

## **SAMPLE BUSINESS AND LAW QUESTIONS**

*(The key for all questions is on the last page.)*

1. The liability of the owner(s) extends not only to the company assets, but to the personal assets of the owner(s) as well in a:
  - (a) limited liability corporation.
  - (b) sole proprietorship.
  - (c) corporation.
  - (d) subchapter S corporation.
  
2. In a limited partnership, which partner is active in the management of the firm and has unlimited liability to its creditors?
  - (a) Limited
  - (b) General
  - (c) Contributing
  - (d) Silent
  
3. The form of business which is considered separate and apart from its owners and continues to exist upon the death of one of its owners is a:
  - (a) sole proprietorship.
  - (b) partnership.
  - (c) joint venture.
  - (d) corporation.
  
4. Which of the following is required to have a contractor's license?
  - (a) A property owner who is making home improvements on his own residence.
  - (b) A person donating labor and service for the construction of a church building.
  - (c) A person who submits a bid in the amount of \$50000 or more to repair 25 miles of a highway.
  - (d) A contractor who builds a single residential fourplex.

5. From the time the Board receives the contractor's license application to the time the license is issued, out of state applicants have a mandatory waiting period of:

- a.) 15 days.
- b.) 30 days.
- c.) 45 days.
- d.) 60 days.

6. Which type of license below requires a four hour course in "Unfair Trade Practices and Consumer Protection Law"?

- a.) Residential License.
- b.) Building Construction License.
- c.) Mold Remediation License.
- d.) Hazardous Waste Treatment or Removal License.

7. According to the Fair Labor Standards Act, a period of 168 hours during seven consecutive 24-hour periods, beginning on any day of the week and any hour of the day is:

- (a) an employment agreement.
- (b) a wage garnishment law agreement.
- (c) a contract work hour.
- (d) a work week.

8. An employee earns \$10 per hour. He worked 38 hours from Monday to Friday. On Saturday, he worked eight hours. Overtime is paid at the rate of 1-1/2 times the regular rate; therefore, his total compensation for the hours worked on Saturday is:

- (a) \$80.
- (b) \$90.
- (c) \$110.
- (d) \$120.

9. Occupational license taxes are required by:

- a.) cities and parishes.
- b.) the Louisiana Department of Revenue and Taxation.
- c.) the Internal Revenue Service.
- d.) the Louisiana State Licensing Board for Contractors.

10. The Internal Revenue Service requires employers to retain all records of employment taxes for a period of at least how many years after the date the tax to which they relate becomes due?

- (a) 2
- (b) 4
- (c) 5
- (d) 6

11. Given: An employee's final wages are paid on April 30. The employee requests a Wage and Tax Statement (Form W-2) from the employer on that date.

The employer must provide the employee his W-2 no later than:

- (a) May 30 of the same year.
- (b) December 31 of the same year.
- (c) January 1 of the following year.
- (d) January 31 of the following year.

12. A contractor is reconciling the March, 1988 bank statement to the Cash in Bank balance shown on the balance sheet. He determines that:

- (1) The bank statement shows an ending balance of cash in the bank of \$20,665.
- (2) Outstanding checks as of March 31 total \$5,630.
- (3) The bank erroneously charged the Company's account for a check in the amount of \$300 on March 21.
- (4) The bank statement reflects a \$15 service charge which has not been entered in the company's accounting records.
- (5) A deposit in the amount of \$1,500 made on March 29 was not posted by the bank until April 1.

After completing the reconciliation, the contractor finds that the Cash in Bank balance shown on the March 31 balance sheet should be:

- (a) \$16,835.
- (b) \$17,200.
- (c) \$20,665.
- (d) \$22,165.

13. A contractor estimates the following direct costs on a job:

Materials	\$20,000
Material's sales tax	6%
Labor	\$10,000
Overhead markup	50% of labor costs
Contingencies	\$1,000
Profit markup	10% of total costs

Assume that all costs to be considered are shown above.

