

South Carolina Property Management License Practice Exam (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,

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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. 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!

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Questions

- 1. What does "failure to deliver possession" refer to in a rental context?**
 - A. The landlord not providing amenities**
 - B. The tenant not paying rent on time**
 - C. The inability of the tenant to give possession to a new tenant**
 - D. The landlord not allowing entry**
- 2. What does unlawful use of trust funds refer to?**
 - A. Using trust funds for marketing**
 - B. Using trust funds for personal expenses**
 - C. Using trust funds for purposes other than intended**
 - D. Using trust funds for maintenance costs**
- 3. How does a property manager estimate potential income from improvements?**
 - A. By assessing market trends**
 - B. Through comparative analysis of similar properties**
 - C. Based on property age**
 - D. By estimating costs of capital improvements**
- 4. What does a lease break penalty clause generally entail?**
 - A. Financial penalties for breaking the lease**
 - B. Increased rent for future leases**
 - C. Automatic lease renewal**
 - D. Waiving of all fees by the tenant**
- 5. What type of insurance policy must a condo owner typically purchase?**
 - A. A standard homeowners policy**
 - B. An HO-6 condo policy**
 - C. A rental dwelling policy**
 - D. A real estate investment policy**

- 6. What does the Statute of Frauds aim to address?**
- A. To facilitate oral leases**
 - B. To prevent disputes over oral agreements**
 - C. To require all leases to be of a specific length**
 - D. To mandate tenant background checks**
- 7. Which document serves as evidence of the agreement between a property manager and owner?**
- A. Lease agreement**
 - B. Management contract**
 - C. Property operating plan**
 - D. Purchase agreement**
- 8. Which of the following is the most common form of violation of antitrust laws?**
- A. Bribery**
 - B. Price-Fixing**
 - C. Collusion**
 - D. Market Allocation**
- 9. What is a lease typically considered in a legal context?**
- A. A recommendation**
 - B. An informal agreement**
 - C. A binding contract**
 - D. A suggestion**
- 10. What does a tenancy at will enable a tenant to do?**
- A. Remain in possession without a written agreement**
 - B. Sublet the property freely**
 - C. Negotiate lease terms at any time**
 - D. Automatically renew the lease every year**

Answers

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

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Explanations

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- 1. What does "failure to deliver possession" refer to in a rental context?**
- A. The landlord not providing amenities**
 - B. The tenant not paying rent on time**
 - C. The inability of the tenant to give possession to a new tenant**
 - D. The landlord not allowing entry**

"Failure to deliver possession" in a rental context specifically refers to the situation in which a landlord is unable to provide a tenant with access to the property at the start of a lease. This concept is essential in property management as it ensures that tenants have the right to occupy the premises they have legally rented. In this scenario, the correct option points out that the tenant themselves cannot give possession to a new tenant, which highlights the importance of the initial tenant's rights and obligations. However, the landlord's failure to deliver possession typically means that there are issues on the landlord's end—such as not providing access to the property or not having the property ready for occupation. By contrast, the other choices illustrate situations that do not directly refer to the delivery of possession, such as the landlord's failure to provide amenities, which does not prevent a tenant from having access to the property; a tenant's late rent payment, which pertains more to financial obligations than the physical possession of the property; and the landlord not allowing entry, which can be associated with the concept of withholding possession but is not the primary focus of "failure to deliver possession." Understanding this distinction is vital for both landlords and tenants to navigate their rights and responsibilities effectively.

- 2. What does unlawful use of trust funds refer to?**
- A. Using trust funds for marketing**
 - B. Using trust funds for personal expenses**
 - C. Using trust funds for purposes other than intended**
 - D. Using trust funds for maintenance costs**

Unlawful use of trust funds refers specifically to the action of using the funds for purposes other than what they were intended for. Trust funds are legally bound accounts that hold money for specific purposes, such as maintaining the property, paying bills associated with property management, or holding deposits for tenants. When these funds are used for other purposes — such as personal expenses or any non-designated uses — it constitutes a violation of legal and ethical standards. Using trust funds correctly is crucial in property management to ensure that all financial transactions are transparent and accountable. Any diversion of those funds for unauthorized purposes undermines trust and can lead to serious legal repercussions for property managers. This is why the option highlighting the use of trust funds for any unintended purpose accurately captures what constitutes unlawful use.

