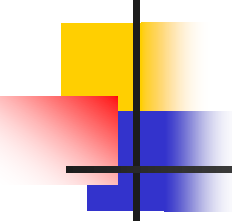




Part I

Administrative Portion Part 1



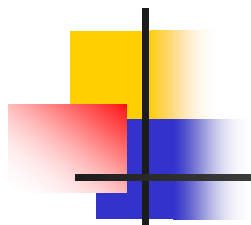
1. Who approves the construction documents prior to the issuance of a building permit?

- A. Site superintendent
- B. Company president
- C. Building official
- D. Architect



2. What agency licenses contractors in Virginia?

- A. Board for Contractors
- B. State Corporation Commission
- C. Department of Revenue
- D. Licensing Commission



3. What is the maximum storage capacity of a sediment trap?

- A. 134 cubic yards per acre but limited to 3 acres
- B. 134 cubic yards per acre but limited to under 3 acres
- C. 500 cubic yards per acre
- D. 500 cubic yards per acre but limited to under 3 acres



4. When must the contractor provide a copy of the signed residential contract to the

- A. Within 30 days of signing the contract
- B. Within 7 days of signing the contract
- C. Prior to commencing work
- D. Prior to hiring subcontractors



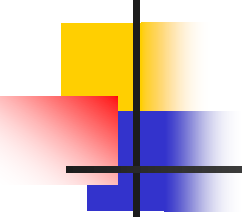
5. Under which of the following circumstances is a landscape irrigation contractor required to obtain a Class A license?

A. Less than five (5) years after receiving the Class B license

B. On acceptance of an irrigation project valued at more than \$7,500

C. On acceptance of an irrigation project valued at more than \$35,000

D. When annual receipts total or exceed \$750,000



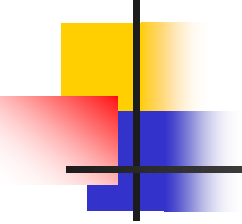
6. A nonresident or a foreign corporation wishes to bid on a construction project in Virginia. Who must be appointed as the Virginia agent upon whom lawful process or notices may be filed?

- A. Chairman of the Board for Contractors
- B. Corporation's attorney
- C. Director of the Department of Professional and Occupational Regulation (DPOR)
- D. President of the corporation



7. What fees are required to reinstate a Class B license?

- A. The renewal fee and a license application fee
- B. The reinstatement fee and a license application fee
- C. The renewal fee and reinstatement fee
- D. The renewal, reinstatement, and license application fees



8. What is the required license classification for a residential contractor who is contracted to enlarge the building envelope?

A. BLD

B. HIC

C. CIC

D. H/H



9. What is the electrical potential limit on installations/ repairs of equipment or services under an ESC license?

- A. 12 volts
- B. 50 volts
- C. 120 volts
- D. 240 volts



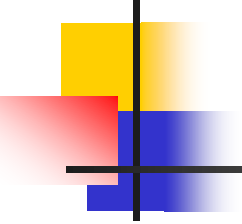
10. Which of the following classifications is also included in the PLB classification?

- A. BLD
- B. FIC
- C. ISC
- D. SPR



11. The minimum experience required for a qualified individual for a Class A license is _____.

- A. 2 years' technical training
- B. 3 years' hands-on-training
- C. 2 years' technical training plus three years'
- D. 5 years' experience



12. An applicant for a Class B license must submit financial information indicating a minimum net worth or equity of _____.

A. \$0

B. \$15,000

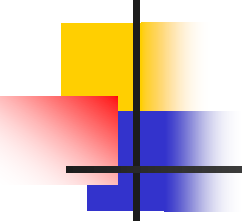
C. \$30,000

D. \$45,000



13. What is an option for a contractor who has received a notice of code violation?

- A. File an appeal 180 days of receipt
- B. Disregard the notice if it is not issued within the second year after occupancy
- C. Disregard and send an appeal to the Department of Professional and Occupational Regulation
- D. File an appeal within 30 days of receipt



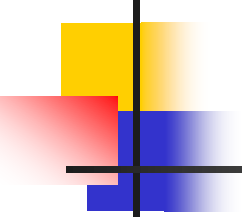
14. A person fails to obtain necessary building permits. Legal proceedings may be instituted when the person has been served _____.

- A. after one violation
- B. with two notices of violation
- C. with three notices of violation
- D. with five or more notices of violation



15. Under the USBC, all of the following require a building permit *EXCEPT* _____.

- A. converting a single-family home to a bed-and- breakfast.
- B. demolishing a single-family home after a fire.
- C. installing wiring and electrical equipment operating at 50 volts or less.
- D. removing lead paint or asbestos shingles during a renovation



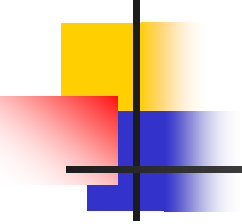
16. What is the minimum number of sets of construction documents required by the USBC when filing for a permit?

A. 1

B. 2

C. Whatever number is specified by the architect

D. Whatever number is required by the local building official



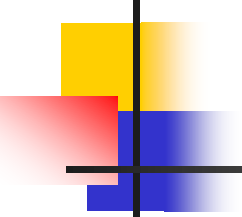
17. The minimum number of inspections and approvals required under the USBC prior to issuance of a Certificate of Occupancy is at least _____.

A. 3

B. 5

C. 7

D. 9



18. What is the initial assessment for the Transaction Recovery Fund when applying for a Class B BLD license?

- A. None. This assessment applies only to Class A licenses.
- B. \$25
- C. \$50
- D. \$75



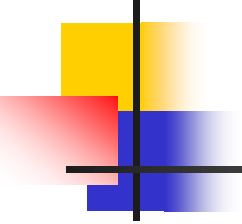
19. The maximum biennial assessment per license holder for the Transaction Recovery Fund is _____.