The total bid on the project should be between:

- (a) \$36,000 and \$38,000
- (b) \$38,000 and \$40,000
- (c) \$40,000 and \$42,000
- (d) \$42,000 and \$44,000

14. When a contractor will provide the financing, permitting, and land for the owner of a project, this is called a:

- a.) Traditional Contract.
- b.) Turnkey Project.
- c.) Phased Contract.
- d.) Fast-track Project.

15. The retainage is paid the contractor:

- a.) at the midway point of the project.
- b.) when the project is substantially completed.
- c.) when the project is finished.
- d.) when the lien period has expired and no lien has been filed.

16. A periodic payment or cost reimbursement made to the contractor during the construction period is a:

- (a) retention release.
- (b) progress payment.
- (c) borrowed fund.
- (d) final payment.

17. Theft of office equipment would be covered under which type of policy below?

- a.) Comprehensive General Liability.
- b.) Director's and Officer's Liability.
- c.) Professional Liability.
- d.) Property Insurance.

18. A lien is *best* defined as:

- (a) a legal interest one person has in the property of another.
- (b) a legal claim against real property for payment of fees owed for the improvement of that property.
- (c) the title to real property held in trust until claims are settled.
- (d) a right which prevents an individual from occupying his own home until all improvements have been paid for.

19. OSHA requires employers to post an annual summary of occupational injuries and illnesses. This summary shall be posted no later than:

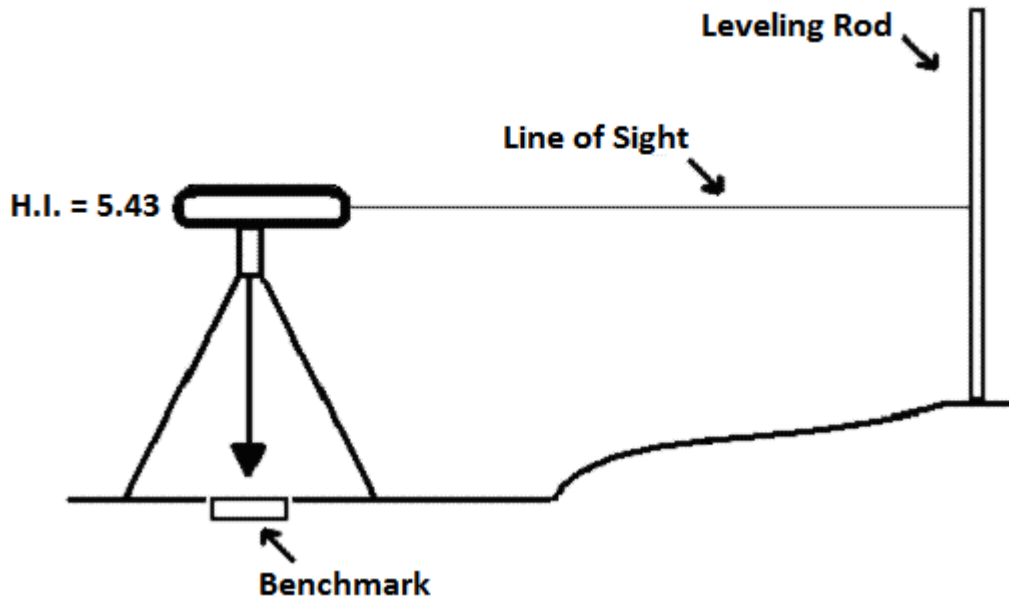
- (a) December 1.
- (b) January 1.
- (c) February 1.
- (d) June 1.

20. The Occupational Safety and Health Act requires which employers to have an emergency action plan in place for their employees?

- a.) All employers.
- b.) Only employers with 10 or more employees.
- c.) Only employers doing business with the federal government.
- d.) Only employers doing business with hazardous materials.

## SAMPLE BUILDING CONSTRUCTION QUESTIONS

21. Refer to the illustration below for this question:



In the drawing shown, the survey instrument reads 4.17 on the leveling rod. The height of the instrument is 5.43. The benchmark elevation is 214.56.

What is the elevation at the leveling rod?

- a.) 215.82
- b.) 218.73
- c.) 219.99
- d.) 224.16

22. The last step in finishing a smooth concrete slab is to:

- a.) trowel the surface.
- b.) float the surface
- c.) screed (strike off) the surface.
- d.) vibrate the surface.

