

Nevada Property Management Practice Test (Sample)

Study Guide



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SAMPLE

Questions

- 1. Why was the Superfund Law created?**
 - A. To finance new housing projects nationwide**
 - B. To develop affordable housing initiatives**
 - C. To create trust funds for clean-up projects and claims**
 - D. To regulate mortgage interest rates**
- 2. What was the primary reason for the increased demand for professional property management around the end of the nineteenth century?**
 - A. The rise of suburban living**
 - B. Increased rental prices**
 - C. The invention of the high-speed elevator**
 - D. The availability of new building materials**
- 3. What must happen if a broker has three accounts for managing real estate?**
 - A. Keep them all under one name**
 - B. Used for different purposes**
 - C. Combine funds for easier management**
 - D. Limit access to only certain staff**
- 4. True or False: A broker must obtain approval from the real estate division before moving real estate records?**
 - A. True**
 - B. False**
 - C. Only for records over five years old**
 - D. Only if the records are in a new location**
- 5. What is the consequence for a tenant not claiming their abandoned property in Nevada?**
 - A. The property is sold immediately**
 - B. The property is discarded**
 - C. The property can be kept by the landlord**
 - D. The property remains in storage indefinitely**

- 6. Units constructed in compliance with the Americans with Disabilities Act must have which of the following?**
- A. An elevated platform**
 - B. A designated parking area**
 - C. An accessible route into and through the dwelling**
 - D. Non-slip flooring**
- 7. Which organization awards the designation of Certified Property Manager (CPM)?**
- A. National Association of Realtors**
 - B. Institute of Real Estate Management**
 - C. American Management Association**
 - D. Property Management Association**
- 8. What is a primary marketing tool used by property managers of industrial space?**
- A. Online real estate listings**
 - B. Public auctions**
 - C. Signs**
 - D. Direct mail campaigns**
- 9. What should a landlord do first if a tenant fails to pay rent under Nevada law?**
- A. File for eviction immediately**
 - B. Issue a 7-day notice to pay or quit**
 - C. Contact a collection agency**
 - D. Wait for a month before taking action**
- 10. How often must continuing education be completed for license renewal?**
- A. Every year**
 - B. Every two years**
 - C. Every five years**
 - D. Continuing education is not required**

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Why was the Superfund Law created?

- A. To finance new housing projects nationwide**
- B. To develop affordable housing initiatives**
- C. To create trust funds for clean-up projects and claims**
- D. To regulate mortgage interest rates**

The Superfund Law, officially known as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), was established primarily to address the cleanup of hazardous waste sites. It created a mechanism for funding and managing the cleanup of contaminated sites, ensuring that responsible parties either clean up or contribute to the cleanup process. By establishing trust funds, the Superfund Law enabled the federal government to step in when no viable responsible parties could be found or when those parties could not afford to undertake the necessary cleanup efforts. This was crucial in addressing environmental hazards that posed significant public health risks, thus making option C the correct answer. The other choices do not align with the purpose of the Superfund Law. Financing new housing projects, developing affordable housing initiatives, and regulating mortgage interest rates are all matters related to housing policy and finance, not environmental cleanup and regulation.

2. What was the primary reason for the increased demand for professional property management around the end of the nineteenth century?

- A. The rise of suburban living**
- B. Increased rental prices**
- C. The invention of the high-speed elevator**
- D. The availability of new building materials**

The primary reason for the increased demand for professional property management around the end of the nineteenth century was indeed related to the invention of the high-speed elevator. This innovation significantly transformed urban living by enabling the construction of taller buildings, particularly in city centers. As skyscrapers became practical, property owners faced the challenge of managing larger, multi-story buildings that catered to a growing urban population. The necessity for efficient management of these complex properties created a need for professionals to handle tasks such as tenant relations, maintenance, and financial management. Property owners recognized that specialized skills were required to maximize the value and functionality of these high-rise structures. Therefore, as urban environments changed and buildings became more sophisticated due to the high-speed elevator, so did the demand for skilled property management to oversee these developments effectively. While suburban living, increased rental prices, and new building materials were factors in the real estate landscape, they did not directly correlate to the specific surge in demand for specialized property management services in the same way that the advent of high-speed elevators did.

