

# Federal Nursing Home Administrator Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

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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.

# 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!**

## **Questions**

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- 1. What is the primary role of staff in a position that lacks empowerment to make decisions?**
  - A. To execute directives from senior management**
  - B. To advise and consult on best practices**
  - C. To initiate independent decision-making processes**
  - D. To oversee the operational aspects of the facility**
- 2. What does a trial balance help assess in account management?**
  - A. Expected costs for upcoming services**
  - B. Accuracy of debit and credit balances**
  - C. Total revenue generation**
  - D. Cash flow predictions**
- 3. Which sector of long-term care is receiving increased funding and attention from the federal government?**
  - A. Nursing homes**
  - B. Home health care sector**
  - C. Assisted living facilities**
  - D. Adult daycare centers**
- 4. Which of the following is an advantage of cash accounting?**
  - A. Recognizes accounts receivable and payable**
  - B. Simple and easy to understand**
  - C. Accurate reflection of net income**
  - D. Includes depreciation in reporting**
- 5. What is the purpose of PASAAR?**
  - A. To enhance marketing strategies for facilities**
  - B. To ensure appropriate treatment for persons with mental retardation or mental illness**
  - C. To provide funding for additional staff support**
  - D. To assess the physical space of the facility**

**6. What does "accrual" in accounting mean?**

- A. Recording revenue at the time of cash collection**
- B. Recording expenses as they are paid**
- C. Recording revenue when earned and expenses when incurred**
- D. Recording all transactions at year-end**

**7. If an employee works 52 hours in one week at a rate of \$7 per hour, what would be the total gross salary?**

- A. \$350**
- B. \$406**
- C. \$420**
- D. \$490**

**8. What does malice refer to in a legal context?**

- A. The act of promoting positive actions**
- B. Intentional doing of a wrongful act**
- C. The obligation to perform lawful duties**
- D. Accidental harm without intent**

**9. Fire safety regulations primarily derive from which source?**

- A. National Fire Prevention Association**
- B. Local Fire Code**
- C. Life Safety Code (LSC)**
- D. Occupational Safety and Health Administration**

**10. In which scenario would an organization most likely report a solvency issue?**

- A. When it cannot find new customers**
- B. When it is unable to meet long-term fixed expenses**
- C. When its inventory levels are too high**
- D. When cash flow is high**

## **Answers**

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

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## **Explanations**

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**1. What is the primary role of staff in a position that lacks empowerment to make decisions?**

- A. To execute directives from senior management**
- B. To advise and consult on best practices**
- C. To initiate independent decision-making processes**
- D. To oversee the operational aspects of the facility**

The primary role of staff in a position that does not have empowerment to make decisions is to advise and consult on best practices. In environments where decision-making authority is centralized, staff are often called upon to contribute their expertise and insights, helping to inform the decisions made by higher-level management. This advisory role is important because these staff members typically have the most direct interaction with residents and understand the day-to-day functioning of the facility, allowing them to provide valuable perspectives that can enhance decision-making processes. In this context, while executing directives from senior management and overseeing operational aspects are certainly important roles, they do not capture the proactive nature of the advisory function that knowledgeable staff members are expected to fulfill. Initiating independent decision-making processes, however, would not apply here since the question centers on a lack of empowerment to make decisions. Therefore, advising and consulting effectively aligns with the limitations placed on the staff's decision-making authority while still leveraging their expertise for the benefit of the facility.

**2. What does a trial balance help assess in account management?**

- A. Expected costs for upcoming services**
- B. Accuracy of debit and credit balances**
- C. Total revenue generation**
- D. Cash flow predictions**

A trial balance is a crucial tool in the accounting process that helps ensure the accuracy of an organization's financial records. It functions as a summary of all the ledger accounts, showing the total of all debits and credits at a specific point in time. The primary purpose of preparing a trial balance is to confirm that the sum of all debit balances equals the sum of all credit balances. This equality indicates that transactions were recorded correctly according to the double-entry accounting system, thereby affirming the integrity of the accounting data. In the context of managing accounts, the trial balance is essential for early detection of errors or discrepancies in the financial records. While it does not provide detailed analyses of future costs, revenue, or cash flow, its primary role is to verify the accuracy of entries, which is fundamental to reliable financial reporting and decision-making. As such, the correct answer highlights the core function of the trial balance in maintaining accurate financial records, which is foundational for effective account management.

