

# **1 Exam Prep**

## **Prometric - Business – Law - Finance**

### **Construction Contracting Laws Practice Test**

#### **PRACTICE TEST ONE**

1. Any change in information required on the application for certification by a business organization must be mailed to the Department of Professional Regulation within \_\_\_\_\_ days of the change.  

A. Seven	C. 30
B. Five	D. 45
  
2. The board may revoke, suspend, or deny the issuance or renewal of the \_\_\_\_\_ of a contractor or impose an administrative fine not to exceed \$10,000, place the contractor on probation, reprimand, or censure.  

A. Certification	C. Registration or certification
B. Registration	D. Building permit
  
3. A "residential contractor" means a contractor whose services are limited to construction, remodeling, repair, or improvement of one-, two-, and three- family residences, not exceeding \_\_\_\_\_ stories in height.  

A. One	C. Three
B. Two	D. Four
  
4. Registration allows a registrant to engage in contracting \_\_\_\_\_.  

A. In all counties in Florida.	C. In counties and municipalities where he has complied.
B. In all municipalities in Florida.	D. None of the above.
  
5. The \_\_\_\_\_ shall be used in all contractor advertising.  

A. Certification or registration number	C. Examination number
B. D.P.R. I.D. number	D. Occupational license number
  
6. Failure to renew at the time of the biennial renewal will result in the certification or registration of a contractor's license being \_\_\_\_\_.  

A. Delinquent.	C. Canceled.
B. Void.	D. Suspended.

7. Contractors that are licensed at the local level must \_\_\_\_\_.
- A. Register with the State Construction Industry Licensing Board.
  - B. Be certified by the Department of Professional Regulation.
  - C. Be a member of the Contractor's and Builder's Association.
  - D. Apprenticed with a certified builder for two years.
8. An applicant for a registered contractor's license is required to \_\_\_\_\_.
- A. Pass a written state examination.
  - B. Have at least two years of college-level courses.
  - C. Hold a current occupational license, if offered.
  - D. Be at least 21 years of age.
9. An active certified residential contractor is eligible to take the general contractor's examination if he possesses a minimum of \_\_\_\_\_ years of proven experience in the classification in which he is certified.
- A. 2
  - B. 3
  - C. 4
  - D. 5
10. A general contractor who was licensed after 1973 is qualified to \_\_\_\_\_.
- A. act as a roofing contractor
  - B. install sewer mains in the course of developing a site
  - C. not go up to 10 stories
  - D. do all of the above
11. A college education plus \_\_\_\_ year(s) of experience can qualify a person for licensure.
- A. One
  - B. Two
  - C. Three
  - D. Four
12. An applicant for certification or registration must provide proof of all but which of the following types of insurance?
- A. Workers' Compensation
  - B. Public liability
  - C. Property damage
  - D. Automobile insurance
13. Each registrant or certificate holder must renew the registration or certificate every \_\_\_\_\_.
- A. One year
  - B. Two years
  - C. Three years
  - D. Five years

14. An unlicensed contractor causes \$15,000 in damages to a consumer because of his negligence. The contractor is subject to a fine of up to \_\_\_\_\_ plus attorney's fees and costs.

- A. \$5,000
- B. \$7,500
- C. \$10,000
- D. \$15,000

## PRACTICE TEST TWO

1. A qualifying agent for an existing business entity who wishes to qualify for an additional business entity shall \_\_\_\_\_.
- A. Mail evidence of financial responsibility within 30 days.
  - B. Apply for a waiver of certification fees.
  - C. Present evidence of ability and financial responsibility for each organization.
  - D. Be qualified automatically for up to three , business entities.
2. Any work or operation of a casual, minor, or inconsequential nature in which the aggregate contract price for labor, materials and all other items is less than \_\_\_\_\_ is exempt from licensing.
- A. \$100.00
  - B. \$500.00
  - C. \$1,000.00
  - D. \$5,000.00
3. If an incomplete contract exists at the time of the death of the contractor, the contract may be completed by \_\_\_\_\_ .
- A. A licensed contractor, with board approval.
  - B. Any person, though not licensed, with board approval.
  - C. No one. That contract is terminated and another contractor is found.
  - D. The owner only.
4. Which of the following applies to the prime qualifying agent of a corporation?
- A. He is only qualified during regular business hours.
  - B. He is responsible for all matters of the corporation's construction business.
  - C. He does not have authority to supervise.
  - D. None of the above.
5. The board may require additional current requirements of a certified contractor whose license has become null and void including \_\_\_\_\_.
- A. A \$5,000 fine
  - B. A \$2,000 fine
  - C. Probation
  - D. Re-examination
6. What is the primary reason for the regulation of construction contractors?
- A. To earn money for the government.
  - B. To control the type of people who do the work.
  - C. To assure contractors cannot lose money.
  - D. To protect public health, safety, and welfare.