3. What must happen if a broker has three accounts for managing real estate?

- A. Keep them all under one name**
- B. Used for different purposes**
- C. Combine funds for easier management**
- D. Limit access to only certain staff**

When a broker has three accounts for managing real estate, each account must be used for different purposes. This practice ensures that funds are organized and allocated correctly for specific transactions or property management needs. For instance, one account might be designated for security deposits, another for operational funds, and the third for management fees or commissions. This separation enhances transparency and accountability, allowing for clear tracking of financial activities associated with each type of transaction. Using accounts for distinct purposes not only complies with legal requirements but also protects the interests of both property owners and tenants. It reduces the risk of mismanagement and simplifies the accounting process, making it easier to ascertain which funds belong to which purpose. By maintaining clear boundaries between different financial activities, brokers can provide better service and maintain trust with their clients.

4. True or False: A broker must obtain approval from the real estate division before moving real estate records?

- A. True**
- B. False**
- C. Only for records over five years old**
- D. Only if the records are in a new location**

The requirement for a broker to obtain approval from the real estate division before moving real estate records is true. This regulation exists to ensure that all real estate records are stored properly and can be accessed as needed for auditing and legal purposes. The oversight helps maintain the integrity of the records, which is essential for both consumer protection and professional accountability. Records related to real estate transactions often need to be retained for a specified period, and the real estate division regulates the handling and storage of these documents to ensure compliance with state laws and regulations. Any movement of these records must be documented and approved to ensure that they are still accessible for potential legal scrutiny or audits, which is why the approval process is in place. Thus, understanding that the movement of these important documents requires oversight underscores the importance of compliance within real estate practices in Nevada. The other options do not reflect the comprehensive requirement for approval at any time records are relocated, as maintaining proper records is crucial for the operation of real estate businesses.

5. What is the consequence for a tenant not claiming their abandoned property in Nevada?

- A. The property is sold immediately**
- B. The property is discarded**
- C. The property can be kept by the landlord**
- D. The property remains in storage indefinitely**

In Nevada, if a tenant leaves behind personal property after vacating a rental unit and does not claim it within a specified time frame, the landlord has the right to keep the property. This rule is designed to protect landlords and provide clarity on what happens to items left behind. It underscores the importance for tenants to be aware of their belongings and any obligations related to the retrieval of those items. The ability of the landlord to retain the abandoned property is supported by Nevada's laws concerning tenant abandonments, which aim to streamline the process for landlords while respecting tenants' rights to their possessions. This consequence serves as a motivating factor for tenants to collect their belongings promptly after leaving a rental property. It also helps landlords manage the space effectively, preventing indefinite storage of unclaimed property. In contrast, other options like selling the property immediately or discarding it do not accurately reflect the legal framework governing abandoned property in Nevada. Instead, allowing the landlord to keep the property serves as a clear and enforceable outcome when a tenant fails to claim their belongings.

6. Units constructed in compliance with the Americans with Disabilities Act must have which of the following?

- A. An elevated platform**
- B. A designated parking area**
- C. An accessible route into and through the dwelling**
- D. Non-slip flooring**

The correct choice, which emphasizes the need for units constructed in compliance with the Americans with Disabilities Act (ADA), is centered around ensuring accessibility into and through the dwelling. The ADA mandates that all new construction and alterations must be accessible to individuals with disabilities, thus requiring an accessible route that allows them to enter, move within, and utilize all areas of the dwelling effectively. An accessible route includes features such as doorways wide enough to accommodate wheelchairs, ramps where necessary, and pathways that are clear of obstructions. This is essential as it not only promotes independence for individuals with disabilities but also aligns with federal regulations that aim to eliminate barriers. While designated parking areas and non-slip flooring are important considerations in creating an accessible environment, they do not directly address the requirement for accessibility within the dwelling itself. The elevated platform is not a standard requirement under the ADA and may not serve an essential function for accessibility. Thus, the focus on an accessible route directly correlates with the overall purpose of the ADA, ensuring that all individuals have equal access to facilities regardless of mobility challenges.