**3. Which sector of long-term care is receiving increased funding and attention from the federal government?**

- A. Nursing homes**
- B. Home health care sector**
- C. Assisted living facilities**
- D. Adult daycare centers**

The home health care sector is receiving increased funding and attention from the federal government primarily due to a growing recognition of the importance of providing care in the least restrictive environment possible. This shift aligns with broader healthcare trends emphasizing patient-centered care, which allows individuals to receive personal assistance and medical services in their homes rather than in institutional settings. Factors contributing to the increased focus on home health care include an aging population that prefers to age in place, advancements in technology that facilitate remote monitoring and telehealth services, and rising healthcare costs associated with inpatient care facilities. The federal government has expanded programs and incentives, such as Medicare reimbursement adjustments and initiatives under the Affordable Care Act, to boost the home health care industry, making it a viable and attractive option for both patients and providers. In contrast, while nursing homes, assisted living facilities, and adult daycare centers play vital roles in long-term care, the federal government has particularly targeted home health care for enhancements in care delivery and funding. This trend reflects a broader commitment to improving quality of life for seniors and individuals with disabilities by promoting independence and personalized care in the comfort of their own homes.

**4. Which of the following is an advantage of cash accounting?**

- A. Recognizes accounts receivable and payable**
- B. Simple and easy to understand**
- C. Accurate reflection of net income**
- D. Includes depreciation in reporting**

Cash accounting is favored for its simplicity and ease of understanding. In this method, transactions are recorded only when cash changes hands—meaning revenue is recorded when cash is received, and expenses are recorded when cash is paid out. This straightforward approach allows businesses, especially smaller ones or those with less complex financial activities, to maintain their financial records without needing extensive accounting knowledge. Furthermore, cash accounting provides clarity when it comes to cash flow, since it directly tracks the actual cash transactions. This can be especially beneficial for new entrepreneurs or small business owners who may not have the resources for more complicated accounting methods. While other options involve elements of accounting practices like recognizing accounts receivable or incorporating depreciation, these are features of accrual accounting rather than cash accounting. This highlights how cash accounting prioritizes immediate cash activity over long-term financial obligations or asset depreciation, reinforcing why its simplicity is its most notable advantage.

## 5. What is the purpose of PASAAR?

- A. To enhance marketing strategies for facilities**
- B. To ensure appropriate treatment for persons with mental retardation or mental illness**
- C. To provide funding for additional staff support**
- D. To assess the physical space of the facility**

The purpose of PASAAR (Pre-Admission Screening and Resident Assessment Instrument) is primarily to ensure appropriate treatment for individuals with mental retardation or mental illness. This program aims to provide comprehensive evaluations of individuals before they are admitted to nursing facilities, ensuring that their specific needs, especially pertaining to mental health and developmental disabilities, are fully understood and appropriately addressed. By focusing on this aspect, PASAAR helps healthcare providers create personalized care plans that meet the unique requirements of these individuals, promoting their overall well-being and integration into the facility's care environment. This systematic assessment process also aids in compliance with federal and state regulations designed to protect vulnerable populations. The other options do not align with PASAAR's core mission. Enhancing marketing strategies doesn't pertain to resident care or treatment. Funding for additional staff would not directly address assessment and treatment needs like PASAAR does. Assessing the physical space of the facility does not reflect the primary intent of PASAAR, which is centered on the assessment of individual needs rather than the physical infrastructure.

## 6. What does "accrual" in accounting mean?

- A. Recording revenue at the time of cash collection**
- B. Recording expenses as they are paid**
- C. Recording revenue when earned and expenses when incurred**
- D. Recording all transactions at year-end**

Accrual in accounting refers to the practice of recognizing revenue when it is earned and expenses when they are incurred, regardless of when cash transactions occur. This concept aligns with the accrual basis of accounting, which provides a more accurate representation of a company's financial position and performance over specific periods. For instance, if a service is provided in December but not paid for until January, under the accrual method, the revenue would be recorded in December when the service was performed. Similarly, expenses incurred in December, even if paid in January, would also be recorded in December. This practice allows for a clearer view of financial results, matching revenues to the expenses directly associated with generating those revenues within the same period, providing stakeholders with the most relevant information about a company's operations. The alternatives reflect other accounting practices; for example, cash accounting records revenues and expenses only when cash changes hands, while year-end recordings of transactions do not capture the ongoing financial activity throughout the period. Consequently, understanding accrual accounting is essential for accurately preparing financial statements and compliance with accounting standards.