A. not limited, but determined by the minimum balance in the fund

B. \$25

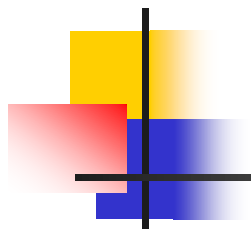
C. \$50

D. \$75



20. After a judgment becomes final, a claim must be filed with the Transaction Recovery Fund within what period?

- A. 30 days
- B. 3 months
- C. 6 months
- D. 12 months



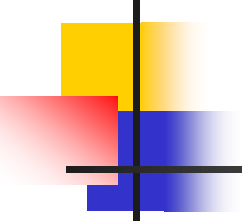
21. The **maximum aggregate** claim payment of one claimant from the Transaction Recovery Fund is _____.

- A. \$10,000
- B. \$20,000
- C. \$30,000
- D. \$40,000



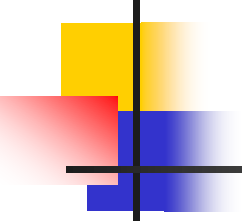
22. What board action is required upon payment of a claim from the Transaction Recovery Fund?

- A. An assessment against all contractors to rebuild the Transaction Recovery Fund
- B. File a lawsuit against the contractor for recovery of the amount paid
- C. File a lien against the property (project) for recovery of the amount paid
- D. Revocation of the contractor's license



23. A subdivision contractor has neglected to obtain final approval of an erosion control plan prior to work. What is the maximum penalty allowed under the Erosion and Sediment Control Act?

- A. \$100
- B. \$1,100
- C. \$3,000
- D. \$10,000



24. What is the maximum length of trench that may be open at any one time when installing utilities?

- A. 134 cubic yards
- B. 134 linear feet
- C. 250 linear feet
- D. 500 linear feet



25. Denuded areas must be stabilizes within _____.

- A. 7 days after final grade is achieved on any portion of the site
- B. 30 days after completion of construction
- C. 30 days after final grade is achieved on the entire site
- D. 3 months after final grading



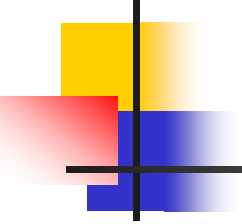
Part II

General Portion



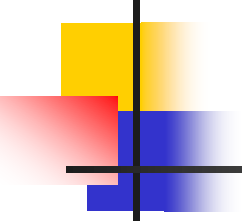
26. Which of the following forms of business ownership is least regulated?

- A. S corporation
- B. Sole proprietor
- C. Limited liability company
- D. Partnership



27. Under which form of business organization are all investors fully liable for all debts of the business?

- A. Corporation
- B. General partnership
- C. Limited liability company
- D. S corporation



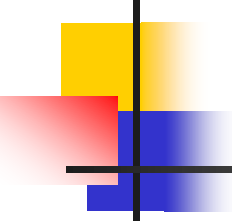
28. Of the following, the owner who requires maximum protection from personal liability will choose a _____.

- A. General partnership
- B. Limited partnership
- C. S corporation
- D. Sole proprietor



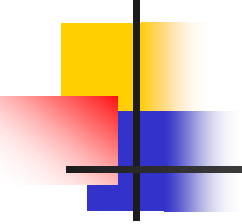
29. What is the worst possible error in estimating?

- A. Excessive government regulation
- B. Labor disputes and work stoppages
- C. Leaving something out
- D. Poor materials or workmanship



30. What may be deducted from a paycheck under the provisions of the Virginia Payment of Wage Law?

- A. Payment for damages caused by the employee
- B. Shortages from the petty cash box
- C. Garnishes
- D. Virginia unemployment tax



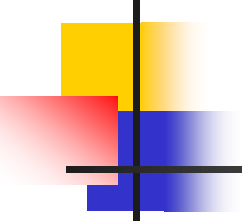
31. The paperwork related to purchase orders, receipts and payments is referred to as ____.

- A. General ledger documents
- B. Job cost documents
- C. Materials journal documents
- D. Source documents



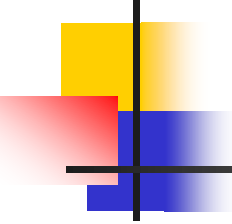
32. Which of the following documents reports after-tax net earnings?

- A. Balance sheet
- B. Income statement
- C. Earnings statement
- D. Cash flow settlement



33. What is the term used for the method of allocating the cost of an asset over its useful life?

- A. Budget
- B. Cash flow
- C. Depreciation
- D. Long-term liability



34. What is the number of hours in a defined Fair Labor Standards Act (FLSA) workweek?

- A. 40 hours
- B. 168 hours
- C. 5 days
- D. 7 days



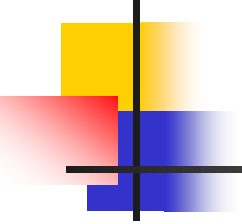
35. What is the tax deducted (withheld) solely from employees' wages?

- A. Federal unemployment tax (FUTA)
- B. Medicare tax
- C. State income tax
- D. State unemployment tax



36. What is form W-3?

- A. Employee's withholding allowances certificate
- B. Employee's wage and tax statement
- C. Employer's summary of W-2's issued to employees
- D. Employee's state tax withholding exemption certificate



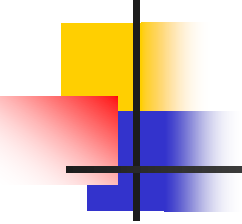
37. The Virginia Employment Commission requires that all payroll records be maintained for how many years?