23. A building slab will be 25' x 90' x 8".

How many cubic yards of concrete will be needed?

*(Note: Assume that the grade will be perfectly level and that there will be no crown or slope in the slab. Do not include waste or excess in your estimate.)*

- a.) 27 cubic yards.
- b.) 56 cubic yards.
- c.) 167 cubic yards.
- d.) 180 cubic yards.

24. A rectangular building with a gable roof will be 80' x 36'. The rafters will be spaced 32" on center.

How many total rafters will be needed?

- a.) 30
- b.) 31
- c.) 60
- d.) 62

25. When using a crane to lift a wood timber, the guide rope should be attached to the:

- a.) hoisting rope.
- b.) hook.
- c.) wood timber.
- d.) jib.

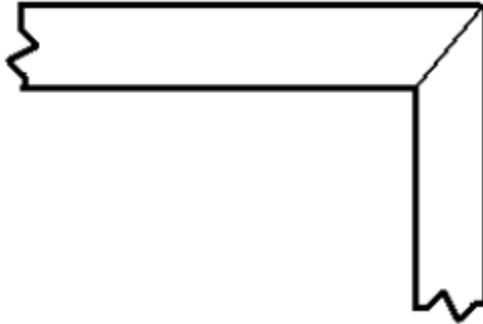
26. Refer to the drawing below:



The steel drawing shown above indicates a(n):

- a.) American Standard Beam.
- b.) Structural Tube.
- c.) Torque Strip.
- d.) Steel Track.

27. Refer to the drawing below for this question:



The corner of this molding is square. The miter joint shown is cut at a:

- a.)  $45^\circ$  angle.
- b.)  $90^\circ$  angle.
- c.)  $180^\circ$  angle.
- d.)  $240^\circ$  angle.

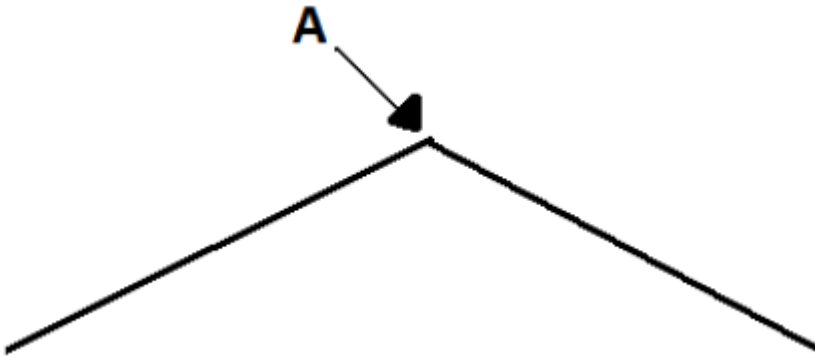
28. Hardwood strip flooring should be installed:

- a.) perpendicular (i.e., at a right angle) to the flooring joists.
- b.) parallel with the flooring joists.
- c.) diagonal to the flooring joists.
- d.) first perpendicular to the flooring joists, then parallel with the flooring joists.

29. If a freshly mixed mortar batch for a brick wall is too stiff to work, the mason should:

- a.) throw out the mortar and mix a new batch.
- b.) add more water to the mortar batch.
- c.) add more cement to the mortar batch.
- d.) heat the mortar batch.

30. Refer to the illustration below:



The type of shingles that would be installed at A would be:

- a.) valley shingles.
- b.) ordinary three-tab shingles.
- c.) ordinary two-tab shingles.
- d.) ridge shingles.

KEY for the  
SAMPLE BUSINESS AND LAW QUESTIONS

1. B
2. B
3. D
4. C
5. D
6. C
7. D
8. C
9. A
10. B
11. A
12. A
13. C
14. B
15. D
16. B
17. D
18. B
19. C
20. B

KEY for the  
SAMPLE BUILDING CONSTRUCTION QUESTIONS

21. A
22. A
23. B
24. D
25. C
26. B
27. A
28. A
29. B
30. D