7. Which organization awards the designation of Certified Property Manager (CPM)?

- A. National Association of Realtors**
- B. Institute of Real Estate Management**
- C. American Management Association**
- D. Property Management Association**

The designation of Certified Property Manager (CPM) is awarded by the Institute of Real Estate Management (IREM). This designation is highly regarded in the property management industry and signifies that an individual has met specific educational and professional standards in property management. IREM focuses on enhancing the skills and knowledge of property managers, providing them with the tools needed to excel in managing real estate effectively. The CPM designation involves a rigorous curriculum that covers various aspects of property management, including financial management, asset management, and ethical standards. Achieving this certification demonstrates a commitment to professional development and a high standard of performance in property management, which can enhance a manager's career opportunities. Other organizations mentioned do not have a focus solely on property management or do not award the CPM designation. For instance, the National Association of Realtors primarily serves real estate professionals rather than those focused specifically on property management. The American Management Association is focused on overall management training rather than real estate, and the Property Management Association may relate to local property management professionals but does not award the CPM designation specifically. This context helps reinforce why IREM is the awarding body for this important certification.

8. What is a primary marketing tool used by property managers of industrial space?

- A. Online real estate listings**
- B. Public auctions**
- C. Signs**
- D. Direct mail campaigns**

The primary marketing tool used by property managers of industrial space is signs. These visible advertisements are strategically placed on or near industrial properties, providing immediate information to potential tenants or buyers about available spaces. Signs can effectively capture the attention of passersby, particularly in industrial zones where businesses often seek out properties that fit their operational needs. Using signs allows property managers to advertise availability quickly and directly to a targeted audience—local businesses or logistics companies that may be in search of industrial space. Unlike other marketing tools that may reach a broader or less focused audience, signs target immediate interest and can drive direct inquiries. Other options like online real estate listings, public auctions, and direct mail campaigns certainly play roles in marketing industrial properties, but they often complement traditional signage rather than serve as the primary tool. Online listings are an important aspect of modern marketing strategies but might not achieve the immediate localized impact that signs can provide. Public auctions are more specific events rather than ongoing marketing tools, while direct mail campaigns require more lead time and may not reach immediate local interest as effectively as a prominently displayed sign.

9. What should a landlord do first if a tenant fails to pay rent under Nevada law?

- A. File for eviction immediately**
- B. Issue a 7-day notice to pay or quit**
- C. Contact a collection agency**
- D. Wait for a month before taking action**

If a tenant fails to pay rent under Nevada law, the appropriate first step for a landlord is to issue a 7-day notice to pay or quit. This notice serves as formal communication to the tenant, informing them that they have seven days to pay the overdue rent or vacate the rental property. This action is a critical component of the legal eviction process in Nevada, as it provides the tenant with an opportunity to rectify the situation by paying the owed rent or otherwise exiting the premises. This notice is not only a legal requirement but also aligns with the landlord's obligations to adhere to proper eviction procedures. It establishes a clear timeline and gives the tenant clarity regarding their situation, which is important for maintaining a fair and lawful relationship between landlords and tenants. Moving directly to eviction without first providing a notice would be premature and illegal, as it bypasses essential due process requirements established by state law. Contacting a collection agency could be an option to pursue later but is not the immediate legal action required in response to non-payment. Waiting for a month before taking any action would also not be advisable, as it could weaken the landlord's position should eviction become necessary.

10. How often must continuing education be completed for license renewal?

- A. Every year**
- B. Every two years**
- C. Every five years**
- D. Continuing education is not required**

In Nevada, property managers are required to complete continuing education every two years for license renewal. This requirement ensures that professionals stay up-to-date with current laws, regulations, and practices pertinent to property management. The two-year cycle allows licensees to enhance their skills and knowledge regularly, ensuring they are well-equipped to serve their clients and comply with any changes in the legal landscape governing property management. Regular continuing education helps maintain high standards within the profession and ensures that all property management professionals are aware of new developments that could affect their practice. This ongoing training is critical for providing quality service and maintaining industry standards. Other options imply incorrect renewal periods or negate the requirement, which does not align with Nevada's regulations regarding continuing education for property management licenses. Hence, the correct choice reflects the state-mandated schedule for professional development essential for maintaining active licensure.