

South Carolina Property Management License Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

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

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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. Steering is the practice of:

- A. Encouraging panic selling among homeowners**
- B. Directing buyers to specific neighborhoods based on protected classes**
- C. Modifying properties for accessibility**
- D. Providing financial aid to first-time homebuyers**

2. What is the enforcement authority for the SC Fair Housing Law?

- A. Department of Justice**
- B. South Carolina Human Affairs Commission**
- C. Local city councils**
- D. Federal Housing Administration**

3. What can occur if a BIC or PMIC fails to maintain proper trust account backups?

- A. They may receive a warning**
- B. They can be criminally prosecuted**
- C. They may face disciplinary actions**
- D. There are no consequences**

4. What is considered a direct cost for property management?

- A. Utilities for the building**
- B. Payroll for management personnel**
- C. Advertisements for leasing**
- D. Maintenance supplies**

5. What is the capitalization rate used for?

- A. To determine property taxes**
- B. To assess property age**
- C. To evaluate return on investment**
- D. To calculate employee benefits**

6. What does price fixing entail?

- A. Setting prices below market value**
- B. Charging different prices for the same goods**
- C. Agreement among firms to set the same price for goods**
- D. Offering discounts to specific customers**

7. Which of the following is a characteristic of Tenancy at Sufferance?

- A. The tenant leaves before the lease ends**
- B. The tenant pays rent but does not have a lease**
- C. The landlord can immediately evict the tenant**
- D. The tenant must renew the lease to stay**

8. What term describes a situation where a tenant must leave the property due to the landlord's failure to provide essential services?

- A. Constructive eviction**
- B. Lease termination**
- C. Actual eviction**
- D. Frustration of purpose**

9. An estate from period to period is characterized by which feature?

- A. A fixed lease term**
- B. Automatic renewal unless terminated**
- C. End at the request of the tenant only**
- D. Termination with a 30-day notice**

10. What is the definition of distress in the context of property management?

- A. The right of a tenant to keep possessions until paid rent**
- B. The right of a landlord to seize and hold possessions of a tenant for rent in arrears**
- C. A method for tenants to negotiate lease terms**
- D. A legal process for resolving property disputes**

Answers

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

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Explanations

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1. Steering is the practice of:

- A. Encouraging panic selling among homeowners**
- B. Directing buyers to specific neighborhoods based on protected classes**
- C. Modifying properties for accessibility**
- D. Providing financial aid to first-time homebuyers**

The practice of steering involves directing buyers towards or away from specific neighborhoods based on characteristics that are part of protected classes, such as race, color, religion, sex, national origin, familial status, or disability. This practice is not only unethical but also illegal under the Fair Housing Act. It often perpetuates segregation and discrimination, which is contrary to the principles of fair housing and equal opportunity in real estate transactions. In contrast, the other choices do not accurately describe steering. Encouraging panic selling pertains to practices like blockbusting, which is different from steering. Modifying properties for accessibility relates to making homes more suitable for individuals with disabilities, which aligns with the requirements of the Fair Housing Act rather than directing buyers. Providing financial aid to first-time homebuyers is a supportive practice aimed at helping buyers enter the market, but it does not involve discrimination based on protected classes. Thus, the most accurate definition of steering is indeed related to directing buyers based on protected characteristics.

2. What is the enforcement authority for the SC Fair Housing Law?

- A. Department of Justice**
- B. South Carolina Human Affairs Commission**
- C. Local city councils**
- D. Federal Housing Administration**

The South Carolina Human Affairs Commission holds the enforcement authority for the SC Fair Housing Law. This state agency is responsible for investigating complaints related to housing discrimination and ensuring that individuals' rights are protected under the law. It serves as the local enforcement body that addresses issues of fair housing and can initiate legal action if necessary. The commission's role includes educating the public about their rights under the Fair Housing Law, conducting investigations, and facilitating conciliation efforts to resolve disputes. By having a dedicated agency, South Carolina ensures that there is a structured approach to handling fair housing violations, providing residents with accessible resources and support for addressing unlawful discrimination. In contrast, while the Department of Justice and the Federal Housing Administration may be involved in broader federal fair housing issues, they do not specifically enforce state law in South Carolina. Local city councils may play a role in implementing local housing policies but do not handle enforcement under the state law. Thus, the South Carolina Human Affairs Commission is the correct authority for this purpose.

