ensure that the contractor fulfills all the obligations of the contract, including quality of work and adherence to timelines. Retainage serves as a form of security for the property owner or project developer, motivating contractors to complete any outstanding tasks or correct any deficiencies. It also provides a quality assurance mechanism, as the contractor knows that the final payment is contingent upon satisfactory performance. In contrast, the other terms provided have distinct meanings and uses. "Escrow" involves a third party holding funds until certain conditions are met but does not necessarily pertain exclusively to the completion of work quality. "Withholding" is a broader term that can apply to various financial contexts, while "deposit" typically refers to an upfront payment made before work begins, rather than a retention of payment until completion. Thus, retainage is the most precise term for this specific practice.

2. What report provides a listing of all rental units, including residents' names, rental rates, and collection status?

A. Rent Collection Report

B. Unit Status Report

C. Rent Roll/Collections Report

D. Rental Ledger

The Rent Roll/Collections Report serves as a comprehensive document that lists all rental units within a property management portfolio. This report typically includes essential information such as the names of the residents, the rental rates associated with each unit, as well as the current collection status of rents due. By providing a clear overview of occupancy, income-generating potential, and financial health in terms of rent collection, the Rent Roll/Collections Report is an invaluable tool for property managers. It allows them to easily assess which units are occupied, which might be vacant, and where there may be issues with payment, thus enabling proactive management of the property. Understanding this report is crucial for effective residential management, as it directly correlates to both resident relations and financial reporting.

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3. What does Due Diligence involve in property management?

A. Investigating and reviewing a property for legal liabilities

B. Marketing strategies for tenant acquisition

C. Negotiating lease terms with tenants

D. Conducting inspections for maintenance issues

Due Diligence in property management primarily refers to the thorough investigation and review of a property in order to identify potential legal liabilities and other risks before a transaction takes place. This involves examining various aspects of the property, including its legal status, compliance with local zoning laws and regulations, any outstanding liens or encumbrances, and potential environmental issues. The goal is to ensure that the property is a sound investment and to uncover any issues that could affect its value or operational viability. This comprehensive review process is critical in helping property managers and investors make informed decisions, mitigate risks, and avoid unexpected problems post-acquisition. While other options may be relevant to property management responsibilities, they do not encapsulate the core focus of Due Diligence, which is centered on identifying and addressing potential legal and operational risks associated with the property.

4. Which document would be most valuable for employees wanting to understand company policies?

A. Employee Handbook

B. Training Manual

C. Technical Document

D. Workplace Guidelines

The Employee Handbook is the most valuable document for employees seeking to understand company policies because it typically provides a comprehensive overview of the organization's rules, regulations, and expectations. It often includes critical information such as code of conduct, dress code, leave policies, and other general workplace practices that are essential for employees to be aware of in order to navigate their roles effectively. While the Training Manual is geared towards specific job functions and may include operational procedures and skills development, it does not cover the broader policies of the organization. The Technical Document usually focuses on specific technical aspects related to products or services, which is not tailored to convey company-wide policies. Workplace Guidelines may highlight best practices or expectations but lack the detailed breadth and formal approach found in an Employee Handbook, making the latter the primary resource for understanding overall company policies.

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5. What is the primary purpose of an operating budget in property management?

A. A detailed plan for managing a property's finances over the year

B. A projection of the cash position in a business on a monthly basis

C. To identify costs that change with usage in property management

D. An annual statement listing income and expenses for the property

The primary purpose of an operating budget in property management is to create a detailed plan for managing a property's finances over the year. This budget serves as a comprehensive financial tool that outlines expected income from rental operations and expenses associated with property maintenance, management, and services. By establishing clear financial targets, the operating budget enables property managers to effectively monitor actual performance against anticipated results throughout the year. It helps in making informed decisions regarding resource allocation, adjusting operations to meet financial goals, and ensuring the overall financial health of the property. While projections of cash positions, identifying variable costs, and summarizing annual income and expenses are all important aspects of financial management, they are not the primary focus of the operating budget. Instead, the operating budget integrates these components into a unified strategy designed to enable successful property management over the course of the year.

