

SOUTH DAKOTA PROPERTY MANAGEMENT PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. What type of bond should any employee who handles the owner's funds have?**
 - A. Liability bond
 - B. Credit bond
 - C. Fidelity bond
 - D. Performance bond
- 2. In property management, what must be retained for a specified period related to lead-based paint?**
 - A. Tenant agreements
 - B. Financial disclosures
 - C. Required disclosures
 - D. Building permits
- 3. What term is used to describe the loss of building value due to postponed repairs?**
 - A. Deferred maintenance
 - B. Corrective maintenance
 - C. Preventive maintenance
 - D. Routine maintenance
- 4. What is the term used when a tenant must leave the premises due to a landlord's failure to provide essential services?**
 - A. Constructive eviction
 - B. Explicit eviction
 - C. Legal termination
 - D. Automatic relief
- 5. What type of education is required for obtaining a property manager's license?**
 - A. General business education
 - B. Advanced real estate courses
 - C. Fundamentals of property management
 - D. Financial management training

- 6. Which of the following is not a disciplinary option for the commission against a property manager?**
- A. Revocation of license
 - B. Financial penalties
 - C. Informal reprimand
 - D. Suspension of license
- 7. How are properties designed for heavy industry typically managed?**
- A. By third-party management firms
 - B. By professional real estate agents
 - C. By the owner themselves
 - D. By construction contractors
- 8. What is the definition of subleasing?**
- A. Renting property without landlord's consent
 - B. When a tenant rents out property with permission
 - C. A tenant taking over the lease of another
 - D. When a landlord rents to a new tenant
- 9. What is the most important operating record kept by the property manager?**
- A. Monthly report on cash flow
 - B. Tenancy agreement
 - C. Lease renewal report
 - D. Property maintenance log
- 10. The requirement for property managers to renew their licensing is intended to ensure what?**
- A. Continued compliance with legal and educational standards
 - B. The promotion of new agents
 - C. Enhanced financial management skills
 - D. Lowered operational costs

Answers

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

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Explanations

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1. What type of bond should any employee who handles the owner's funds have?

- A. Liability bond
- B. Credit bond
- C. Fidelity bond**
- D. Performance bond

The correct answer is a fidelity bond because this type of bond specifically protects against losses resulting from an employee's dishonest acts, such as theft or fraud. In the context of property management, where employees may be responsible for handling or managing the owner's funds, a fidelity bond ensures that the property owner is safeguarded from any potential financial misconduct by employees. This bond acts as a form of insurance that helps to mitigate risks associated with employee theft or wrongful acts, providing peace of mind to the property owner's business operations. Other types of bonds mentioned have different purposes. A liability bond typically covers claims against a company for injuries or damages caused by its operations, while a credit bond involves agreements regarding payment obligations between parties. A performance bond is generally used to guarantee the successful completion of a contract, ensuring that a service provider adheres to agreed-upon standards. None of these bonds provide the same level of protection specifically against employee dishonesty as a fidelity bond does.

2. In property management, what must be retained for a specified period related to lead-based paint?

- A. Tenant agreements
- B. Financial disclosures
- C. Required disclosures**
- D. Building permits

In property management, it is essential to retain required disclosures related to lead-based paint because federal law mandates that property owners and managers inform tenants about the presence of lead-based paint in properties built before 1978. This requirement is intended to protect tenants, especially young children who are particularly vulnerable to the risks associated with lead exposure. The law stipulates that property owners must provide a lead-based paint disclosure form to tenants prior to lease signing. This form lets tenants know whether the property contains lead-based paint and informs them of the potential hazards. Retaining these disclosures for a specified period ensures compliance with regulations and provides documentation if any disputes arise related to lead safety or health issues. This retention also demonstrates due diligence on the part of the property manager or owner, should any legal scrutiny occur regarding lead-based paint hazards. Other options may not be as pertinent in the context of lead-based paint regulations. Tenant agreements are contracts for housing but do not specifically highlight lead disclosure responsibilities. Financial disclosures pertain more to the economic aspects of rental agreements and might not relate directly to lead safety issues. Building permits deal with construction compliance and codes but do not involve tenant safety disclosures related to hazardous materials such as lead paint. Thus, retaining required disclosures is critical in the context of managing