- A. 2
- B. 3
- C. 4
- D. 7



38. What employment tax is paid solely by the employer?

- A. Federal Insurance Contributions Act (FICA)
- B. Federal unemployment tax (FUTA)
- C. Medicare
- D. State income tax



39. How many years must federal employment tax records be kept?

- A. 2
- B. 4
- C. 5
- D. 7



40. One useful outcome of a job analysis is to ____.

- A. Determine the accounting method to use for contracts
- B. Establish a basis for future estimates
- C. Establish a record of cash flow
- D. Predict timing of progress payments



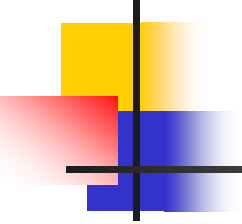
41. All of the following are considered material costs *EXCEPT* ____.

- A. Delivery
- B. Fuel
- C. Sales tax
- D. Storage



42. Which of the following is *NOT* a general overhead cost?

- A. Bid bonds
- B. General liability insurance
- C. Legal fees
- D. Travel expenses



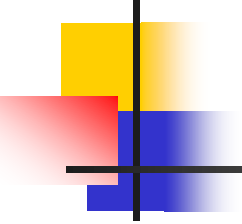
43. Which of the following is a project overhead cost?

- A. Computer lease or purchase
- B. Construction loan
- C. Contractor's license fee
- D. Office rent or mortgage



44. What project costs do not need to be estimated?

- A. Allowances
- B. Costs of materials
- C. General overhead
- D. Subcontracts



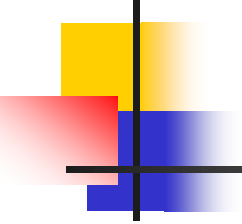
45. Which of the following method is most often used when materials and labor are hard to determine?

- A. Design/ build
- B. Detailed survey
- C. Turnkey
- D. Unit price



46. What is a formal bid?

- A. A contract to construct the project in accordance with the bid documents for a quoted price
- B. A guarantee to construct the project in accordance with the bid documents for a quoted price
- C. A series of documents describing the proposed project that is issued to potential contractors
- D. A summary of projected costs for building the project



47. Under which of the following conditions can an employer release information pursuant to a Virginia OSHA violation?

- A. If the violation is under investigation
- B. Six months or more after the alleged violation
- C. When it involves only financial information
- D. When requested by the employee involved or the designated representative



48. All local contractors should expect their material costs to be similar because ____.

- A. Labor skills may vary
- B. Subcontractors' bids may vary
- C. Suppliers are required to offer the same prices to everyone
- D. Suppliers must be competitive



49. Which of the following costs should *ALWAYS* be included in the estimate?

- A. Contingency fee
- B. Equipment rental
- C. Site preparation and excavating
- D. Subcontracts



50. What information do project documents *ALWAYS* provide?

- A. Basis for the bid
- B. Estimate of the project costs
- C. History of the project development
- D. Quantity takeoff



51. What is a contract?

- A. A legally binding mutual agreement between parties
- B. An offer to perform services for a specified price
- C. A summary of bid documents for a project
- D. The specifications for a project



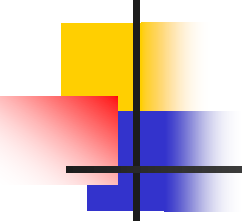
52. What action essential before signing a contract?

- A. Arrange financing for the contract
- B. Obtain bids from subcontractors
- C. Obtain building permits for the project
- D. Read and understand the contract



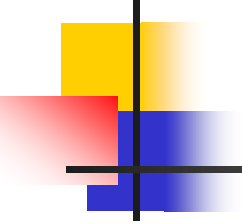
53. Which of the following is an established legal guideline for contracts?

- A. Initial agreements prevail over later agreements
- B. Printed agreements prevail over handwritten agreements
- C. Written agreements prevail over oral agreements
- D. Numerical statements of dollar amounts prevail over written statements



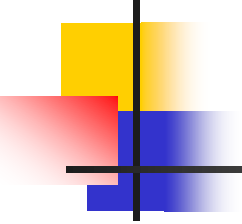
54. Which contract document(s) *MUST* be signed by both the owner and the contractor?

- A. All delivery documents
- B. All drawings and specifications
- C. The standard forms of agreement
- D. All surety bonds



55. What type of contract assigns the prime contractor responsibility for developing the entire project?

- A. Design/ build
- B. Lump sum
- C. Turnkey
- D. Unit price



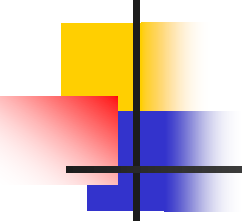
56. The person most responsible for complying with all state and federal regulations relating to a contracted project is the ____.

- A. Architect
- B. Contractor
- C. Engineer
- D. Owner



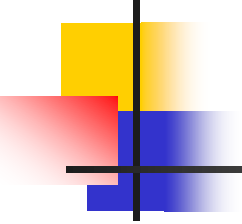
57. What type of contract provides for starting the project before all the plans are complete?

- A. Design/ build
- B. Phased
- C. Turnkey
- D. Unit price



58. The owner disputes a claim filed by the contractor for additional money and the claim is not safety related, What is the proper course of action by the contractor?

- A. Continue the work
- B. Stop the work
- C. Notify the Board for Contractors
- D. Notify local officials



59. Which type of contract guarantees completion for a fixed price?

- A. Detailed survey
- B. Turnkey
- C. Unit price
- D. Value engineered



60. What is retainage?

- A. Excess materials kept by the contractors on completion of the project
- B. Fees paid to the contractor's lawyer to ensure legal representation if needed
- C. A percentage of the amounts due to the contractor held by the owner pending satisfactory completion of the project
- D. Runoff water from the construction site held in a retention basin



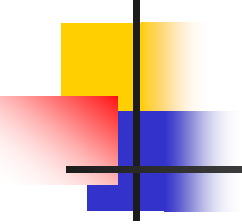
61. Who is responsible for project management?