**7. If an employee works 52 hours in one week at a rate of \$7 per hour, what would be the total gross salary?**

- A. \$350
- B. \$406**
- C. \$420
- D. \$490

To calculate the total gross salary for an employee who works 52 hours at a rate of \$7 per hour, it's important to consider that typically, hours worked over 40 in a week are eligible for overtime pay. Overtime is often calculated at a rate of 1.5 times the regular hourly rate. First, the regular hours can be calculated as 40 hours, which means those hours would be compensated at the regular rate of \$7 per hour. This results in \$280 for the regular hours ( $40 \text{ hours} \times \$7$ ). Next, since this employee worked 12 hours of overtime (52 total hours - 40 regular hours), these additional hours will be compensated at the overtime rate. The overtime rate is \$10.50 per hour ( $\$7 \times 1.5$ ). Therefore, the gross salary for the 12 overtime hours is \$126 ( $12 \text{ hours} \times \$10.50$ ). Adding the regular pay and the overtime pay gives us the total gross salary: \$280 (regular) + \$126 (overtime) = \$406. This total gross salary accurately reflects the calculation involving both regular and overtime hours worked, thus supporting the correctness of this answer.

**8. What does malice refer to in a legal context?**

- A. The act of promoting positive actions
- B. Intentional doing of a wrongful act**
- C. The obligation to perform lawful duties
- D. Accidental harm without intent

Malice in a legal context refers to the intention to commit a wrongful act or cause harm to another party. It indicates a deliberate and willful decision to engage in conduct that one knows is wrong or harmful. This concept is critical in various areas of law, such as torts and criminal law, as it can elevate the severity of offenses and the potential penalties involved. When malice is present, it is often seen as an aggravating factor that demonstrates a person's disregard for the safety and well-being of others. Promoting positive actions, fulfilling lawful duties, or causing accidental harm without intent do not align with the legal definition of malice, as they do not encompass the intention or deliberation involved in causing wrongful acts. Understanding malice is important for attorneys and legal professionals when assessing liability or pursuing legal action, as it directly affects the legal ramifications of an individual's actions.

## 9. Fire safety regulations primarily derive from which source?

- A. National Fire Prevention Association
- B. Local Fire Code
- C. Life Safety Code (LSC)**
- D. Occupational Safety and Health Administration

Fire safety regulations are predominantly governed by the Life Safety Code (LSC), which is developed and maintained by the National Fire Protection Association (NFPA). This code outlines the minimum requirements for fire safety in various settings, including healthcare facilities like nursing homes. It serves as a comprehensive guideline to ensure that buildings are designed and operated in a manner that protects the safety of occupants by preventing fires and facilitating safe evacuations. By adhering to the Life Safety Code, facilities ensure compliance with fire safety standards that address issues such as fire alarms, sprinkler systems, means of egress, and overall building construction. The code is structured to align with healthcare regulations and is often referenced by state and federal agencies when formulating their own fire safety regulations, thus making it a critical source for ensuring fire safety in nursing homes and other healthcare settings. While local fire codes and regulations may supplement the requirements set forth by the LSC, they typically do not override or provide broader standards than those established in the Life Safety Code. Other organizations, such as the Occupational Safety and Health Administration (OSHA), may regulate workplace safety but do not specifically focus on fire safety regulations in the same comprehensive way as the LSC does.

## 10. In which scenario would an organization most likely report a solvency issue?

- A. When it cannot find new customers
- B. When it is unable to meet long-term fixed expenses**
- C. When its inventory levels are too high
- D. When cash flow is high

A solvency issue refers to an organization's ability to meet its long-term financial obligations and manage its fixed expenses without facing the risk of bankruptcy. The scenario where an organization is unable to meet long-term fixed expenses directly indicates a problem with its solvency. Fixed expenses typically include costs such as long-term debt repayments, lease obligations, and other non-variable costs that the organization must pay regardless of its revenue levels. While finding new customers is important for growth and revenue generation, it does not directly indicate solvency. High inventory levels can signify cash flow problems or operational inefficiencies, but they do not alone define an inability to meet long-term obligations. Similarly, high cash flow indicates strong liquidity, which generally suggests that the organization is in a healthy financial position. Thus, the correct scenario that aligns with a solvency issue is described by the inability to meet long-term fixed expenses, highlighting a significant risk to the organization's ongoing financial stability and viability.

# 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](mailto:hello@examzify.com).**

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

**<https://federalnursinghomeadministrator.examzify.com>**

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

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