3. How does a property manager estimate potential income from improvements?

- A. By assessing market trends**
- B. Through comparative analysis of similar properties**
- C. Based on property age**
- D. By estimating costs of capital improvements**

The correct answer focuses on estimating potential income from improvements through an understanding of the costs associated with those improvements. When a property manager considers implementing capital improvements, it is essential to forecast how those changes will enhance the property's value and, subsequently, its income-generating potential. Estimating costs of capital improvements includes analyzing the expenses involved in upgrades, renovations, or expansions. This analysis directly impacts projections regarding potential rental income, property appreciation, and overall financial viability. By determining how much will be invested in improvements, property managers can then calculate expected returns, considering how these enhancements might allow for higher rents or increased interest from tenants. While assessing market trends and performing comparative analysis with similar properties are crucial elements of a property manager's strategy, they primarily inform decisions on rental pricing and market positioning rather than directly estimating income from specific improvements. Similarly, while the property's age might affect maintenance costs and current value, it does not directly contribute to estimating the potential impact of improvements on income generation. The key takeaway is that understanding the financial implications of improvements is vital for accurately estimating their potential contribution to income.

4. What does a lease break penalty clause generally entail?

- A. Financial penalties for breaking the lease**
- B. Increased rent for future leases**
- C. Automatic lease renewal**
- D. Waiving of all fees by the tenant**

A lease break penalty clause typically involves financial penalties for tenants who decide to terminate a lease agreement before its designated end date. This clause serves as a safeguard for landlords, compensating them for potential losses incurred due to the unexpected vacancy. These penalties can vary in amount and structure; for example, they may require the tenant to forfeit a portion of their security deposit, pay a specific amount equal to a month's rent, or cover the costs of finding a new tenant to fill the vacant unit. This type of clause is an important aspect of lease agreements, as it establishes the financial implications for tenants who need to break their lease, thereby providing clarity and legal grounds for landlords to seek compensation. The existence of such penalties can also discourage tenants from breaking their lease lightly, which helps maintain stability for the landlord's rental income.

5. What type of insurance policy must a condo owner typically purchase?

- A. A standard homeowners policy**
- B. An HO-6 condo policy**
- C. A rental dwelling policy**
- D. A real estate investment policy**

A condo owner typically needs to purchase an HO-6 condo policy because it is specifically designed to meet the unique needs of condominium owners. This type of insurance covers the personal property of the condo owner and provides liability protection. It also covers improvements and alterations made to the unit, which are not included in the master insurance policy held by the condominium association. The HO-6 policy fills in the gaps where the condo association's master policy may not provide coverage, particularly for the individual owner's personal belongings, interior upgrades, and personal liability. This specialized focus makes it the most suitable choice for a condo owner, ensuring they are adequately protected against potential risks.

6. What does the Statute of Frauds aim to address?

- A. To facilitate oral leases**
- B. To prevent disputes over oral agreements**
- C. To require all leases to be of a specific length**
- D. To mandate tenant background checks**

The Statute of Frauds aims to prevent disputes over oral agreements by requiring certain types of contracts, including leases, to be in writing to be enforceable. This legal concept is essential in real estate transactions because it helps to clarify the terms of an agreement and provides proof of the parties' intentions. By requiring a written contract for leases that exceed a specific duration, the Statute of Frauds helps ensure that both landlords and tenants have a clear understanding of their rights and obligations, which reduces the likelihood of misunderstandings and legal disputes. This regulation is particularly important in the context of property management, where oral agreements may lead to disagreements about terms, responsibilities, and the scope of the tenancy. Thus, having a written lease significantly mitigates the risk of disputes and offers a legal framework within which the parties can operate, enhancing the integrity of the lease agreements.