7. A "building contractor" may not build a structure in excess of \_\_\_\_\_ stories.

- A. One
- B. Two
- C. Three
- D. Four

8. A contractor who loans his license may be fined up to \_\_\_\_\_.

- A. \$1,000.00
- B. \$2,000.00
- C. \$3,000.00
- D. \$10,000.00

9. The application of a qualifying agent for registration or certification will include the name of the qualifying agent and the name of the business organization such as a \_\_\_\_\_.

- A. Business trust
- B. Partnership
- C. Corporation.
- D. All of the above.

10. The Construction Industry Licensing Board shall consist of \_\_\_\_\_ members.

- A. 17
- B. 18
- C. 19
- D. 20

11. A person shall be entitled to take the examination for the purpose of determining whether he is qualified to engage in contracting throughout this state if that person \_\_\_\_\_.

- A. Is 18 years of age.
- B. Is of good moral character.
- C. Meets eligibility requirements of the state.
- D. All of the above.

12. According to Chapter 489, which of the following is exempt from the Construction Industry Licensing Board's requirements?

- A. A contractor working on bridges
- B. A contractor working on commercial buildings
- C. A contractor working on single family residences.
- D. None of the above.

13. A contractor who receives money, as an initial payment, totaling more than 10 percent of the contract price for repair or construction work on residential property must apply for permits within \_\_\_\_\_ days and start the work within \_\_\_\_\_ days.

- A. 10 and 60.
- B. 20 and 90.
- C. 30 and 90.
- D. 60 and 120.

14. An out-of-state contractor may build or construct a Florida project if \_\_\_\_\_.

- A. The contractor passes the registration examination only.
- B. The contractor passes the certified examination only.
- C. The contractor qualifies under out-of-state law, project can be built without Florida licensing requirements being met.
- D. The contractor qualifies under Florida's limited one-time registration for a single project.

15. Any agreement or contract for repair or construction work on residential property must contain a written statement explaining to the consumer his or her rights under the Construction Industries Recovery Fund if the value of the contract exceeds\_\_\_\_\_.

- A. \$1,000.
- B. \$2,500.
- C. \$5,000.
- D. \$7,500.

### PRACTICE TEST THREE

1. In addition to the fees for application and renewal for certification and registration, all licensees shall pay a fee of \_\_\_\_\_ to the department at the time of application or renewal.

- A. \$1
- B. \$2
- C. \$4
- D. \$6

2. According to Florida's licensing laws, which of the following is not considered advertisement?

- A. Signs
- B. Letterhead
- C. Bold yellow page entry in the phone book
- D. Business cards

3. A certified contractor desiring to engage in contracting in another county is only required to show evidence of holding a current license and \_\_\_\_\_ .

- A. Pay for an occupational license.
- B. Pay for a building permit.
- C. Pay fees for an occupational license and a building permit.
- D. Re-certify.

4. In order for a joint venture to conduct business as a contractor, which of the following must it comply with?

- A. The licensed contractor must have full authority to conduct the contracting business.
- B. There must be a written Joint Venture Agreement.
- C. It must be qualified and obtain a certificate of authority
- D. A bonding company must issue a letter of bondability.