- A. Architect
- B. Project manager
- C. Engineer
- D. Owner



62. What is the primary function of scheduling?

- A. Designated where each activity fits into the project plan
- B. Determine the sequence of project events
- C. Determine when the project will be completed
- D. Plan or estimate when payments are due



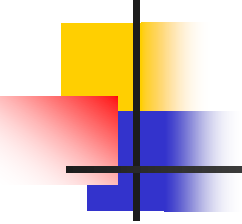
63. When planning and scheduling, the project manager develops a critical task analysis, which is the ____.

- A. Necessary sequence of events for completion
- B. Process of identifying each task and determining how long each task will take
- C. Time required for each task independent of all other activities
- D. Time required for the most important activities



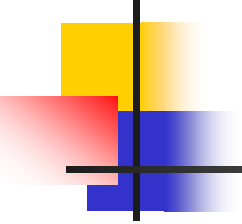
64. Which of the following is the responsibility of the project site superintendent?

- A. Budgeting and scheduling
- B. Coordinating with code officials and inspectors
- C. Completing the project on time and under budget
- D. Selecting suppliers and subs



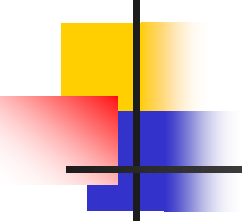
65. The complete record of all activities and events at the construction site is called the ____.

- A. Daily log
- B. Daily report
- C. Quality control record
- D. Work record



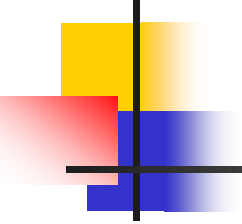
66. The shop drawings required to clarify the architect's drawings and specifications are often provided by the ____.

- A. Owner's representative
- B. Equipment supplier
- C. Owner
- D. Project manager



67. What function or system is the contractor's basis for cost control?

- A. Inventory control
- B. Job costing
- C. Scheduling
- D. Unit costs



68. What type of insurance protects the contractor against any loss to the project structure, as well as to materials or equipment purchased for the project?

- A. Contingent liability
- B. General liability
- C. Builder's risk
- D. Public liability and property damage



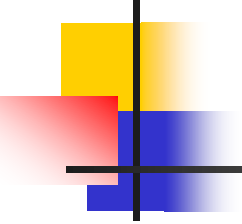
69. Which two types of bonds are required on all federal projects?

- A. Liquidated damages and differences in price bonds
- B. Payment and lien bonds
- C. Payment and performance bonds
- D. Performance and permit bonds



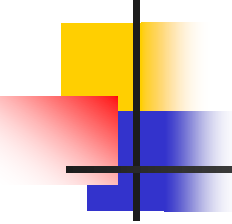
70. What is the coverage of a contract bond?

- A. Guarantees that the successful bidder will enter in the project
- B. Guarantees that the successful bidder will finish the project
- C. Protects the owner from the liens from suppliers and subcontractors
- D. Protects the contractor from nonpayment by the owner



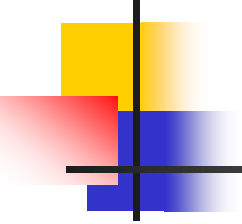
71. A subcontractor has refused to pay employees for their work on a project. The employee's lien for unpaid wages may be applied to the ____.

- A. Owner
- B. Prime contractor
- C. Property
- D. Subcontractor



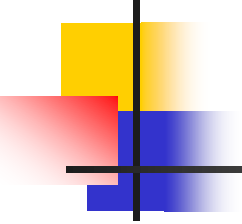
72. An employer has finished the interview and has not yet decided to offer the applicant a position. At this point, the employer may ask the potential employee ____.

- A. To get a medical examination to determine the nature and severity of any potential disability
- B. If the applicant is able to perform the function of the job under consideration
- C. If the potential employee has a disability
- D. About the identity or severity of the potential employee's disability



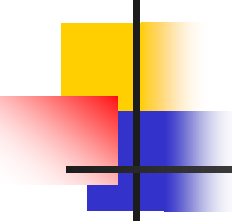
73. The regulations of the Americans with Disabilities Act (ADA) apply to all employers with a minimum of how many employees.

- A. 1
- B. 10
- C. 15
- D. 20



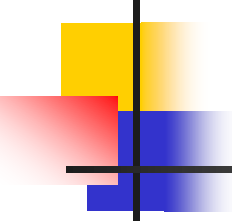
74. A roofing contractor wants to hire some summer help. The summer help should be at least ____.

- A. 16 years old
- B. 17 years old
- C. 18 years old
- D. 21 years old



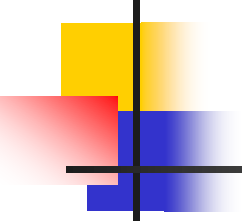
75. A written complaint signed by a construction worker is determined by Virginia OSHA to be ____.

- A. Unacceptable because it must be sent by the project superintendent
- B. Informal because of the origin of the complaint
- C. Nonformal because it must be sent by an authorized representative
- D. Formal because it is signed by an employee



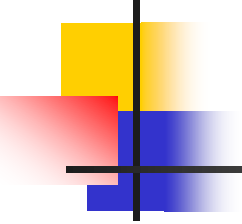
76. A contractor has hand delivered the lead prenotification pamphlet *Protect Your Family from Lead in Your Home* to each family in an old apartment building prior to performing renovations. When is the *LATEST* the renovation may begin?

