1. According to AIA-A201, which does NOT require written notice in order to file a claim for additional cost?

A. minor change in the work  
B. work performed because of a concealed condition  
C. damages caused by the architect  
D. work performed because of an emergency endangering the owner’s property

2. According to Builder's Guide to Accounting, all the following are generally found on an invoice except __________.

A. a description of materials  
B. the sales price of the materials  
C. the terms of the invoice  
D. the balance of the customer's account

3. When is an oral contract valid?

A. when an unlicensed contractor agrees to perform construction services  
B. when the contract can be performed in less than one year  
C. when the Statute of Limitations has expired  
D. when the sale of goods is more than $500

4. Current liabilities include the portion of long term debt for equipment purchases that is payable within ____________.

A. 30 days  
B. 90 days  
C. 180 days  
D. 365 days

5. According to Florida Contractors Manual, what activity must precede scheduling?

A. development of logic table  
B. final project design  
C. project planning  
D. shop drawings
6. In reference to 42 U.S.C, the initials ADA are used to indicate ________________.

A. American Drug Association  
B. American Diabetes Association  
C. Association of Disabled Americans  
D. Americans with Disabilities Act

7. Chapter 489 of the Florida Statutes deals with licensing and regulating ________________.

A. all contractors and property owners  
B. bridge, tank and tower structures  
C. commercial buildings and bridges  
D. construction contracting, electrical and alarm systems contracting, and septic tank contracting

8. To procure long lead items, it is recommended that the items be ________________.

A. identified and ordered early  
B. ordered when funds are available  
C. identified and ordered when needed  
D. ordered according to product availability

9. What does gross sales less direct costs equal?

A. gross profit  
B. net profit  
C. income from operations  
D. net sales

10. What is the sum of assets minus liabilities?

A. net profit  
B. net worth  
C. gross sales  
D. gross profit

11. Upon initial signing of an agreement or contract with a home owner, a contractor must deliver a written statement explaining the construction industry recovery fund. This action applies to all repairs, renovations, or construction over ____________ in value.

A. $500  
B. $1,500  
C. $2,500  
D. $5,000
12. OSHA No. 300/300A and OSHA No. 301 supplementary records must be retained in each establishment for ____________ following the end of the year to which they relate.

A. 6 months  
B. 1 year  
C. 3 years  
D. 5 years

13. All the following would be considered variable overhead expenses except ________________.

A. payroll taxes on office salaries  
B. field office trailer rental  
C. worker's compensation insurance  
D. bad debts

14. An owner may terminate Notice of Commencement by executing a Notice of Termination that contains all except which of the following?

A. recording office document book and Page reference numbers and date of Notice of commencement  
B. two copies of a Notice Direct Contract  
C. statement that lienors have been paid in full  
D. statement specifying that notice applies to all real property subject to Notice of Commencement

15. OSHA regulations require that records be kept a minimum of how many years after an incident occurs?

A. 1 year from the end of the year in which the incident occurred  
B. 5 years from the end of the year in which the incident occurred  
C. 7 years from the end of the year in which the incident occurred  
D. indefinitely

16. According to Builder's Guide to Accounting, successful builders control their costs BEST at which time?

A. at the end of each week  
B. during each phase of the work  
C. immediately prior to approving invoices  
D. in bi-weekly meetings with the owner present

17. A company's initial record of all its business transactions is known as a ____________.

A. ledger  
B. journal  
C. balance sheet  
D. financial statement
18. An indicator of how well a company can meet its current obligations is the company's _____________.
A. expense ratio
B. debt to capitalization ratio
C. current ratio
D. income to net worth ratio

19. Which of the following is not in accordance with requirements for an executive being granted an exemption from the Fair Labor Standards Act?
A. primary duty of managing a company subdivision
B. regularly directs 3 to 4 employees
C. receives a salary of $150 per week
D. regularly exercises discretionary power

20. According to Florida Contractors Manual, which of the following production factors would not be considered by the estimator when calculating equipment cost estimates?
A. climate
B. experience of the operators
C. highway or street speed limits
D. original purchase price of the equipment

21. Florida Contractors Manual describes master activities as a group of activities with no activity representing more than ___________ of the project.
A. 10%
B. 20%
C. 25%
D. 30%

22. During the year, a firm used several independent contractors to perform various services. Each of these services involved payments in excess of $600 to the independent contractor performing the services. The independent contractors were not employees of the company. What is the company's responsibility for reporting the earnings of these contractors to the Internal Revenue Service (I.R.S.)?
A. the company must immediately file a Form W-4 for these independent contractors
B. the company must file Form 1099-MISC to report total payments of $600 or more to these contractors
C. the company must carry the contractors as employees and report their earnings along with the company's hourly or salaried personal
D. the company has no responsibility. The independent contractors are responsible for reporting their earnings to the I.R.S.
23. The Florida Human Rights Act of 1992, (Chapter 760, FL. Stat.), does not protect against discrimination for which of the following?

