

IREM Certified Property Manager (CPM) Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	6
Answers	9
Explanations	11
Next Steps	17

SAMPLE

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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

SAMPLE

Questions

SAMPLE

- 1. What is a recommended action for maintaining proper ventilation equipment?**
 - A. Clean filters once a year**
 - B. Inspect equipment regularly**
 - C. Use equipment regardless of condition**
 - D. Limit ventilation during winter**
- 2. Which types of harassment are prohibited under Title VII?**
 - A. General Mobbing and Retaliation**
 - B. Sexual Harassment and Racial Discrimination**
 - C. Sexual Harassment and Harassment Based on Protected Class**
 - D. Physical Harassment and Emotional Abuse**
- 3. What does a well-developed maintenance plan primarily lead to?**
 - A. Increased tenant turnover**
 - B. A more attractive and well-maintained property**
 - C. Higher costs for property management**
 - D. Less communication with residents**
- 4. Which of the following is a basic purpose of an operating budget?**
 - A. To track employee performance**
 - B. To forecast expenses for non-operating income**
 - C. To manage day-to-day expenses**
 - D. To keep a log of repairs**
- 5. What committee is responsible for assessing property modifications?**
 - A. Nominating Committee**
 - B. Architectural Control Committee**
 - C. Rules Committee**
 - D. Communications Committee**

6. Why must the financial information collected by the CID managing agent be accurate?

- A. To ensure compliance with local tax laws**
- B. To report reliable information to the CID Board and unit owners**
- C. To create marketing presentations for future tenants**
- D. To maintain relationships with suppliers**

7. Which of the following describes a factor that contributes to overwhelming a manager during assessments?

- A. Limited knowledge of all staff members**
- B. Personal relationships affecting judgment**
- C. Unclear performance metrics**
- D. Insufficient training provided**

8. What is the primary purpose of an operating budget?

- A. To forecast property appreciation**
- B. To plan for emergencies**
- C. To forecast annual Net Operating Income (NOI)**
- D. To allocate funds for future developments**

9. What is a significant feature of a chart of accounts?

- A. It tracks employee performance**
- B. It includes only revenue accounts**
- C. It organizes accounts by purpose and function**
- D. It displays risks associated with operations**

10. What document typically outlines conflict-of-interest policies for members of a condominium association board?

- A. Board meeting minutes**
- B. Governance documents**
- C. Financial statements**
- D. Unit owner agreements**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What is a recommended action for maintaining proper ventilation equipment?

- A. Clean filters once a year**
- B. Inspect equipment regularly**
- C. Use equipment regardless of condition**
- D. Limit ventilation during winter**

Maintaining proper ventilation equipment is crucial for ensuring air quality and efficient operation, which directly impacts tenant comfort and energy consumption. Regular inspection of the equipment allows property managers to identify any issues, such as wear or malfunction, before they become significant problems. This proactive maintenance strategy ensures that the ventilation system operates at optimal efficiency, preventing costly repairs and improving the overall safety and comfort of the building's inhabitants. Cleaning filters once a year may not suffice, as filters can accumulate dust and debris more frequently, particularly in high-use systems. Using equipment regardless of its condition can lead to health hazards and eventual system failure. Limiting ventilation during winter may seem beneficial for energy savings, but it can result in poor indoor air quality and humidity issues, making consistent inspection and maintenance vital for overall building performance.

2. Which types of harassment are prohibited under Title VII?

- A. General Mobbing and Retaliation**
- B. Sexual Harassment and Racial Discrimination**
- C. Sexual Harassment and Harassment Based on Protected Class**
- D. Physical Harassment and Emotional Abuse**

Title VII of the Civil Rights Act prohibits employment discrimination based on certain protected categories, which specifically include race, color, religion, sex, and national origin. Within the realm of Title VII, sexual harassment is recognized as a form of discrimination based on sex, and harassment based on any of the other protected classes is also prohibited. This means that any behavior that creates a hostile work environment or involves unwelcome conduct related to these protected categories falls under Title VII's prohibitions. The reasoning surrounding this choice emphasizes that harassment can manifest in various forms, including unwanted sexual advances or remarks and discriminatory actions based on an individual's race or religion. Thus, recognizing harassment as it relates to any protected class directly aligns with the foundational purpose of Title VII, which is to promote fair treatment and protect individuals from discrimination in the workplace. Other options either reference broader concepts that do not specifically fall under Title VII or blend issues of harassment and discrimination outside the framework of the protected categories established by the act, making them less precise in relation to Title VII's specific protections against harassment.