3. What term is used to describe the loss of building value due to postponed repairs?

- A. Deferred maintenance**
- B. Corrective maintenance
- C. Preventive maintenance
- D. Routine maintenance

The term "deferred maintenance" refers to the loss of building value due to postponed repairs. This occurs when necessary maintenance tasks are not performed in a timely manner, leading to deterioration and potential depreciation of the property. When repairs are delayed, issues can escalate, resulting in more extensive damage and increased costs over time. In property management, recognizing the significance of deferred maintenance is crucial. It highlights the importance of maintaining properties effectively to preserve their value and prolong their lifespan. By addressing maintenance issues promptly, property managers can ensure that the property retains its worth and continues to be a safe and functional environment for its occupants. Other terms relate to different aspects of property maintenance. Corrective maintenance involves fixing identified issues as they occur, preventive maintenance is conducted to prevent potential problems before they arise, and routine maintenance refers to regular upkeep tasks performed to maintain the property's general condition.

4. What is the term used when a tenant must leave the premises due to a landlord's failure to provide essential services?

- A. Constructive eviction**
- B. Explicit eviction
- C. Legal termination
- D. Automatic relief

The term used when a tenant must leave the premises due to a landlord's failure to provide essential services is known as constructive eviction. This concept arises in situations where a landlord's actions—or lack thereof—render the rental unit uninhabitable or significantly diminish the tenant's use and enjoyment of the property. In essence, constructive eviction allows tenants to break their lease and seek damages when the landlord does not fulfill legal requirements, such as maintaining critical utilities like water, heat, or electricity. Constructive eviction differs from an explicit eviction, which is a formal process initiated by the landlord to remove a tenant from a property. Legal termination refers to the end of a lease under specific conditions but doesn't specifically relate to the landlord's failure to provide essential services. Automatic relief isn't a recognized legal term within this context and does not apply to eviction matters. Thus, constructive eviction accurately describes the scenario where a tenant is forced to vacate due to the landlord's inaction concerning essential services.

5. What type of education is required for obtaining a property manager's license?

- A. General business education
- B. Advanced real estate courses
- C. Fundamentals of property management**
- D. Financial management training

The correct answer focuses on the required education specifically tailored toward property management, which is the Fundamentals of property management. This coursework provides prospective property managers with essential knowledge about managing rental properties effectively. It covers a range of important topics such as tenant relations, lease agreements, maintenance management, and understanding local laws and regulations that govern property management. This foundational education is crucial because it ensures that property managers understand the core principles and practices necessary to run properties efficiently and ethically. Having a solid grasp of these fundamentals creates a basis upon which more advanced topics in real estate can be learned and applied. Understanding the nuances of property management prepares individuals for the challenges they will face in the field. While general business education or financial management training provides valuable skills relevant to many careers, they do not specifically address the unique aspects of managing properties, which is why they are not considered as appropriate qualifications on their own within this context.

6. Which of the following is not a disciplinary option for the commission against a property manager?

- A. Revocation of license
- B. Financial penalties
- C. Informal reprimand**
- D. Suspension of license

An informal reprimand is not typically considered a formal disciplinary action that a commission can take against a property manager. Disciplinary options often include formal actions that have significant implications for a property manager's ability to operate legally within their industry. Revocation of a license is a serious penalty that completely removes an individual's ability to practice as a property manager, signaling a significant violation of regulations or standards. Financial penalties may also be imposed to penalize misconduct and serve as a deterrent against future violations. Suspension of a license provides a temporary cessation of a property manager's ability to conduct business and is often used for less severe violations that still warrant attention. An informal reprimand, on the other hand, lacks the weight and formal recognition of the other options. It may serve as a more casual warning or reminder about behavior, but it does not carry the same level of consequence or enforcement as the other disciplinary measures listed. Thus, it is excluded from the list of recognized disciplinary actions that a commission can enforce against a property manager.