7. Which document serves as evidence of the agreement between a property manager and owner?

- A. Lease agreement**
- B. Management contract**
- C. Property operating plan**
- D. Purchase agreement**

The management contract serves as the official document that outlines the agreement between a property manager and the property owner. This contract delineates the responsibilities, obligations, and expectations of both parties, ensuring that they have a mutual understanding of the terms under which the property manager will operate on behalf of the owner. The management contract typically includes details such as the scope of services provided, compensation structure, duration of the agreement, and termination conditions. By formalizing these aspects, the management contract safeguards the interests of both the owner and the property manager, providing a clear framework for the property management relationship. On the other hand, a lease agreement pertains to the relationship between a landlord and tenants, establishing the terms of occupancy for a rental unit. A property operating plan focuses on the strategic and operational aspects of managing a property but does not serve as an agreement between the owner and the property manager. A purchase agreement outlines the terms of buying or selling a property rather than the management of property. Thus, the management contract is distinctly positioned as the essential document verifying the arrangement between the property manager and the owner.

8. Which of the following is the most common form of violation of antitrust laws?

- A. Bribery**
- B. Price-Fixing**
- C. Collusion**
- D. Market Allocation**

Price-fixing is identified as the most common form of violation of antitrust laws because it involves the agreement between businesses to set prices at a certain level, rather than allowing competition to determine prices naturally. This practice undermines the free market system and can lead to inflated prices for consumers, limiting their choices and reducing overall economic efficiency. The legal framework around antitrust laws aims to promote competition and prevent monopolistic practices. Price-fixing directly contravenes these principles because it hinders fair competition, making it a focal point for regulatory scrutiny. When companies collude to set prices, it can create significant barriers to market entry for new competitors and can harm consumers who could benefit from a competitive pricing environment. While collusion and market allocation are indeed violations of antitrust laws as well, price-fixing is particularly prevalent in various industries because it can be more covert and easier to execute among competitors. The actions of firms in price-fixing schemes are often less transparent and can involve complex agreements that are harder to detect until significant damage has already been inflicted on the market.

9. What is a lease typically considered in a legal context?

- A. A recommendation**
- B. An informal agreement**
- C. A binding contract**
- D. A suggestion**

A lease is considered a binding contract in a legal context because it establishes a legal agreement between a landlord and a tenant. This document outlines the terms and conditions of the rental arrangement, including payment amounts, duration of the lease, responsibilities of both parties, and other essential details. Both parties are legally obligated to adhere to the terms set forth in the lease, and failure to comply can result in legal consequences, such as eviction or loss of security deposits. The enforceability of a lease as a contract underscores the seriousness of the obligations it creates, as it functions to protect the rights of both the landlord and the tenant under property law. This binding nature differentiates it from informal agreements or suggestions, which do not carry the same legal weight or enforceability.

10. What does a tenancy at will enable a tenant to do?

- A. Remain in possession without a written agreement**
- B. Sublet the property freely**
- C. Negotiate lease terms at any time**
- D. Automatically renew the lease every year**

A tenancy at will allows a tenant to remain in possession of the rental property without a formal written lease agreement. This type of arrangement offers flexibility, as it does not specify a definite duration for the tenancy. As long as the landlord agrees, the tenant can continue to occupy the property, but either party can terminate the agreement with proper notice. This informal nature gives tenants a certain amount of freedom compared to other tenancy types. In contrast, the other options reflect misunderstandings about the nature of a tenancy at will. Subletting the property would typically require the landlord's consent, which is not inherently granted in a tenancy at will. Negotiating lease terms at any time may not accurately apply without a formal lease, as there are no set terms to negotiate. Lastly, the concept of automatically renewing a lease is more characteristic of fixed-term leases rather than tenancies at will, where continuity is dependent on mutual agreement rather than renewal provisions.

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://scpropertymanagement.examzify.com>

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