

# PRACTICE EXAM 10: OREGON CCB SIMULATION (80 QUESTIONS)

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**Recommended Time: 200 Minutes | Passing Score: 56/80 (70%)**

1. Chen Builders LLC holds a Residential General Contractor endorsement. A veterinary clinic asks Chen to build a new 8,500squarefoot, singlestory animal hospital. The building is 17 feet tall, and the total contract price is \$310,000. Can Chen legally perform this work?

- A. No, because the contract price of \$310,000 exceeds the \$250,000 alternative threshold, and the building also exceeds the 10,000 sq ft primary threshold — however, both tests must fail, and since the building is under 10,000 sq ft and under 20 ft tall, it qualifies as small commercial under the primary test
- B. No, because veterinary clinics are classified as medical facilities requiring a commercial endorsement
- C. Yes, because all singlestory nonresidential buildings are automatically classified as small commercial
- D. Yes, but only if Chen obtains a temporary commercial variance from the CCB before signing the contract

2. A contractor estimates a project will require 960 laborhours at a base wage of \$27.50 per hour. The burden rate adds 34% for taxes, insurance, and benefits. Midway through the project, the contractor discovers actual productivity is 20% lower than estimated. What is the revised total burdened labor cost?

- A. \$35,376 based on the original estimate with no productivity adjustment
- B. \$26,400 based on the original hours at the base wage without burden
- C. \$42,451 based on 1,152 hours ( $960 \times 1.20$ ) at the burdened rate of \$36.85
- D. \$28,512 based on the original hours at the base wage plus a 5% contingency

3. A general contractor's project involves five subcontractors working simultaneously on a commercial renovation. The HVAC subcontractor needs to install ductwork through a framing opening, but the framing subcontractor has not yet completed the opening. The HVAC crew has been on site for two hours waiting. This situation illustrates which project management failure?

- A. A failure in the contractor's risk transfer strategy for subcontractor performance
- B. A failure in schedule coordination between trades — the GC did not properly sequence the predecessor and successor activities
- C. A failure in the contractor's estimating process that underpriced the HVAC scope
- D. A failure in the building inspector's plan review that did not identify the coordination conflict

4. A contractor's balance sheet shows total assets of \$215,000 and owner's equity of \$82,000. What are the total liabilities?

- A. \$297,000
- B. \$215,000
- C. \$82,000
- D. \$133,000

5. A contractor operating as a sole proprietor has been using their personal bank account for both personal and business transactions. The contractor's accountant warns that this practice creates a specific legal risk. What is that risk?

- A. The IRS will automatically reclassify the sole proprietorship as a corporation for tax purposes
- B. The CCB will suspend the contractor's license for improper financial management
- C. If the contractor later forms an LLC, a court may "pierce the corporate veil" because the pattern of commingling funds demonstrates failure to maintain the entity as separate from the owner
- D. The Oregon Department of Revenue will impose a 10% penalty on all business income deposited into a personal account

6. Under Oregon law, a contractor who receives a CCB final order must pay the ordered amount. If the contractor fails to pay, the RMI and all business owners face which personal consequence?

- A. They may be prevented from obtaining a new CCB license until the debt is satisfied
- B. They are subject to arrest and criminal prosecution for contempt of a regulatory order
- C. Their personal bank accounts are frozen by the Oregon Department of Justice
- D. They must complete 40 hours of community service before reapplying for a CCB license

7. A contractor's employee is installing a new water heater in a residential home. While connecting the gas line, the employee smells natural gas. The employee's coworker suggests lighting a match to check for leaks. What is the correct response?