A. age  
B. religion  
C. alcoholism  
D. drug abuse

24. When preparing financial statements, accruals are used to record _________________.

A. lump sum payments  
B. income earned but not yet received  
C. cash transactions  
D. prepayments on a future contract

25. In order to comply with EPA asbestos regulations, when demolishing commercial, industrial, publicly owned building, or residential structures with more than four dwelling units, notification must be sent to FDEP at least how many working days prior?

A. 7  
B. 10  
C. 14  
D. 20

26. According to Florida Unemployment Compensation Employer Handbook, tax rates are referred to as ____________.

A. cost ratings  
B. experience ratings  
C. records ratings  
D. required ratings

27. On which of the following items must Florida sales tax be paid by a prime contractor, if it is not included on the invoice?

A. invoice from a concrete supplier  
B. invoice from a temporary help agency  
C. invoice from a block mason for labor only  
D. invoice from a non-exempt subcontractor

28. According to Florida Unemployment Compensation Employer Handbook, an unemployed worker _________________.

A. cannot qualify for benefits  
B. qualifies for benefits only if paid minimum wage  
C. qualifies for benefits if employed for one quarter of the base period
D. qualifies for benefits if employed for six months

29. The Civil Rights Act applies ____________.
   
   A. only to public employees
   B. only to employees of the Federal Government
   C. only to minority employees
   D. to all employees

30. Any contractor who collects a deposit of more than 10% of the contract price for any repairs, renovations, or construction to residential real property must apply for a permit within ___________ days of payment.
   
   A. 7
   B. 10
   C. 30
   D. 45

31. Which jobs would not require use of the straight percentage of completion method?
   
   A. jobs longer than two years in duration
   B. firms that require periodic, progressive recognition of profit from their jobs
   C. construction jobs producing revenue greater than $10 million
   D. jobs costing $1,000 - $5,000 which take approximately one week to complete

32. One of the most practical and useful cash controls available is ____________.
   
   A. a daily cash summary
   B. a quarterly cash summary
   C. a secure petty cash box
   D. keeping petty cash receipts

33. According to Builder’s Guide to Accounting, all the following are procedures included in the budget process except ____________.
   
   A. analyzing the results
   B. consulting with your accountant
   C. preparing the budget
   D. taking action to control expenses

34. When the lender offers a construction loan at 2% more than the bank’s basis for the prime lending rate, how is this described?
   
   A. U.S. Government Treasury rate, plus 2%
   B. area lending rate
   C. prime adjustment rate
   D. two points over prime
35. When figuring overhead, which is a fixed expense?

A. small tools  
B. operating supplies  
C. equipment rental  
D. advertising

36. According to Builder's Guide to Accounting, the best way to control equipment costs is good___________.

A. maintenance  
B. scheduling  
C. financing  
D. reports

37. In order to establish an hourly cost for a bulldozer for job allocations, which of the following would NOT apply?

A. cost of equipment less salvage value  
B. operating costs involving gas, oil, and accessories  
C. repairing and maintenance costs  
D. unpredictable job site conditions

38. According to AIA, adjustment of the contract sum using a change order must be established based on____________.

A. an agreement between the owner, contractor and architect  
B. the unit prices as stated in the contract documents  
C. labor, material and equipment costs  
D. the architect's recommendation

39. When preparing a financial statement for a lender before applying for a loan, it is best to first___________.

A. accumulate current assets to improve the cash position  
B. reduce current liabilities  
C. try to decrease the current ratio  
D. try to increase the volume of business

40. Your contractor's license number must appear in or on all the following advertisements except_______.

A. free yellow Page listings  
B. coupons  
C. business proposals  
D. business cards
41. Every certified and registered contractor must complete a minimum of ___________ hours of continuing education during every two-year license cycle.