- A. Immediately upon delivery to all apartments
- B. 7 days after delivery to all apartments
- C. 30 days after delivery to all apartments
- D. 60 days after delivery to all apartments



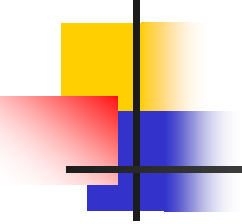
77. Which of the following noise exposure situations requires the use of hearing protection?

- A. 90 dBA for six hours
- B. 96 dBA for four hours
- C. 97 dBA for two hours
- D. 105 dBA for one hour



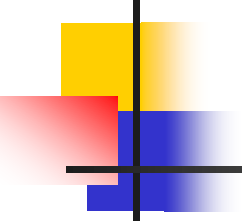
78. After an illness or injury occurs, a recordable injury or illness must be entered into the OSHA log or summary within ____.

- A. 8 hours
- B. 24 hours
- C. 6 working days
- D. 30 days



79. The term used to refer to money left over after all expenses have been paid is ____.

- A. Profit
- B. Allowances
- C. Addenda
- D. Contingencies



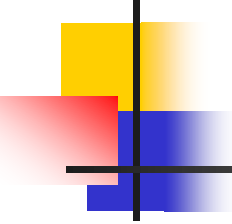
80. Who is responsible for marking up any shortfalls if the estimate is too low?

- A. Owner
- B. Contractor
- C. Employees
- D. Subcontractors



81. What is an invitation to bid?

- A. A form that must be used to submit a formal bid proposal
- B. A document that outlines the roles of the owner, contractor, architect, and engineer
- C. An offer to furnish labor, equipment, and materials in a specified manner
- D. A document that describes the proposed project and the manner in which the bid must be made



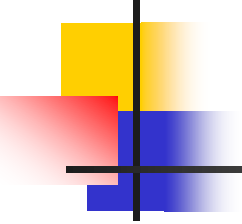
82. A contractor may have to provide a negative pressure room and decontamination procedures for employees exposed to ____.

- A. Lead-based paint
- B. Asbestos
- C. Hazardous wastes
- D. Underground utilities



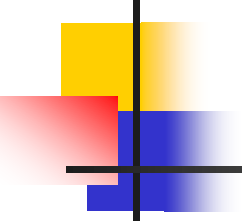
Part III

Advanced Portion



83. An employer has received a citation, but did not correct the problem. For each day that the violation continues, the employer may be fined ____.

- A. \$2,000
- B. \$5,000
- C. \$7,000
- D. \$10,000



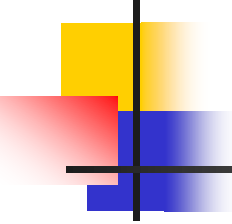
84. What is the base penalty for a lesser-probability medium-severity serious OSHA violation?

- A. \$1,500
- B. \$2,000
- C. \$2,500
- D. \$3,500



85. Which of the following is a type of construction contract determined by a contract negotiations and financing?

- A. Cost plus
- B. Completion-capitalized cost
- C. Completed contract
- D. Percentage of completion



86. Analysis of a project contracted for \$23,400 shows the following costs. What is the contractor's gross profit?

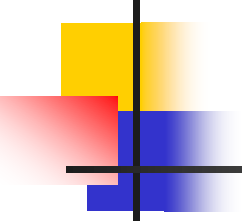
Insurance	\$820	Materials	\$3,850
Depreciation	\$850	Office supplies	\$3,550
Labor	\$11,600	Subcontractors	\$3,750

- A. \$650
- B. \$2,530
- C. \$3,350
- D. \$1,020 loss



87. Which of the following is exempt from Virginia withholding?

- A. Payments made to a resident motor carrier
- B. Payments from an individual retirement account
- C. Payments to a simplified employee pension plan
- D. Payments for a bonus



88. The function of the balance sheet is to ____.

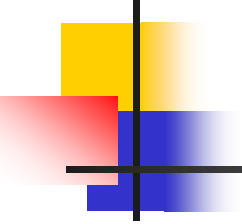
- A. Compare general and administrative expenses to direct and indirect costs
- B. Provide an annual analysis of profit and loss
- C. Summarize the business's investing, operating, and financing activities for a specific accounting period
- D. Show the financial condition of the business on a specific date



89. A contractors income statement shows the following information. What is the gross profit?

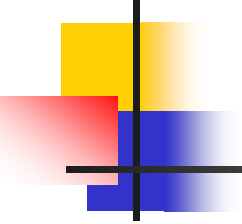
Total Revenues		\$2,100,000	
	Labor		33%
	Materials		26%
	Subcontractors		15%
	Project overhead		16%
	General overhead		12%

- A. \$168,000
- B. \$294,000
- C. \$420,000
- D. \$546,000



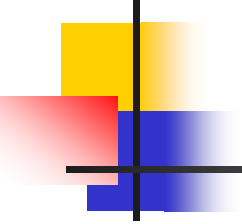
90. A contractor receives an invoice on December 1, in the amount of \$5,269, and the terms are 2/10 net 30. If the invoice is processed by December 9, what is the amount of payment due rounded to the nearest dollar?

- A. \$4,472
- B. \$5,164
- C. \$5,269
- D. \$5,674



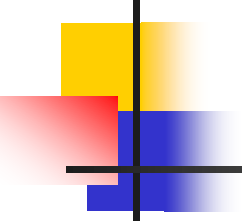
91. What percentage of each employee's earnings must the employer contribute to Social Security and Medicare taxes?

- A. 6.2%
- B. 7.65%
- C. 12.4%
- D. 15.3%



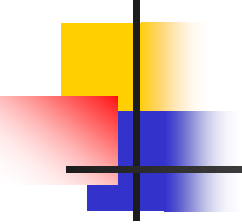
92. A sole proprietor has a net income before taxes (gross income) of \$93,500. What is the required payment for Social Security (FICA) and Medicare taxes? (Round to the nearest whole dollar.)