3. What does a well-developed maintenance plan primarily lead to?

- A. Increased tenant turnover**
- B. A more attractive and well-maintained property**
- C. Higher costs for property management**
- D. Less communication with residents**

A well-developed maintenance plan primarily leads to a more attractive and well-maintained property. This is because such a plan involves regular inspections, timely repairs, and proactive maintenance activities that ensure the property's physical condition is consistently upheld. When maintenance is performed effectively, it enhances the overall appearance and functionality of the property, which can directly impact tenants' satisfaction and retention. Additionally, a well-maintained property creates a positive impression not only on current residents but also on potential tenants. This encompasses a range of activities, from basic upkeep such as landscaping and cleaning common areas to more extensive measures such as upgrading appliances or systems within units. By doing so, property managers can contribute to a more pleasant living environment, which is likely to attract and retain tenants, ultimately leading to increased property value and reduced turnover rates. In contrast, increased tenant turnover, higher costs for property management, and less communication with residents do not reflect the direct benefits of a well-thought-out maintenance strategy. These options suggest adverse outcomes that are typically associated with poor maintenance practices rather than the positive effects of an effective maintenance plan.

4. Which of the following is a basic purpose of an operating budget?

- A. To track employee performance**
- B. To forecast expenses for non-operating income**
- C. To manage day-to-day expenses**
- D. To keep a log of repairs**

The basic purpose of an operating budget is to manage day-to-day expenses. An operating budget serves as a financial plan that outlines expected income and expenses over a specific period, typically a year. This budget includes all operational costs, such as utilities, maintenance, payroll, and materials needed for daily business activities. By providing a structured way to allocate resources, an operating budget helps property managers ensure that expenses are aligned with the operational goals of the property. It allows for better financial control, decision-making, and strategic planning to maintain a stable and efficient operation. While the other options relate to financial and operational aspects, they do not capture the core function of an operating budget as effectively. Tracking employee performance focuses more on Human Resources management, forecasting expenses for non-operating income does not pertain directly to operational activities, and keeping a log of repairs is more about maintenance tracking rather than budgeting.

5. What committee is responsible for assessing property modifications?

- A. Nominating Committee**
- B. Architectural Control Committee**
- C. Rules Committee**
- D. Communications Committee**

The Architectural Control Committee is responsible for assessing property modifications because its primary function is to ensure that changes made to properties within a community adhere to established architectural standards and guidelines. This committee evaluates proposals for modifications such as new construction, renovations, and landscaping to ensure that they align with the aesthetic and functional coherence of the neighborhood. They help maintain property values and community standards by enforcing rules related to appearance and design, which is essential for the overall integrity and appeal of the area. In contrast, the Nominating Committee usually focuses on identifying and recommending candidates for leadership positions within the organization, while the Rules Committee typically deals with the creation or modification of community rules rather than enforcement related to property changes. The Communications Committee is primarily focused on disseminating information and improving communication within the community, rather than managing property modifications. Therefore, the Architectural Control Committee is clearly the appropriate group tasked with assessing modifications to properties.

6. Why must the financial information collected by the CID managing agent be accurate?

- A. To ensure compliance with local tax laws**
- B. To report reliable information to the CID Board and unit owners**
- C. To create marketing presentations for future tenants**
- D. To maintain relationships with suppliers**

The accuracy of financial information collected by the CID (Common Interest Development) managing agent is crucial primarily to report reliable information to the CID Board and unit owners. This information is fundamental for effective decision-making and transparency within the community. The board relies on accurate financial data to assess the community's financial health, plan budgets, project assessments, allocate resources, and make informed decisions regarding maintenance, improvements, and overall governance. If the financial information is inaccurate, it undermines the board's ability to manage the CID effectively, potentially leading to financial mismanagement or loss of trust among unit owners. While compliance with local tax laws is important, and maintaining relationships with suppliers is certainly beneficial, these aspects depend on the foundational accuracy of financial reporting. Similarly, creating marketing presentations is relevant for attracting new tenants, but it is secondary to the core need for transparent and reliable reporting to current stakeholders. Therefore, the necessity for reliable reporting to the CID Board and unit owners stands out as the key reason for ensuring that financial information is accurate.