6. What is a key characteristic of variable costs in property management?

A. They remain constant regardless of usage

B. They change based on the level of activity or usage

C. They are predictable and fixed over time

D. They only apply to direct services offered

Variable costs are defined by their behavior in relation to the level of activity or usage within property management. They fluctuate based on how much activity is taking place. For example, costs related to utilities, maintenance, and supplies may increase or decrease depending on the occupancy rates of the property or the extent of services utilized. When a property has higher occupancy, variable costs like water and heating may rise due to increased consumption. Conversely, these costs would tend to decrease when occupancy is lower. This direct relationship between variable costs and usage helps property managers predict expenses more accurately, allowing for better budgeting and financial planning. Understanding that these costs are not fixed, but rather interconnected with the property's operational activities, is essential for effective financial management in property operations. This characteristic distinguishes variable costs from fixed costs, which remain constant regardless of the level of activity.

7. What is the purpose of a retainage fee in project management?

A. To provide upfront payment to workers

B. To withhold a percentage until specifications are met

C. To cover unexpected costs

D. To expedite the completion of jobs

The purpose of a retainage fee in project management primarily serves to ensure that the work performed meets all specified requirements and standards before full payment is released. By withholding a certain percentage of the contract price until the project is completed satisfactorily, this practice incentivizes contractors and subcontractors to maintain quality and adhere to the project's specifications. It acts as a financial safety net for the project owner, as the retained funds can be used to address issues that may arise after project completion or to ensure that any remaining obligations are fulfilled. This practice is common in the construction industry and helps mitigate the risk of incomplete or substandard work. It provides a mechanism for ensuring accountability among the parties involved in the project. Retainage contributes positively to the overall project management process by reinforcing quality control and compliance with contractual obligations.

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8. What is the term for revenues generated from rent and other sources?

A. Profits

B. Income

C. Net Revenue

D. Capital Gains

The term for revenues generated from rent and other sources is income. In the context of property management and real estate, income refers to the total earnings received from rental properties, which can include not just rent but also additional sources such as fees for parking, laundry services, maintenance services, and other amenities provided to tenants. This comprehensive view of income is critical for property managers as it informs budgeting, financial planning, and profitability assessments. Income serves as a foundational concept in analyzing the financial health of a property. It is essential for evaluating how well a property is performing and determining its cash flow situation. By understanding the various components that contribute to income, property managers can make informed decisions related to lease agreements, pricing strategies, and operational improvements.

9. What term describes a person who is protected by the terms of an insurance policy but is not the insured party?

A. Additional Insured

B. Named Insured

C. Beneficiary

D. Policyholder

The term that describes a person who is protected by the terms of an insurance policy but is not the insured party is "Additional Insured." This designation allows an individual or entity to receive coverage under someone else's insurance policy, typically in situations such as contracts where one party wants to ensure that they are protected in case of a claim arising from that agreement. For example, a landlord may be named as an additional insured on a tenant's renters insurance policy, thus providing the landlord with coverage for certain liability issues related to that tenant. The designation of additional insureds is crucial as it extends insurance coverage beyond the primary insured party, allowing protection against specific risks without transferring the entire policy to another party. This ensures that both parties can fulfill their contractual obligations while mitigating risk. In the context of the other choices, the named insured specifically refers to the primary person or entity that holds the insurance policy and has the most comprehensive coverage rights. A beneficiary is generally associated with life insurance policies and refers to a person designated to receive benefits from an insurance claim. Lastly, a policyholder is someone who owns the insurance policy, which can often be synonymous with the named insured. However, unlike additional insureds, policyholders bear the responsibility for premiums and have the primary ownership rights

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10. What does ECRA stand for in relation to credit transactions?

A. Equal Credit Reporting Act of 1974

B. Equitable Credit Reporting Assessment

C. Enhanced Credit Risk Analysis

D. Emergency Credit Relief Act

ECRA stands for the Equal Credit Reporting Act, which was enacted in 1974. This act is a crucial piece of legislation in the realm of credit transactions as it was designed to promote fairness and accuracy in the credit reporting system. It regulates how consumer credit information is collected, shared, and used by credit reporting agencies, ensuring that individuals have the right to obtain information about their credit and dispute inaccuracies. The act also imposes restrictions on how this information can be used by creditors when assessing creditworthiness, thus protecting consumers from discrimination and helping to maintain the integrity of the credit system. The other options listed do not accurately define ECRA in the context of credit transactions. While there are other acts and assessments related to credit, they either do not correspond to actual legislation or refer to concepts that do not encapsulate the scope and intent of the Equal Credit Reporting Act. This specificity is what makes the definition related to ECRA important for understanding consumer rights and the responsibilities of financial institutions in credit transactions.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://accredresidentialmngr.examzify.com

We wish you the very best on your exam journey. You've got this!

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