- A. \$11,594
- B. \$7,153
- C. \$14,306
- D. \$12,950



93. When is the last possible date that the employer can provide the W-2, Wage and Tax Statement, to an employee?

- A. January 1
- B. January 31
- C. March 15
- D. April 15



94. If tax payment is due on Thursday but payment is made on Monday, how many days is it late and what is the penalty?

- A. 1 day late; 2% penalty
- B. 7 days late; 10% penalty
- C. 15 days late; 10% penalty
- D. 30 days late; 15% penalty



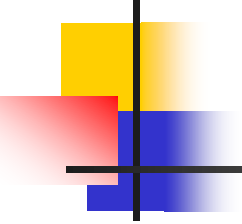
95. What is the Virginia income tax on a corporation with an annual NIBT of \$380,000?

- A. There is no income tax on Virginia Corporations
- B. \$15,200
- C. \$22,800
- D. \$38,000

96. A contractor bids \$49,160 on a project, based on the estimate below. On completion, the project analysis showed variances from the estimate as shown. What was the actual profit? (Report both dollars and percent.)

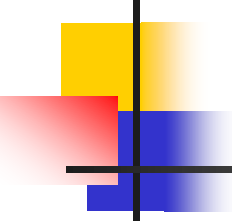
- A. \$4,030; 8.20%
- B. \$4,835; 9.84%
- C. \$6,372; 12.96%
- D. \$8,835; 17.97%

Item Description	Estimate		Actual	
	\$ Amount	Percent	\$ Amount	Percent
Direct Costs				
Materials	14,750	30.00	14,447	29.39
Subcontractors	2,100	4.27	2,100	4.27
Labor	12,235	24.89	13,953	28.38
Payroll taxes	3,132	6.37	3,488	7.10
Other direct costs	<u>300</u>	0.61	<u>300</u>	0.61
Total direct costs	32,517	66.15	34,288	69.75
Indirect Costs				
Project overhead	5,528	11.24	6,250	12.71
Company overhead	<u>2,250</u>	4.58	<u>2,250</u>	4.58
Total indirect costs	<u>7,778</u>	15.82	<u>8,500</u>	17.29
Total project costs	40,295	81.97	42,788	87.04
Contingency (10% of project costs)	4,030	8.20		0.00



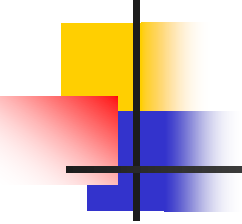
97. A contractor has completed and been paid for three miles of ten on a \$7,500,000 highway repaving contract. The company is invoicing upon completion method, with 10 percent retainage. What is the net billing for the fourth mile?

- A. \$525,000
- B. \$675,000
- C. \$2,700,000
- D. \$2,925,000



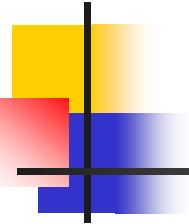
98. It is estimated that six weeks are required to complete a painting job, working eight hours per day five days per week. The labor cost is \$680 per day. The owner offers to pay overtime to complete the job in four weeks. What will be the total labor cost to finish in four weeks?

- A. \$13,680
- B. \$20,400
- C. \$23,800
- D. \$34,000



99. Costs for a contract are estimated as labor, \$23,800, and materials, and supplies, \$19,500. What should be the contract amount to obtain 12 percent margin? (Do not consider contingencies.)

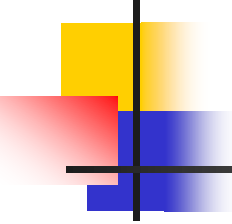
- A. \$39,900
- B. \$43,300
- C. \$44,688
- D. \$48,496



100. A contractor has prepared the following estimates on a storage installation. The markup is 10 percent of costs. What should be the bid? (Round to the nearest 1,000.)

- A. \$612,000
- B. \$630,000
- C. \$693,000
- D. \$756,000

Tanks, pumps, and piping	\$250,000
Concrete mix (delivered)	32,000
Equipment rental	17,500
Labor	185,000
Contingencies	10% of materials and equipment
Project overhead	50% of labor
General overhead	23,000



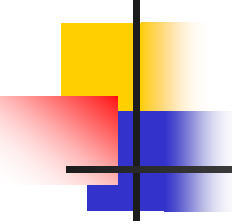
101. The pipe for a two-story house now under construction is not delivered in time for installation as planned. Referring to the bar chart, which of the following activities will *NOT* be held up by this delay?

- A. Frame
- B. Install drywall
- C. Install rough plumbing
- D. Install finish flooring



102. Which of the following insurance is required by law?

- A. Disability insurance
- B. General liability insurance
- C. Health insurance
- D. Workers' compensation insurance



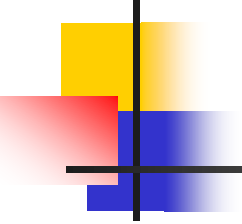
103. Which of the following is automatically recognized as an authorized employee representative under the Virginia Occupational Safety and Health Regulations regardless of written instruction?

- A. A representative of the bargaining unit (union)
- B. A representative of the employee's health insurance company
- C. A lawyer or physician retained by the employee
- D. A member of the employee's immediate family



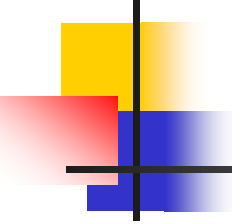
104. A bond to protect a contractor from dishonest employees is called a ____.

- A. Fidelity bond
- B. Lien bond
- C. Contract bond
- D. Bid bond



105. Several lines have been filed against a partially completed subdivision now in bankruptcy. Following a court order, the remaining property is sold. Who has first claim against the proceeds from this sale?