- A. Open all nearby windows to ventilate the area before proceeding with any testing
- B. Evacuate the area and test with a match only after the room has been ventilated for 30 minutes
- C. Test the connection with a match quickly, as brief exposure to a small leak poses minimal risk
- D. Evacuate the area immediately, eliminate all ignition sources, and test using an approved leak detection solution or electronic gas detector

8. A contractor completes a residential project on March 15. The contractor provided all required notices but forgot to provide the written contract. The homeowner paid all progress payments and the final invoice without complaint. Six months later, the homeowner files a CCB complaint about a minor cosmetic defect. Can the contractor file a construction lien to protect against the homeowner withholding future warranty-related payments?

- A. Yes, because the homeowner's full payment constitutes acceptance of the work and preserves all contractor rights
- B. No, because the contractor's failure to provide a written contract on a project exceeding \$2,000 eliminates the contractor's right to file a construction lien under ORS 87.037
- C. Yes, because lien rights are preserved as long as all consumer notices were provided
- D. No, but only because the six-month delay exceeds the 75-day lien filing deadline

9. A contractor's project schedule shows three parallel paths:

Path X: 24 days

Path Y: 19 days

Path Z: 21 days

Activity M on Path Y experiences a 7-day delay. What is the impact on the project?

- A. The project is delayed by 7 days because all delays affect the project completion date equally
- B. No impact because Path Y has 5 days of float and the 7-day delay does not exceed the original critical path
- C. The project is delayed by 2 days because Path Y now extends to 26 days, exceeding the critical path of 24 days by 2 days
- D. The project is delayed by 5 days because the float on Path Y was only 5 days

10. A contractor's annual financial summary shows: total revenue \$510,000, total direct costs \$326,400, total general overhead \$91,800. The contractor's original budget projected \$510,000 in revenue, \$306,000 in direct costs, and \$81,600 in overhead. What does this comparison reveal?

- A. Both direct costs and overhead exceeded budget — direct costs by \$20,400 and overhead by \$10,200 — indicating the contractor needs to improve estimating accuracy and control expenses
- B. The contractor exceeded revenue targets by \$20,400, demonstrating successful pricing strategy
- C. Only overhead exceeded budget, while direct costs remained within acceptable tolerances
- D. The contractor's overall performance was within the industry standard variance of 10%

11. A contractor operating as an LLC wants to add a new service — home energy audits — to their existing residential remodeling business. Under the CCB endorsement system, how does this affect the contractor's license?

- A. No change is needed because energy audits are covered under all residential endorsements
- B. The contractor must obtain a separate energy audit certification from the Oregon Department of Energy
- C. The contractor must upgrade to a Residential General Contractor endorsement to offer energy audit services
- D. The contractor should check whether a Home Energy Performance Score Contractor endorsement or other specific endorsement is required for this service

12. A subcontractor on a commercial project sends a Notice of Right to Lien to the property owner. The project is a commercial office renovation — not a residential project. Under Oregon's Construction Lien Law, was this notice required?

- A. Yes, because all subcontractors on all projects must send a Notice of Right to Lien to preserve their rights
- B. No, because the Notice of Right to Lien is not required for commercial improvements — it applies to residential projects
- C. Yes, because commercial projects over \$100,000 require the notice regardless of the structure type
- D. No, but the subcontractor must instead file a preliminary bond claim with the CCB within 30 days

13. A contractor receives a phone call from a homeowner requesting an estimate for a bathroom remodel. The contractor visits the home, measures the space, and provides a verbal estimate of

\$18,000. The homeowner says "sounds good" and the contractor begins ordering materials. No written contract is signed. Under Oregon law, what problems has the contractor created?

- A. No problems, because a verbal agreement is sufficient for residential projects under \$25,000
- B. No problems, because the contractor's purchase of materials constitutes substantial performance
- C. The contractor has failed to provide a written contract as required for residential work over \$2,000, potentially losing lien rights and exposing themselves to CCB penalties
- D. The only problem is the lack of a CCB license number on the verbal estimate

14. A contractor's project involves replacing windows in a condominium building that was constructed in 1977. Under the EPA RRP Rule, what must the contractor do before beginning window replacement?