5. The initial certification fee and the renewal fee shall not exceed \_\_\_\_\_ .

- |          |          |
|----------|----------|
| A. \$50  | C. \$150 |
| B. \$100 | D. \$200 |

6. A state certified general contractor shall subcontract all of the following except \_\_\_\_\_ .

- A. electrical
- B. shingle roofing
- C. mechanical
- D. all of the above

7. A person who is registered or holds, a valid certificate from the board may go on voluntary inactive status on payment of rep fee during the inactive period, not to exceed \_\_\_\_\_ per renewal period.

- A. \$10
- B. \$50
- C. \$30
- D. \$40

8. A contractor has been paid by the owner for materials ordered by the contractor for the owner's job. The material supplier has not been paid by the contractor and files a valid lien. After recording the lien, the contractor has \_\_\_\_\_ days to remove the lien in order to avoid disciplinary action.

- A. 30
- B. 45
- C. 60
- D. 75

9. If an individual proposes to engage in contracting in his or her own name, the business is called \_\_\_\_\_, and registration or certification may be issued only to that individual.

- A. A certification of authority.
- B. A joint venture.
- C. A sole proprietorship.
- D. A business organization.

10. Any person is eligible to seek recovery from the Construction Industry Recovery Fund after having made a claim and exhausting the limits of any available bond, cash bond, surety, guarantee, warranty, letter of credit or policy of insurance if he has done all but which of the following?

- A. Such person has received final judgment in a court of competent jurisdiction.
- B. The claimant has made a diligent attempt to collect.
- C. Claim for recovery is made within 2 years after the conclusion of civil action.
- D. Such person is not a person who is precluded by law from making a claim for recovery.



## PRACTICE TEST FOUR

1. According to the Florida Construction Industry Licensing Law, to be initially registered to engage in contracting, the applicant shall submit the required fee and \_\_\_\_\_.
  - A. Pass the appropriate state examination and submit evidence of having obtained the required public liability and property damage insurance.
  - B. Pass the appropriate state examination, submit evidence of having obtained the required public liability and property damage insurance, and submit evidence of a current local occupational license.
  - C. File evidence of holding a current local occupational license (only).
  - D. File evidence of holding a current local occupational license, and evidence of successful compliance with local examination and licensing requirements (if any.)
  
2. According to the Florida Construction Industry Licensing Law, an examinee that has passed the certified contractor's examination shall have a period of \_\_\_\_\_ from the date he is notified that he has qualified to provide the Board with additional required evidence.
  - A. unlimited time
  - B. 90 days
  - C. 60 days
  - D. 30 days
  
3. Which of the following are exempted from the Florida Construction industry Licensing Law?
  - A. Public utilities
  - B. A residential designer acting in his professional capacity
  - C. An owner building a two-family residence for self-occupancy
  - D. All of the above
  
4. According to the Florida Construction Industry Licensing Law, a certificate which is inoperative for more than 90 days \_\_\_\_\_.
  - A. may never be activated
  - B. requires re-examination for re-activating
  - C. requires only the renewal fee(s) be paid for re-activating
  - D. to be re-activated requires the payment of the original application fee then the renewal fee.
  
5. According to the Florida Construction Industry Licensing Law, a certificate which has not been renewed by the renewal year may be restored \_\_\_\_\_.
  - A. by payment of the original application fee
  - B. by renewal fee payment, plus late fees
  - C. only by re-examination
  - D. by fee payment, if within one (1) year

6. According to the Florida Construction Industry Licensing Law, the initial fee for registration as a General contractor shall not exceed \_\_\_\_\_.

- A. \$25.00
- B. \$50.40
- C. \$100.00
- D. \$150.00

7. According to the Florida Construction Industry Licensing Law, to be eligible for appointment to the Florida construction Industry Licensing Board, each contractor or member must be certified in the category with respect to which he is appointed and \_\_\_\_\_.

- A. Have been actively engaged in the construction business for a period of not less than seven consecutive years.
- B. Be a citizen and resident of the state.
- C. Be a citizen and resident of the state for a period of not less than five consecutive years.
- D. Have a working knowledge of the six specialized contracting fields.

8. According to the Florida Construction Industry Licensing Law, a residential contractor is allowed to build a duplex residence to a habitable height of \_\_\_\_\_.