7. How are properties designed for heavy industry typically managed?

- A. By third-party management firms
- B. By professional real estate agents
- C. By the owner themselves**
- D. By construction contractors

Properties designed for heavy industry are typically managed by the owners themselves because these facilities often require specialized knowledge about industrial operations, safety regulations, and equipment maintenance that the owner or designated personnel are likely to possess. Owners are intimately familiar with their operations and can make decisions that align closely with their business objectives and the specific needs of their industrial properties. Management by owners allows for better oversight of production processes, efficiency improvements, and compliance with environmental and safety standards, which are critical in heavy industrial settings. This hands-on approach also supports quicker decision-making and problem-solving given the immediate context of their operations, which is essential for minimizing downtime and maximizing productivity. In contrast, third-party management firms or professional real estate agents typically handle more conventional properties, where the operational demands are less specialized and can be effectively managed by individuals without direct industry experience. Similarly, while construction contractors may play a role in the building phase or renovation of such properties, they do not usually manage the day-to-day operations once the facility is up and running.

8. What is the definition of subleasing?

- A. Renting property without landlord's consent
- B. When a tenant rents out property with permission**
- C. A tenant taking over the lease of another
- D. When a landlord rents to a new tenant

Subleasing is defined as the situation when a tenant rents out property with permission from the landlord. This arrangement typically involves the original tenant (the sublessor) leasing their rented space to another individual (the sublessee) while retaining their obligations under the original lease. The critical element in subleasing is the requirement for the tenant to obtain consent from the landlord, which differentiates it from other leasing arrangements. When a tenant takes steps to sublease a property, they must first ensure that their lease agreement allows for such an action, and they should formalize the arrangement with the landlord's approval. This protects both the landlord's rights regarding the property and the tenant's responsibility for the lease terms. In this context, other options do not accurately reflect the definition of subleasing. For instance, renting property without the landlord's consent would be considered a violation of the lease terms and is not a lawful form of subleasing. A tenant taking over the lease of another describes a lease assignment rather than a sublease. Lastly, when a landlord rents to a new tenant does not involve an existing tenant's relationship and obligations, further distinguishing it from subleasing.

9. What is the most important operating record kept by the property manager?

A. Monthly report on cash flow

B. Tenancy agreement

C. Lease renewal report

D. Property maintenance log

The most important operating record kept by the property manager is the monthly report on cash flow. This report provides a comprehensive overview of the property's financial health, detailing income generated from rent payments and other sources, as well as expenses incurred for maintenance, utilities, and other operational costs. By regularly reviewing cash flow reports, property managers can assess the profitability of the property, make informed decisions about budgeting and expenditures, and identify any financial trends that may require attention. Effective cash flow management is crucial for sustaining a property's operations and ensuring its long-term viability, making this report essential in the realm of property management. The other records, while significant in their own right, serve different purposes. The tenancy agreement outlines the terms of the lease between the landlord and tenant, the lease renewal report tracks when leases are set to expire, and the property maintenance log records ongoing maintenance and repairs. Each of these documents is important for managing tenant relations and ensuring property upkeep, but they do not provide the same overarching insights into the financial status of the property as the cash flow report does.

10. The requirement for property managers to renew their licensing is intended to ensure what?

A. Continued compliance with legal and educational standards

B. The promotion of new agents

C. Enhanced financial management skills

D. Lowered operational costs

The requirement for property managers to renew their licensing is intended to ensure continued compliance with legal and educational standards. This process is essential because it mandates that property managers stay updated with the ever-evolving laws, regulations, and best practices related to property management. By regularly renewing their licenses, property managers are encouraged to engage in ongoing education and training, which helps them maintain their knowledge of pertinent state laws, fair housing regulations, and ethical standards in property management. This is particularly crucial in fields like property management, where changes in laws can significantly impact the rights and responsibilities of property managers, landlords, and tenants. The focus on compliance and education through licensing renewal ultimately safeguards the interests of tenants and property owners alike and helps maintain a professional standard in the industry. Consequently, while the other options may reflect aspects of property management, they do not address the core intent of licensing renewal, which is primarily centered around legal compliance and the ongoing competency of property managers.

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://sdpropertymgmt.examzify.com>

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

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