A. 3  
B. 7  
C. 14  
D. 16

42. All current liabilities include equipment that is payable within ________________.

A. 30 days  
B. 90 days  
C. 180 days  
D. 365 days

43. Which item below is not a fixed asset?

Office furniture $ 1,243  
Land $35,000  
Trucks $ 6,410  
Inventory $20,000

A. inventory  
B. land  
C. office furniture  
D. trucks

44. According to Florida Unemployment Compensation Employer Handbook, Cafeteria Payment plans are exempt if they are ________________.

A. for Federal employees  
B. not Federally subsidized  
C. not reported to the Internal Revenue Service  
D. reported to the Internal Revenue Service

45. According to Builder's Guide to Accounting, when using the inventory ratio method, a high ratio indicates ________________.

A. average inventory  
B. high inventory  
C. high market average  
D. low inventory
46. An equipment schedule shows that 60 dump trucks will be required in September and 15 dump trucks during October and November. You have 30 dump trucks available. According to Florida Contractors Manual, you should attempt to ______________.

A. simply let the contract extend over the required completion time  
B. buy 30 new dump trucks  
C. revise the project schedule to distribute the dump trucks evenly over the months so that 30 dump trucks are required  
D. work 30 trucks overtime during September using a second or third shift

47. An employee discloses an employer's violations of law, which may pose a danger to public, health, safety, or welfare. The employee is protected from retaliation by the ______________.

A. Employees Legal Defense Fund  
B. Federal Employees Act  
C. Graham Employees Act  
D. Public Whistles Blowers Act

48. The Florida Aids Statute (FS 760.50) prohibits AIDS/HIV discrimination, and also provides that persons with AIDS, ARC or HIV have the same protection as other disabled persons. This law applies to ______________.

A. all employers  
B. employers of 2 or more  
C. employers of 6 or more  
D. employers of 15 or more

49. Which activity is considered to be a construction job, as that term is used in the Worker's Compensation Stature?

A. roof replacement  
B. a homeowner's building of their own premises  
C. well drilling on land containing existing structures  
D. manufacturing of materials used in construction work

50. If an owner makes payment to a contractor, without requiring waiver or release by a lienor who has filed a Notice to Owner, the payments are considered ______________.

A. improper payments  
B. refused payments  
C. unrecoverable payments  
D. non-essential payments
### ANSWER SHEET

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Payroll taxes on office salaries is a fixed expense.

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Under the accrual method of accounting, revenue is considered earned when services are rendered and expenses are considered to be incurred when services are received.

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27. A Ch. 3 Florida Contractors Manual
   Answers B, C, & D are wrong because sales tax is only charged on materials. The only time that sales tax is computed on labor and material both is when the product is fabricated in a shop, such as a sheet metal shop, and then sold to the public.

28. D Ch. 5 Florida Contractors Manual
   Qualifies for benefits if he/she has been paid wages in 2 or more quarters in the base period. 1 quarter = 3 months, therefore 2 quarters = 6 months.

29. D Ch. 5 Florida Contractors Manual
30. C Ch. 2, 489.126 (2) Florida Contractors Manual
32. A Page 180 Builder's Guide to Accounting
33. B Page 144 Builder's Guide to Accounting
34. D General Knowledge
   1 point = 1%, therefore 2 points = 2%
   The prime lending rate is the lowest interest rate charged by banks to their most credit worthy customers. Two over prime means that the bank will charged 2 points (2%) over the prime lending rate on construction loans.

35. D Page 142 Builder's Guide to Accounting
36. B Page 228 Builder's Guide to Accounting
38. A Section 7.2.1 AIA Document A201
42. D Page 253 Builder's Guide to Accounting
43. A Page 252 or 327 Builder's Guide to Accounting (Long-Term Assets)
   Fixed assets are also referred to as long-term assets.

44. C Ch. 5 Florida Contractors Manual - Florida Unemployment Compensation Employer Handbook.
45. D Page 121 Builder's Guide to Accounting
46. C Ch. 10 Florida Contractors Manual
30 (Sept.) + 15 (Oct.) + 15 (Nov.) = 60/3 months = 30 trucks per month

47. D Ch. 5 Florida Contractors Manual
48. A Ch. 5 Florida Contractors Manual
49. A Ch. 6 Florida Contractors Manual
50. A Ch. 9, 713.06 (2)(a)(c) Florida Contractors Manual