- A. 4 stories
- B. 2 stories
- C. 3 stories
- D. 1 story

9. According to the Florida Construction Industry Licensing Law, the renewal fees for registrants and certificants is \_\_\_\_\_.

- A. Not to exceed \$4
- B. One-half of the original application fee
- C. Fixed by the Board not to exceed \$150.00
- D. Fixed by the board not to exceed one-half of the initial application fee.

10. According to the Florida Construction Industry Licensing Law, an active certified building contractor is eligible to take the general contractor examination if he possesses a minimum of \_\_\_\_\_ years of experience in the classification in which he is certified.

- A. 2 years
- B. 3 years
- C. 4 years
- D. 6 years

11. According to the Florida Construction Industry Licensing Law, residential contractors are limited to construction, remodeling, repair or improvement of \_\_\_\_\_ and accessory use structures in connection therewith.

- A. one, two or three family unit residences not exceeding two stories in height
- B. one, two or three family unit residences not exceeding three stories in height
- C. one or two family unit residences not exceeding two stories in height
- D. single or multiple dwelling residential buildings not exceeding three stories in height and remodeling, repair or improvement of any one, two or three story building if the services do not affect the structural members of the building.

12. According to the Florida Construction Industry Licensing Law, which of the following is exempt from the licensing law?

- A. A contractor building only one house for a second party
- B. A contractor building a home for his son
- C. A contractor licensed in another state
- D. An officer appointed by the court of his jurisdiction

13. According to the Florida Construction Industry Licensing Law, the Board may grant a limited and restricted registration to a contractor for a project upon finding facts supporting the needs or justification if \_\_\_\_\_.

- A. The applicant has passed a competency examination
- B. The applicant is registered in the state
- C. The applicant is not domiciled in the state of Florida
- D. The applicant has 10 years experience in the safety requirements

14. According to the Florida Construction Industry Licensing Law, registration and certification are renewable \_\_\_\_\_.

- A. Twice a year
- B. Yearly
- C. Every two years
- D. Every three years

15. According to the Florida Construction Industry Licensing Law, the Board is authorized to take the following disciplinary action \_\_\_\_\_.

- A. Suspend the certificate or registration.
- B. Revoke the certificate or registration
- C. Impose a fine up to \$5,000.00
- D. All of the above

16. According to the Florida Construction Industry licensing Law, a certified contractor desiring to engage in contracting in any area of Florida shall only be required to exhibit to the proper authority evidence of holding a current certificate and purchase of \_\_\_\_\_.

- A. Additional insurance required, if any, by the local authority, an occupational license and a building permit.
- B. Additional insurance and examination fees required, if any, by the local authority, an occupational license and a building permit.
- C. Additional examination fees required, if any, by the local authority, an occupational license and a building permit.
- D. An occupational license and a building permit.

17. According to the Florida Construction Industry Licensing Law, any official authorized to issue a building or other related permits shall \_\_\_\_\_.

- A. do so when proper fee is paid
- B. ask the applicant if he is registered
- C. ask for the number of the applicant's certification
- D. ascertain if the applicant is duly registered or certified

18. According to the Florida construction Industry Licensing Law, which of the following are exempt from the Construction Licensing Law?

- A. An employee of a city who does not hold himself out for hire to engage in contracting.
- B. A registered architect acting in his professional capacity.
- C. An officer appointed by the court when acting within the scope of his office as defined by the law.
- D. All of the above

19. Registration with the Florida Construction Industry licensing Board permits a contractor to \_\_\_\_\_

- A. Engage in contracting only in a specific area and in a specific type of work for which he has a local license.
- B. Engage in contracting until he has enough experience to obtain a state or local license.
- C. Build in any county or municipality without having to take the local licensing examinations.
- D. None of the above

20. According to the Florida Construction Industry Licensing Law, upon the loss of a certified qualifier, the construction company has \_\_\_\_\_ days to qualify another person.