- A. Contractor's employees
- B. Contractor
- C. Lumber supplier
- D. Plumbing subcontractor



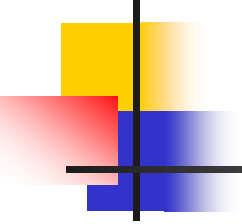
106. A contractor hired three carpenters to work for 90 days. Because the contractor will only need the workers for about three months, what is the contractor's obligation, if any, to comply with the Immigration and Nationality Act?

- A. Complete Form I-9 within 3 business days
- B. Complete Form I-9 within 30 days
- C. Issue a 1099 at the end of the work period
- D. Issue the 1099 by January 31



107. Which of the following is covered by the Fair Labor Standards Act (FLSA)

- A. Sick pay
- B. Premium pay for weekend or holiday work
- C. Overtime pay standards
- D. Fringe benefits



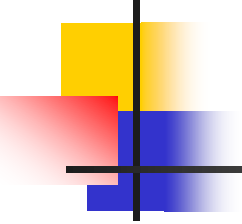
108. What federal law governs re-employment rights for an employee who takes two months off to care for a seriously ill spouse?

- A. Family and Medical Leave Act
- B. Fair Labor Standards Act
- C. Health Insurance Probability Act
- D. Worker Adjustment and Retaining Notification Act



109. The advantage of using FIFO is ____.

- A. Material purchased last will be used first
- B. Final inventory consists of older material
- C. Material purchased first is used first
- D. It shows the lowest amount of gross profit



110. Which of the following set of documents is acceptable for proof of identity and employability under the Immigration and Naturalization Act?

- A. Driver's license and voter registration card
- B. School ID and voter registration card
- C. Certified copy of a U.S. birth certificate and a Social Security card
- D. Driver's license and Social Security card



111. What are the consequences, if any, if supervisor knowingly changes statements in the injury log?

- A. Fine up to \$10,000 and/or up to six months' imprisonment
- B. Fine up to \$10,000
- C. Imprisonment up to six months
- D. There are no consequences, other than living with one's conscience



112. What is the maximum short-term asbestos exposure limit?

- A. 0.1 fiber/cc of air for 30 minutes
- B. 1.0 fiber/cc of air for 30 minutes
- C. 0.1 fiber/cc of air for 8 hours
- D. 1.0 fiber/cc of air for 8 hours

Cash Flow Statement

Year Ended December 31, 20XX

Cash flow from operations

Net income		<u>\$51,010</u>
Adjustments to reconcile net income to net cash from operations		
Depreciation	12,600	
Change in assets and liabilities	0	
Increase in contract receivables	(55,260)	
Decrease in inventory	14,560	
Decrease in prepaid expenses	(3,660)	
Decrease in accounts payable	(16,555)	
Increase in accrued expenses	4,225	
Increase in deferred taxes	2,700	
Total Adjustments		<u>(41,390)</u>
Net cash from operations		<u>9,620</u>
Cash flows from investments		
Capital expenditures	(6,450)	
Net cash used for Investments		<u>(6,450)</u>
Cash flows from financing		
Net borrowings under line of credit	5,000	
Principal payments under capital lease	(3,500)	
Proceeds from issuance of common stock	5,000	
Net cash provided by financing		<u>6,500</u>
Net Increase in cash and equivalents		<u>9,670</u>
Cash and equivalents at beginning of year		22,843
Cash and equivalents at end of year		<u>\$32,513</u>

Balance Sheet

Year Ended December 31, 20XX

Assets	Accrual Basis	Cash Basis
Current assets		
Cash	\$4,260	\$4,260
Contract receivables	57,560	0
Costs and estimated earnings in excess of billings on uncompleted contracts	16,820	0
Inventory	7,750	7,750
Prepaid expenses	1,200	1,200
Total current assets	\$87,590	\$13,210
Other assets		
Deposits	18,000	18,000
Investments in joint ventures	2,500	2,500
Total other assets	\$20,500	\$20,500
Property and equipment, at cost		
Building	210,000	210,000
Equipment	77,000	77,000
Vehicles	55,000	55,000
Total property and equipment	342,000	342,000
Less: Accumulated depreciation	(152,000)	(152,000)
Net fixed assets	\$190,000	\$190,000
Total assets	\$298,090	\$223,710
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion, long-term debt	35,580	35,580
Accounts payable	14,420	
Accrued payroll	15,103	
Accrued income taxes	1,620	
Billings in excess of costs and estimated earnings on uncompleted contracts	5,620	
Total current liabilities	\$72,343	\$35,580
Long-term debt		
Notes and mortgage payable	152,000	152,000
Deferred income taxes	2,200	
Long-term liabilities	\$154,200	\$152,000
Stockholders' equity		
Common stock, \$1 par value	10,000	10,000
Retained earnings	25,047	25,047
Current earnings	36,500	1,103
Net worth	71,547	36,150
Total liabilities and equity	\$298,090	\$223,710



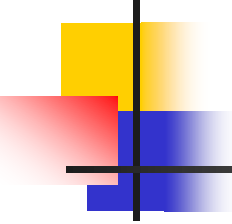
113. What is the current ratio for the contracting firm represented in the financial statements?

- A. 1.00
- B. 1.21
- C. 1.31
- D. 1.49



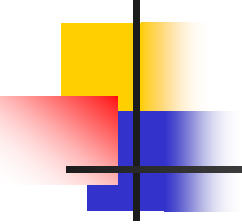
114. What is the difference, if any, between a quick or acid-test ratio and a current ratio?

