



Florida Business and Finance – Contractor’s Manual

Sample Questions

1. CPM and PERT are methods of construction _____.
 - A. estimating
 - B. scheduling
 - C. accounting
 - D. purchasing

2. All the following are characteristics of a cost-plus contract except that _____.
 - A. the contractor's fee can be designated as a fixed percentage of the cost
 - B. it usually only requires the contractor's best efforts be used to accomplish the work
 - C. it provides for reimbursement of defined costs incurred, plus a fee for the
 - D. contractor's services it provides for a stated price for the total amount of work to be performed on a project

3. The square footage method of estimating is not recommended for _____.
 - A. lump-sum contracts
 - B. cost-plus fee contracts
 - C. cost-plus contracts
 - D. guaranteed maximum price contracts

4. A contract states the contractor will be held liable for all damages suffered due to poor workmanship by the contractor. There is no state law dealing with this situation. Generally, would the contractor's contractual liability insurance pay for the liability the contractor assumed in the contract?
 - A. no, because liability insurance covers only those situations that arise from a duty imposed by law
 - B. only if the contractor has a Completed Operations policy
 - C. yes, because contractual liability insurance provides for all damages
 - D. yes, because the liability arose out of a specific contract signed by the contractor

5. When a contract states a completion date, a penalty clause often calls for _____.
 - A. extra work without compensation
 - B. liquidated damages
 - C. forfeiture of all retainage due
 - D. withholding of funds for work in place

6. What is the term used when submitting a contract cost breakdown where a higher percentage of estimated cost is added to the early phases of construction and lower percentage is added to the phases near the end, resulting in increased cash flow that aids the contractor in financing of the project?
- A. one sided contract
 - B. back-end loading
 - C. heavy early-light late
 - D. front-end loading
7. A lienor, who is a privity lienor, is one _____.
- A. whose lien has been filed
 - B. whose lien has been satisfied
 - C. with a direct contract with the owner
 - D. with a contract with other than the owner
8. A lawsuit to claim breach of a written contract must be brought within _____.
- A. one year
 - B. three years
 - C. five years
 - D. seven years
9. Employers are required by regulation to keep so called "hard records" such as payroll, employment contracts, sales and purchase records for their employees a minimum of _____.
- A. 2 years
 - B. 3 years
 - C. 4 years
 - D. 5 years
10. A contractor's employee hurt a hand and leg on the job on March 15, causing a loss of 15 work days. What is the latest date that the employee may report the accident to the employer in order to be covered under Workers' Compensation?
- A. March 22nd
 - B. March 30th
 - C. April 14th
 - D. April 29th

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Answer Key

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1. B	10-57
2. D	3-79
3. A	10-12
4. D	4-9 – 4-10
5. B	8-13, 10-75
6. D	3-108, 10-74
7. C	9-21, 9-74 713.05
8. C	8-23
9. B	5-30
10. C	6-163, 440.185(1) The employee has 30 days to report the injury. March = 31 days - 15 days = 16 days + 14 days (30 days) into April = April 14th