- A. 10 days
- B. 30 days
- C. 60 days
- D. 90 days

21. According to the Florida Construction Industry Licensing Law, which of the following is classified information?
- A. Financial information
  - B. Past record of experience and criminal records.
  - C. Examination grades
  - D. Both A and C above
22. According to the Florida Construction Industry Licensing Law, the term "certification" means\_\_\_\_\_
- A. A person who has taken a local competency examination and becomes registered by the State Licensing Board.
  - B. A person who has passed the state licensing examination, complied with requirements of the Board and been approved by the Board.
  - C. A person who is registered with the Board
  - D. A person who was registered with the Board prior to April 1, 1968.
23. According to the Florida Construction Industry Li censing Law, select the statement below which is correct?
- A. The Board shall automatically grant certification to any qualifying agent who has previously demonstrated his qualifications and received certification for two businesses and who wishes to be the qualifying agent for a third additional business entity.
  - B. The qualifying agent for a corporation shall have the authority to act for the corporation in all matters connected with its contracting business.
  - C. An applicant for certification has a maximum of 60 days to provide evidence of his financial responsibility unless granted an extension by the Department.
  - D. The Board may grant a limited registration, renewable only once, to a contractor not domiciled in the state.
24. According to the Florida Construction Industry Licensing Law, if an incomplete contract exists at the time of death of the licensed contractor \_\_\_\_\_ can complete the contract.
- A. a certified contractor
  - B. a registered contractor
  - C. any persona even if not certified or registered
  - D. any of the above
25. According to the Florida Construction Industry Licensing law, which of the following insurance is required of a certified contractor?
- 1. Builders Risk and All Risk
  - 2. General liability
  - 3. Property Damage
  - 4. Worker's Compensation
  - 5. Fidelity Bond

- A. 1, 2 and 3 only
- B. 2, 3 and 4 only
- C. 3, 4 and 5 only
- D. 1, 2, 3 and 4 only

26. Rob Estell, a state certified roofer, is employed by XYZ Contracting, Inc. on a full time basis. He is in charge of pulling all roofing permits for the company, as well as directly supervising all of the permitted work.

The officers of XYZ Contracting, Inc. know that Rob is also pulling permits for a friend and doing work for him on weekends. Since the work is not done during business hours, the officers of XYZ Contracting, Inc. decide not to say anything to Rob Estell about this.

According to the Florida Construction Industry Licensing Law, the maximum fine that can be charged under the licensing law is \_\_\_\_\_.

- A. \$1,000.00
- B. \$2,000.00
- C. \$5,000.00
- D. \$10,000.00

27. Since the residential and remodeling divisions of the business are so successful, ABC Contracting, Inc. decides to form a separate business entity to do that work. The new business will operate out of the same office building, but will have separate office space, sign and a new name. Able will become the qualifying agent of the new business.

According to the Florida Construction Industry Licensing Law, which of the following statements applies?

- A. Able may become the qualifying agent of the new business\after making application to the Board and paying the required fee.
- B. Since ABC Contracting, Inc. and the new business will retain the same ownership, no special licensing is required.
- C. Able will not be able to qualify the new business. He is currently the qualifying agent for ABC Contracting, Inc., and unless a demonstrated hardship exists, a second license will not be granted.
- D. Able must appear before the Board and request their approval to qualify both companies. He will also be responsible for paying all fees associated with the new license.

28. A contractor terminates a project without just cause and/or notification to the owner. The project will be considered abandoned after \_\_\_\_\_ days.

- A. 120 days
- B. 90 days
- C. 45 days
- D. 30 days

# **1 Exam Prep**

## **Business Procedures**

### **Construction Contracting Laws Practice Test Answers**

#### **ANSWERS TO PRACTICE TEST ONE**

- |      |      |      |       |       |
|------|------|------|-------|-------|
| 1. D | 4. C | 7. A | 10. B | 13. B |
| 2. C | 5. A | 8. C | 11. A | 14. C |
| 3. C | 6. A | 9. C | 12. D |       |

#### **ANSWERS TO PRACTICE TEST TWO**

- |      |      |      |       |       |
|------|------|------|-------|-------|
| 1. C | 4. B | 7. C | 10. B | 13. C |
| 2. C | 5. D | 8. D | 11. D | 14. D |
| 3. B | 6. D | 9. D | 12. A | 15. B |