3. What can occur if a BIC or PMIC fails to maintain proper trust account backups?

- A. They may receive a warning
- B. They can be criminally prosecuted
- C. They may face disciplinary actions**
- D. There are no consequences

When a Broker-in-Charge (BIC) or Property Manager-in-Charge (PMIC) does not maintain proper trust account backups, they may face disciplinary actions as a consequence of their negligence. In property management, trust accounts are critical for holding client funds and ensuring their proper use. The South Carolina Real Estate Commission emphasizes the importance of proper financial management and record-keeping to protect clients' interests. Proper backups help ensure that records are preserved in case of audits, disputes, or legal issues. Failure to maintain these backups could indicate a lack of compliance with regulatory standards, which could lead to penalties such as fines, suspension, or revocation of the property management license. This is designed to uphold the integrity of the profession and protect consumers. Maintaining these records is not only a best practice but a legal obligation, and failure to comply underscores a disregard for the responsibilities that come with property management.

4. What is considered a direct cost for property management?

- A. Utilities for the building
- B. Payroll for management personnel**
- C. Advertisements for leasing
- D. Maintenance supplies

In the context of property management, direct costs are expenses that can be directly attributed to the operation and maintenance of a particular property. Payroll for management personnel falls into this category because it directly impacts the management of the property itself. This cost includes salaries, wages, and any other compensation for staff who are responsible for the daily operations, tenant relations, maintenance oversight, and ensuring the property meets all regulatory standards. When evaluating other potential direct costs, utilities for the building, advertisements for leasing, and maintenance supplies may seem relevant, but they can be categorized differently. Utilities are more operating expenses that might not be directly assigned to property management activities. Advertisements, while important for attracting tenants, are generally considered indirect costs associated with ancillary marketing efforts rather than the direct management of the property. Maintenance supplies, while necessary for property upkeep, don't typically fall under direct costs associated with staffing, which is a central function of property management. Thus, the payroll for management personnel stands out as a direct cost essential to ensuring effective property management.

5. What is the capitalization rate used for?

- A. To determine property taxes**
- B. To assess property age**
- C. To evaluate return on investment**
- D. To calculate employee benefits**

The capitalization rate, often referred to as the cap rate, is a key financial metric used in real estate investment to evaluate the potential return on an investment property. It is calculated by taking the net operating income (NOI) of a property and dividing it by the current market value or purchase price of that property. This rate allows investors to assess how well a property is performing with respect to the income it generates, relative to its total value. By analyzing the cap rate, investors can compare different real estate investments to understand their profitability and risk. A higher cap rate typically indicates a higher potential return, albeit often with a higher risk, while a lower cap rate suggests a more stable, but potentially lower return investment. This evaluation is crucial for making informed investment decisions and assessing whether a property aligns with an investor's financial goals. Understanding the capitalization rate empowers investors to make strategic choices and optimize their portfolio for the best possible returns.

6. What does price fixing entail?

- A. Setting prices below market value**
- B. Charging different prices for the same goods**
- C. Agreement among firms to set the same price for goods**
- D. Offering discounts to specific customers**

Price fixing refers to an agreement among competing firms to set the same price for their goods or services. This practice eliminates competition in the marketplace, as companies coordinate their prices rather than allowing the market to dictate them. In competitive markets, prices are typically determined by supply and demand, but price fixing undermines this natural market mechanism and can lead to higher prices for consumers. This agreement can take various forms, including direct communication among firms or tacit understanding based on observing competitors' pricing. Such practices are considered illegal in many jurisdictions, including under U.S. antitrust laws, because they restrain trade and lead to market manipulation. The other options presented do not describe price fixing correctly. Setting prices below market value may be part of a competitive strategy, while charging different prices for the same goods can occur in markets with variables like customer segments, rather than an agreement among competitors. Offering discounts to specific customers also doesn't relate to price fixing, as such actions do not involve collusion among firms to set prices uniformly.