- A. Acid-test ratio does not include inventory
- B. Acid-test ratio measures long-term liquidity
- C. Current ratio does not include inventory
- D. They both include inventory



115. What is the difference, if any, between an asset management ratio and a debt management ratio?

- A. There is no difference
- B. Debt management ratio measures total asset utilization
- C. Debt management ratio is based on sales
- D. Debt management ratio measures the use of debt and fixed costs to maximize earnings



116. The contractor is required to maintain a complete and legible copy of all documents relating to the contract for a period of ____.

- A. 1 year
- B. 3 years
- C. 5 years
- D. 7 years



117. What is the average collection period (ACP) for this contractor?

- A. 0.76
- B. 15.4
- C. 21.7
- D. 33.0



118. What is this contractor's total asset use?

- A. 0.68
- B. 3.25
- C. 4.47
- D. 5.11



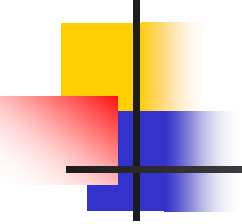
119. What is this contractor's debt to equity ratio?

- A. 1.01
- B. 2.15
- C. 3.17
- D. 4.17



120. Which ratio is used to indicate how the earnings are measured?

- A. Debt to equity ratio
- B. Average collection period (ACP)
- C. Total asset utilization (TAU)
- D. Return on investment (ROI)



121. An accurate job analysis will be facilitated by the use of which of the following?

- A. The cash method
- B. The accrual method
- C. Double-entry book keeping
- D. A computer-based program



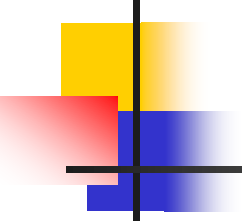
122. What accounting method records income and expenses and is based on income and expenses?

- A. Accrual
- B. Asset management
- C. Cash
- D. Current



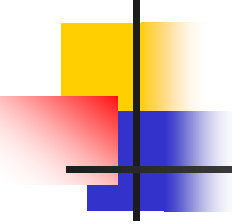
123. What is the contractor's ROI for the year?

- A. 7%
- B. 13.6%
- C. 17%
- D. 19%



124. Which of the following allows the owner the right to require that the contractor correct any deficiencies in the work performed?

- A. Value engineering
- B. Warranties
- C. Code compliance
- D. Field orders



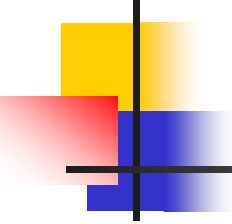
125. Which of the following is a disadvantage of using the cash method of accounting?

- A. Records income whether received or not
- B. Deals with expenses when incurred
- C. Cannot account for cash on hand
- D. Does not record bad debts



126. Which of the following is a responsibility of owner?

- A. Comply with state and federal regulations
- B. Maintain agreed-upon insurance coverage
- C. Complete plans and specifications
- D. Hire and subcontract according to contract



127. What is the number and type of notices required if a subcontractor wishes to make the owner or general contractor personally liable for labor or material cost?

- A. One notice of waiver
- B. One notice of compliant
- C. Two notices, a bill of complaint and a notice of sale
- D. Two notices, a preliminary notice, and a notice stating the correct amount



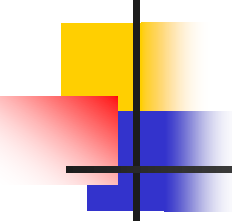
128. Which of the following is considered an asset on the balance sheet?

- A. Current liabilities
- B. Lang-term debt
- C. Equipment at cost
- D. Stockholders' equity



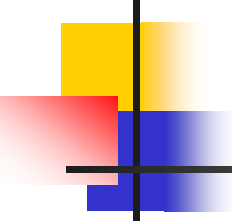
129. The blanket insurance policy that provides broad coverage for personal injuries or property damage caused to others is ____.

- A. Professional liability insurance
- B. Builder's risk insurance
- C. Installation floater policy
- D. Comprehensive general liability insurance



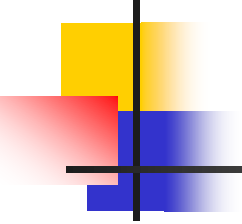
130. Of the following, who is most responsible for completing the project on time and at or below budget?

- A. Project manager
- B. Expediter
- C. Owner's representative
- D. Foreman



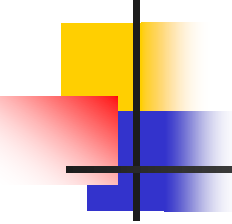
131. All of the following are calculated on the employee's earnings. Which one is paid by the employer only?

- A. Federal unemployment tax (FUTA)
- B. Medicare
- C. Social Security (FICA)
- D. Federal income tax



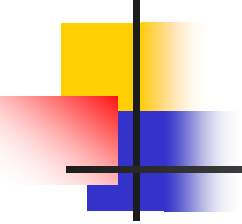
132. Which of the following are considered an indirect cost on the income statement?

- A. Company vehicles and their operation
- B. Employee benefits
- C. Payroll taxes
- D. Equipment costs



133. The statement that shows revenue receipts and expenses for a particular reporting period is called ____.

- A. Income statement
- B. Cash flow statement
- C. Balance sheet
- D. Profit and loss statement (P&L)



134. A company purchased a truck to complete a project for which it will not be paid in full before the end of the current year. Which type of depreciation is most likely to be used?

- A. Straight-line depreciation
- B. Accelerated depreciation
- C. Delayed depreciation
- D. Actual depreciation



135. Which of the following is the equation found on a balance sheet?

- A. $\text{Assets} = \text{Liabilities} + \text{Stockholders' Equity}$
- B. $\text{Liabilities} = \text{Assets} - \text{Stockholders' Equity}$
- C. $\text{Stockholders' Equity} = \text{Assets} - \text{Liabilities}$
- D. $\text{Assets} + \text{Stockholders' Equity} = \text{Liabilities}$