7. Which of the following describes a factor that contributes to overwhelming a manager during assessments?

- A. Limited knowledge of all staff members**
- B. Personal relationships affecting judgment**
- C. Unclear performance metrics**
- D. Insufficient training provided**

The option identifying personal relationships affecting judgment highlights a significant factor that can lead to overwhelming a manager during assessments. When a manager has personal relationships with team members, it may create biases in evaluating their performance. Favoritism or the reluctance to critique someone with whom they have a close bond can cloud judgment, leading to an incomplete or inaccurate assessment of staff performance. This emotional involvement can distract the manager from remaining objective and can complicate decision-making processes. It might even result in managers feeling pressured to overlook certain performance issues to maintain personal relationships, thus overwhelming them with conflicting priorities. The impact of these personal relationships can introduce stress and complicate the assessment process, making it challenging for the manager to deliver fair and constructive evaluations based on performance metrics alone.

8. What is the primary purpose of an operating budget?

- A. To forecast property appreciation**
- B. To plan for emergencies**
- C. To forecast annual Net Operating Income (NOI)**
- D. To allocate funds for future developments**

The primary purpose of an operating budget is to forecast the annual Net Operating Income (NOI). This financial tool provides a comprehensive overview of all anticipated revenues and expenses associated with the management and operation of a property for a specific period, typically one year. By calculating NOI, property managers can determine the property's overall profitability, assess financial health, and make informed decisions regarding operations and investment strategies. Forecasting NOI helps in setting realistic financial expectations, managing cash flow effectively, and ensuring that the property remains sustainably profitable throughout the year. This level of financial planning is crucial for maximizing the property's value and guiding future financial planning and decision-making processes.

9. What is a significant feature of a chart of accounts?

- A. It tracks employee performance
- B. It includes only revenue accounts
- C. It organizes accounts by purpose and function**
- D. It displays risks associated with operations

A significant feature of a chart of accounts is that it organizes accounts by purpose and function. This organization allows for a systematic way to categorize financial transactions and results. Each account is designed to reflect a specific aspect of the financial condition and operational activity of the property being managed. By grouping accounts into specific categories—such as assets, liabilities, equity, revenues, and expenses—it helps property managers and accountants easily track and understand where funds are coming from and where they are being allocated. This organization is crucial for accurate financial reporting and analysis, which ultimately supports better decision-making and financial management. It enables stakeholders to evaluate performance clearly and enables efficient tracking over time, laying a solid foundation for budget preparation and financial planning.

10. What document typically outlines conflict-of-interest policies for members of a condominium association board?

- A. Board meeting minutes
- B. Governance documents**
- C. Financial statements
- D. Unit owner agreements

The governance documents of a condominium association play a crucial role in establishing the framework for how the association operates, including the policies surrounding conflicts of interest. These documents typically include the bylaws and articles of incorporation, which not only define the roles and responsibilities of board members but also set forth guidelines for ethical conduct and managing potential conflicts. By detailing the conflict-of-interest policies, governance documents ensure that board members are aware of their obligations to act in the best interests of the association and its members. This helps foster transparency and trust within the community, as it provides a clear standard for addressing situations where a board member's personal interests might conflict with their duties to the association. In contrast, board meeting minutes serve primarily to record the discussions and decisions made during meetings but do not establish policies. Financial statements provide insight into the association's fiscal health but do not address governance matters. Unit owner agreements are individual contracts between the association and unit owners, which typically cover ownership rights and responsibilities, not broad governance policies.

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://irem-cpm.examzify.com>

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

SAMPLE