7. Which of the following is a characteristic of Tenancy at Sufferance?

- A. The tenant leaves before the lease ends**
- B. The tenant pays rent but does not have a lease**
- C. The landlord can immediately evict the tenant**
- D. The tenant must renew the lease to stay**

Tenancy at Sufferance occurs when a tenant remains in possession of a property after the lease has expired without the landlord's consent. In this situation, the tenant continues to occupy the property but does not have a formal lease agreement, making it a unique circumstance where the tenant is technically a holdover tenant. Choosing the option that states the tenant pays rent but does not have a lease accurately captures the essence of Tenancy at Sufferance. While the tenant may be paying rent, the absence of a lease underscores their precarious position. They are technically trespassers since they do not have the legal right to be there; however, the landlord's acceptance of rent can imply some level of implicit agreement. The other options discuss scenarios that do not define Tenancy at Sufferance accurately. For example, a tenant leaving before the lease ends describes a different situation altogether, typically related to early termination of the lease. Immediately evicting a tenant can vary based on state laws and circumstances surrounding the lease's expiration. Similarly, needing to renew a lease does not pertain to Tenancy at Sufferance, as the concept revolves around what occurs after a lease ends rather than before or the renewal processes.

8. What term describes a situation where a tenant must leave the property due to the landlord's failure to provide essential services?

- A. Constructive eviction**
- B. Lease termination**
- C. Actual eviction**
- D. Frustration of purpose**

The term that describes a situation where a tenant must leave the property due to the landlord's failure to provide essential services is constructive eviction. This legal concept occurs when a landlord's actions or lack of action make the rental unit uninhabitable or significantly impair the tenant's ability to enjoy the property. In the case of constructive eviction, even though the landlord has not formally evicted the tenant, the tenant has the right to vacate the premises because the situation has become intolerable due to the landlord's neglect in fulfilling essential duties, such as providing heat, water, or necessary repairs. It is important for tenants to document the landlord's failure to fulfill these responsibilities to support their case for constructive eviction. The other terms, such as lease termination and actual eviction, refer more to formal processes set in motion by the landlord or mutual agreement, rather than the tenant's compelled departure due to unaddressed issues. Frustration of purpose deals with a situation where the fundamental reason for entering into a lease becomes impossible to fulfill, which does not align with the context of a tenant needing to leave due to a landlord's inaction on essential services.

9. An estate from period to period is characterized by which feature?

- A. A fixed lease term**
- B. Automatic renewal unless terminated**
- C. End at the request of the tenant only**
- D. Termination with a 30-day notice**

An estate from period to period, also known as a periodic tenancy, is characterized primarily by its automatic renewal feature. This type of lease continues for successive periods (such as month-to-month or week-to-week) until either the landlord or the tenant gives notice to terminate. This means that unless one party provides proper notice to end the tenancy, the lease automatically renews at the end of each rental period. This trait of automatic renewal distinguishes periodic tenancies from fixed-term leases, which have a defined start and end date. Additionally, while a periodic tenancy can indeed be terminated by either party with appropriate notice, the defining characteristic is the continuous nature of the lease until an action is taken to end it, which includes the landlord or tenant providing notice. So, option B accurately captures the essence of an estate from period to period, reflecting its ongoing nature until a termination notice is given.

10. What is the definition of distress in the context of property management?

- A. The right of a tenant to keep possessions until paid rent**
- B. The right of a landlord to seize and hold possessions of a tenant for rent in arrears**
- C. A method for tenants to negotiate lease terms**
- D. A legal process for resolving property disputes**

The definition of distress, particularly in the context of property management, pertains to the rights of a landlord. Specifically, it refers to the legal right of a landlord to seize and hold the possessions of a tenant who has failed to pay rent that is owed. This legal principle allows landlords a method to recover debts and compels tenants to meet their lease obligations. The process of distress is a significant aspect of landlord-tenant law, as it provides a means of recourse for landlords when rent payments are not fulfilled. By seizing possessions, landlords can create leverage for the tenant to settle their debts. This mechanism also underscores the responsibilities tenants have regarding timely payment for the use of the rented property. Understanding this definition is essential for effective property management, as it informs both landlords of their rights in managing rental agreements and conveys the potential consequences tenants may face if they default on their rental obligations. This knowledge enhances awareness of legal rights and responsibilities within a landlord-tenant relationship.

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!

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