

Week 4. Practice Questions (20)
License, Certifications, and Insurance

1. General Liability insurance coverage provides protection for
 - (A) Your Workers injured on the job site
 - (B) Covers third party injury and property damage only
 - (C) Covers all liability damage caused at the job site

2. Title Insurance provides the following:
 - (A) Guarantees that there are no problems with the title
 - (B) The owner must buy owner's title insurance
 - (C) Lender's title insurance protects the purchaser of the property
 - (D) All of the above
 - (E) None of the above

3. Small Construction or contracting businesses may bundle their general liability exposure with a commercial property insurance policy in a Business Owners Policy (BOP) if
 - (A) Have over 100 employees
 - (B) Operate in a high- risk industry
 - (C) Have a large office or workplace
 - (D) Your annual revenue is less than one million dollars

4. Workers Compensation protects against injuries at work for the following:
 - (A) Pays for rehabilitation
 - (B) Pays the owner of the business
 - (C) Medical payments for workers
 - (D) Both (A) and (C)
 - (E) All of the above

5. You can receive licensing from the Louisiana Licensing Board for Contractors **except one:**
 - (A) Commercial License
 - (B) Residential License
 - (C) Mold Remediation License
 - (D) Trade License

6. What are the trade exceptions that are required to have a commercial license at the value of \$10,000 or more?

- (A) Plumbing/Carpentry/Concrete
- (B) Electrical/Mechanical/Plumbing
- (C) Mechanical/Carpentry/Electrical

7. What are the basic requirements for residential and commercial licenses?

- (A) Registered Business and Complete and submit an application
- (B) Financial statement with \$10,000 net worth
- (C) Applicant must pass Business & Law and Trade Exam
- (D) All of the Above

8. Residential license is required for residential construction or home improvement projects exceeding \$75,000.

- (A) True
- (B) False

9. In order to build three or more single family homes built under the same contract in the same subdivision, two or more duplexes, triplexes, fourplexes, apartment buildings or condominiums you need a commercial license.

- (A) True
- (B) False

10. Residential Subcontract Contractors are not allowed to perform labor only projects.

- (A) True
- (B) False

11. Home Improvement Registration requirements include all the following **except**:

- (A) Passing the Trade Exam
- (B) Complete and submit an application
- (C) Provide proof of general liability & workers' compensation insurance
- (D) Business entities must be registered with the Louisiana Secretary of State

12. How are contracts calculated to determine whether a contract reaches licensure limits?

- (A) Labor Only Cost
- (B) Labor and Materials Costs
- (C) Materials Only Cost
- (D) It is based on the contract

13. What two programs assist contractors in securing bonding?

- (A) Small and Emerging Business Development Program and Hubzone Program
- (B) Bonding Assistance Program and Surety Bonding Program
- (C) Louisiana Contractor Accreditation Institute and Bonding Assistance Program
- (D) Hudson Initiative and 8(a) Business Development Program

14. The officers of a nonprofit (such as the president or the secretary) are individuals with responsibilities, and the authority to execute based on their job descriptions. Together, the officers and the board will come together to make up the organizational structure of your nonprofit. The organization structure of your nonprofit in Louisiana MUST include *except one*:

- (A) A president
- (B) A secretary
- (C) A treasury
- (D) A comptroller

15. Before a nonprofit can apply for exemption from state and federal taxes as a 501c3, it must:

- (A) elect at least 3 directors not related to each other.
- (B) register as a nonprofit with the state.
- (C) adopt the bylaws and conflict of interest policy.
- (D) have an EIN number.
- (E) All of the above.

16. Which of the following best describes the acquisition process adopted by Xavier University?

- (A) Negotiate sale – locate owner-renovation – lease – identify property
- (B) Identify property – locate owner – negotiate sale – renovation – lease
- (C) Identify property – renovation – locate owner – lease

17. According to Deidra Jones, property acquisition manager at Xavier University of Louisiana, acquiring property around its campus is to:

- (A) create a thriving campus community
- (B) increase its endowment
- (C) give more space to its communities

18. Which of the following statements correctly defines **assemblage** in real estate?

- (A) the process of purchasing disjointed properties to make quick returns
- (B) the process of joining several parcels to form a larger parcel

(C) the process of exploiting an arbitrage opportunity resulting from purchasing several disjoined properties

19. Mitigation programs are designed to prevent disasters or reduce their effects by discouraging behaviors that may put people and property at risk, such as building homes and businesses in hazardous areas. General mitigation measures include **except one**:

- (A) land-use regulations,
- (B) preventive health care programs, and
- (C) public education to reduce risk
- (D) energy reduction

20. Which building code is used in the Southeast?

- (A) National Building Code
- (B) Seamount Building Code
- (C) Uniform Building Code
- (D) Standard Building Code