#### **ANSWERS TO PRACTICE TEST THREE**

- |      |      |      |      |       |
|------|------|------|------|-------|
| 1. C | 3. C | 5. D | 7. B | 9. C  |
| 2. B | 4. C | 6. B | 8. D | 10. C |

#### **ANSWERS TO PRACTICE TEST FOUR**

- |      |       |       |       |       |
|------|-------|-------|-------|-------|
| 1. D | 7. B  | 13. C | 19. A | 25. B |
| 2. C | 8. B  | 14. C | 20. C | 26. D |
| 3. D | 9. A  | 15. D | 21. D | 27. D |
| 4. D | 10. C | 16. D | 22. B | 28. B |
| 5. B | 11. A | 17. D | 23. B |       |
| 6. C | 12. D | 18. D | 24. D |       |

\*See below for page numbers and explanation of answers

## EXPLANATION OF ANSWERS

### PRACTICE TEST ONE

1. Ans D. Sec 489.119. See (2) (d)
2. Ans C. Sec 489.129 (1)
3. Ans C. Sec 489.105 (c)
4. Ans C. Sec 489.117 (b)
5. Ans A. Sec 489.119 See (6)(b)
6. Ans A. Sec 489.116. See Item (4)
7. Ans A. Sec 489.117 . See (1)(a)
8. Ans C. Sec 489.117 (1)(a)
9. Ans C. Sec 489.111 See (4)(b)
10. Ans B. Sec 489.113 Qualifications. See 3(d)
11. Ans A. Sec 489.111. See (2)(c)1
12. Ans D. Sec 489.115. See (5)(a)
13. Ans B. Sec 489.119, Bus. Org. See (2)(d)
14. Ans C. Sec 489.13 (3)

### PRACTICE TEST TWO

1. Ans C. Sec 489.119 (7)
2. Ans C. Sec 489.103. See Item (9),
3. Ans B. Sec 489.121
4. Ans B. Sec 489.105. See (4)
5. Ans D. Sec 489.116. See item (5):  
"requirements...for initial licensure"
6. Ans D. Sec 489.101
7. Ans C. Sec 489.105(b)
8. Ans D. Sec 489.129 (1)
9. Ans D. Sec 489.119 (2)(a)
10. Ans B. Sec 489.10. (2)
11. Ans D. Sec 489.111
12. Ans A. Sec 489.103 (1)
13. Ans C. Sec 489.126(2)(a) &(b)
14. Ans D. Sec 489.117(3)(a)
15. Ans B. Sec 489.1425(1)

### PRACTICE TEST THREE

1. Ans C. Sec 489.109 (3)
2. Ans B. Sec 489.119. See (6)(d)
3. Ans C. Sec 489.113. See (4)(a),
4. Ans C. Sec 489.119 (2)(c)
5. Ans D. Sec 489.109(1)(a)
6. Ans B. Sec 489.113. See (3) and (3)(b)

7. Ans B. Fees, Sec 489.109 (1)(e)
8. Ans D. Sec 489.129 (g)1.
9. Ans C. Sec 489.119 (1)
10. Ans C. Sec 489.141. See (1)(f) "within 1 yr".

### PRACTICE TEST FOUR

1. Ans D.
2. Ans C. Sec 489.115 See 3.(5)(c)
3. Ans D.
4. Ans D.
5. Ans B.
6. Ans C. Sec 489.109 see (1)(b)
7. Ans B. Sec 489.107 see (3)
8. Ans B. Sec 489.105 see (3)(c)
9. Ans A. Sec 489.109. See (3)
10. Ans C.
11. Ans A. Sec 489.105 see (3)(c)
12. Ans D.
13. Ans C. Sec 489.117 see (3)(a)
14. Ans C.
15. Ans D. Sec 489.129 See (1)
16. Ans D.
17. Ans D.
18. Ans D.
19. Ans A. Sec 489.117 see (1)(b)
20. Ans C. Sec 489.119 see (3)(a)
21. Ans D.
22. Ans B.
23. Ans B.
24. Ans D.
25. Ans B.
26. Ans D.
27. Ans D.
28. Ans B.