- A. Be certified under the RRP Rule, have the firm registered with EPA, and follow leadsafe work practices because the building was constructed before 1978
- B. Test each individual window frame for lead content and submit results to Oregon DEQ before beginning work
- C. Hire a separate EPA licensed lead abatement contractor to remove all lead paint from the window areas
- D. Notify the EPA 30 days in advance and obtain a lead paint removal permit for each window location

15. A contractor's takeoff identifies 72 recessed light fixtures, 14 exterior sconces, and 8 ceiling fans for a residential project. These quantities represent which measurement type?

- A. Linear measurements because the items are counted along the perimeter of each room
- B. Area measurements because the fixtures are distributed across the ceiling surface area
- C. Volume measurements because the fixtures are recessed into the ceiling cavity
- D. Count measurements because each item is measured as a discrete, individual unit

16. Under Oregon OSHA, a contractor must report a workplace fatality within 8 hours. The contractor's employee suffers a fatal fall from a scaffold at 4:30 PM on Friday. The contractor learns of the death at 5:00 PM Friday. By what time must the fatality be reported to Oregon OSHA?

- A. By 5:00 PM Saturday (24 hours after the contractor learned of the death)
- B. By 1:00 AM Saturday (8 hours after 5:00 PM Friday when the contractor learned of the death)
- C. By 8:00 AM Monday (the next business day)

D. By 5:00 PM Monday (within 48 hours of the next business day)

17. A contractor's project budget shows total direct costs of \$58,000 and a general overhead rate of 19%. The contractor applies a markup of 18% to total cost. What is the selling price?

- A. \$58,000
- B. \$69,020
- C. \$81,444
- D. \$68,440

18. A property owner hires a contractor for a \$6,000 fence installation. The contract is signed at the homeowner's backyard. The contractor provides the written contract, the Information Notice to Owner About Construction Liens, the Consumer Protection Notice, and the Notice of Procedure. However, the contractor does not provide the OHSSA cancellation notice. Two years later, the homeowner is unhappy with the fence and wants to cancel. Can the homeowner still cancel?

- A. Yes, because the contractor's failure to provide the OHSSA cancellation notice means the cancellation right continues indefinitely until proper notice is given
- B. No, because the twoyear delay constitutes waiver of all cancellation rights regardless of notice compliance
- C. Yes, but only if the homeowner proves the fence is defective and files a CCB complaint first
- D. No, because fence installations are exempt from the OHSSA cancellation requirements

19. A contractor's workers' compensation experience modification rate (EMR) is 1.25. This means:

- A. The contractor's premiums are 25% lower than the industry baseline because of superior safety performance
- B. The contractor has 25 active workers' compensation claims in the current policy year
- C. The contractor's total payroll is 25% higher than the industry average for their classification
- D. The contractor's claims history is 25% worse than the industry average, resulting in premiums 25% above baseline

20. A contractor completes a commercial tenant improvement project and submits the final invoice for \$78,000. The property owner pays \$68,000 and withholds \$10,000, claiming a punch list of deficiencies must be completed before final payment. The contractor believes the

punch list items are minor and the work is substantially complete. What is the most appropriate course of action?

- A. File a construction lien immediately to protect the contractor's right to the withheld \$10,000
- B. Complete the legitimate punch list items promptly, then pursue the remaining balance through direct negotiation supported by documentation of completed corrections
- C. Refuse to return to the project until the full \$78,000 is paid, including the withheld amount
- D. File a CCB complaint against the property owner for withholding payment without justification

21. A contractor's project requires excavating near an existing building's foundation. The excavation will be 7 feet deep and within 3 feet of the foundation wall. Under Oregon OSHA, what additional safety concern applies beyond standard excavation protection?

