

Week 4. Practice Questions (20)

Small Business Essentials: Small Business Loan Application, QuickBooks, Team Management and Leadership, and Small Property Development Permits & Licenses

Choose the best answer.

1. Louisiana State Licensing Board for Contractors was created in:
 - A. 1927
 - B. 1976
 - C. 1956
 - D. 1998

2. 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

3. 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

4. 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

5. 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

6. Which is not part of a Commercial Building Construction License duty?
 - A. Three or more single family houses built under the same contract in the same subdivision.
 - B. Two or more duplexes, triplexes or fourplexes.
 - C. Apartment buildings or condominiums
 - D. A single duplex, triplex or fourplex

7. How is the debt to income ratio computed?
 - A. Multiplying net equity to debt
 - B. Dividing the annual personal debt payments by the annual gross personal income
 - C. Dividing the annual income by monthly average liability

8. What are two real estate investment loan types?
- A. Construction loan and real estate investment line of credit
 - B. Commercial paper and construction loan
 - C. Revolving loan and fixed income security loan
9. After the loan is approved, what document does the banker issue that describes the terms of the agreement?
- A. A Proof of Credit line
 - B. Commitment Letter
 - C. Acknowledgment Letter
10. What is the purpose of a construction inspector?
- A. The construction inspector visits the construction site in connection with each draw request to provide the bank with an estimate of the percentage of completion of the project.
 - B. The construction inspector visits the construction site to speed up the completion of the project.
 - C. The construction inspector visits the construction site to estimate the net worth of the project.
11. In a residential construction, draws are recommended monthly to limit inspection cost.
- A. False
 - B. True
12. During his presentation, Mr. Matthew shared his neighborhood development projects in the past. If you plan on flipping the property, you should perform market analysis. All in cost should be ____ or less market value.
- A. 80%
 - B. 70%
 - C. 90%
13. According to Mr. Matthew, what percent of the cost of a real estate development project will a bank typically require the borrower to inject?
- A. 60% to 70%
 - B. 30% to 40%
 - C. 20% to 30%
14. There is no universally accepted definition for management. The definitions run the gamut from very simple to very complex. For practical purposes, we define management as “the application of planning, _____, staffing, directing, and Controlling functions in the most efficient manner possible to accomplish meaningful organizational objectives.
- A. Budgeting
 - B. Auditing
 - C. Organizing

15. What is motivating in relation to the directing function?
- A. Motivating is the process of influencing people to work toward a common goal.
 - B. Motivating is the process of providing reasons for people to work in the best interests of an organization.
 - C. Motivating is the process of anticipating future events and conditions and determining courses of action for achieving organizational objectives.
16. What are the 4 steps commonly associated with controlling management function?
- A. Set standards - measure performance - compare performance - take corrective action
 - B. Set goals – perform objectives – set strategies – achieve goals
 - C. Set out strategy – set objectives – measure outcomes – achieve goals
17. When working with QuickBooks, the most important step in the process is:
- A. Opening a bank account
 - B. Setting up the company properly
 - C. Hire an accountant
 - D. Hire an attorney
18. In QuickBooks, new accounts can be added to the Chart of Accounts in which menu item in :
- A. Edit
 - B. Vendors
 - C. Company
 - D. Reports
19. The Profit & Loss and Balance Sheets are the most important financial statements of your business. These financial statements can be found in which menu:
- A. Accountant
 - B. List
 - C. Reports
 - D. Banking
20. Entering bills is done from which menu item:
- A. Vendor
 - B. Customers
 - C. List
 - D. Reports