Chapter 12 Multiple Choice Questions

1. What term refers to the duties of a property manager with respect to collection of rents, record-keeping and report preparation?
   a. Administrative management
   b. Marketing
   c. Physical management
   d. All of the above

2. The agency relationship between the property owner and manager is defined in a contract called a
   a. management agreement.
   b. listing agreement.
   c. compensation agreement.
   d. rent schedule.

3. A corporate real estate asset manager is usually responsible for
   a. management.
   b. acquisition and disposition.
   c. financing.
   d. All of the above

4. The most common form of compensation for property managers is
   a. a fee based on a percentage of gross income.
   b. a fee based on a percentage of the net income.
   c. weekly, monthly or annual salary.
   d. a fee based on a percentage of after-tax cash flow.

5. In property management, the management agreement establishes an agency relationship between the owner of the property and the
   a. tenants.
   b. property manager.
   c. property manager and the tenants.
   d. maintenance staff.

6. The property manager’s primary objective is to secure for the owner the
   a. highest gross return over the life of the property.
   b. shortest payback of the original investment.
   c. highest cash return on the property at the time of reversion.
   d. highest net return over the useful life of the property.
7. Which of the following is a function of an asset manager for a business firm?
   a. Management of the firm’s real property facilities
   b. Acquisition of real property to satisfy the firm’s real property requirements
   c. Arranging financing for new facilities
   d. Redeployment of property that is no longer needed by the firm’s operations
   e. All of the above