- A. The contractor must obtain a demolition permit from the local building department before excavating
- B. Oregon OSHA prohibits all excavation within 5 feet of an existing building foundation
- C. The contractor must install temporary foundation support to prevent undermining the existing structure
- D. The proximity to the existing foundation creates a risk of undermining or destabilizing the building — the contractor must take precautions to protect the adjacent structure and may need engineering evaluation

22. A contractor's employee works 40 regular hours plus 6 overtime hours in a single workweek. The employee's regular rate is \$33.00 per hour. The employer's burden rate is 36%. What is the total burdened cost to the employer for this employee for the week?

- A. \$1,617.00
- B. \$2,198.88
- C. \$1,320.00
- D. \$1,815.48

23. A contractor operating as a corporation has two corporate officers — husband and wife — and no employees. They want to hire the wife's mother as a parttime office manager. Under Oregon's CCB classification rules, how will this affect their status?

- A. No change, because the mother qualifies as immediate family and the business remains exempt
- B. No change, because parttime employees under 20 hours per week do not trigger nonexempt classification

- C. The business becomes nonexempt because it now has an employee — however, the mother qualifies as immediate family (parent), so the business actually remains exempt
- D. The business becomes nonexempt regardless of family relationship because all corporate employees trigger nonexempt status

24. A contractor's project involves installing a fire suppression system in a commercial warehouse. The system requires both plumbing and electrical connections. Under Oregon law, which licenses must the subcontractor performing this work hold?

- A. A CCB license with proper endorsement and applicable BCD licenses for the individuals performing plumbing and electrical connections
- B. Only a CCB license, because fire suppression systems are classified as general construction
- C. Only a fire protection contractor license from the Oregon State Fire Marshal
- D. A special fire suppression endorsement from the CCB that covers both plumbing and electrical components

25. A contractor's estimate for a residential addition includes the following costs: foundation \$12,000, framing \$18,500, roofing \$6,800, windows \$8,200, electrical sub \$9,400, plumbing sub \$7,600, drywall \$5,800, painting \$3,200, flooring \$4,500, and trim \$3,000. The general overhead rate is 15%. What is the total cost including overhead?

- A. \$79,000
- B. \$88,000
- C. \$95,000
- D. \$90,850

26. A contractor is bidding on a public library renovation. The ITB requires submission of a bid bond, proof of CCB licensing, proof of insurance, a list of proposed subcontractors, and three project references. The contractor submits everything except the project references. What is the most likely outcome?

- A. The bid will be accepted because references are considered supplementary information
- B. The bid may be rejected as nonresponsive for failing to include all required elements
- C. The owner will contact the contractor within 48 hours to request the missing references
- D. The bid will be accepted but ranked lower than bids that included references

27. A contractor's project involves removing a loadbearing wall and installing a glulam beam. The structural engineer specifies that the beam must bear on 4×4 posts resting on the existing

foundation. During installation, the contractor discovers the foundation at one end is cracked and may not support the concentrated load. What should the contractor do?

- A. Install the post on the cracked foundation and monitor for settlement over the next 30 days
- B. Shift the post 6 inches to one side of the crack and proceed with the installation
- C. Stop work, notify the property owner and the structural engineer, and obtain an engineered solution before proceeding
- D. Pour a new concrete pad on top of the cracked foundation to distribute the load

28. Under Oregon law, an employer must provide employees with pay stubs showing an itemized list of deductions. An employer deducts \$75 per paycheck for a company health insurance plan. The employee signed a written authorization for this deduction at the time of hire. Is this deduction permissible?

- A. Yes, because the employee provided written authorization and the deduction is for the employee's benefit
- B. No, because employers may not deduct any amount from paychecks for insurance premiums
- C. Yes, but only if the deduction does not reduce the employee's gross pay below \$500 per pay period
- D. No, because health insurance deductions require a separate notarized agreement for each pay period

29. A contractor's project schedule shows that the building inspector has scheduled the rough plumbing inspection for Tuesday at 10:00 AM. The contractor's plumber completes the roughing on Monday afternoon but does not pressure test the system before the inspection. The inspector arrives Tuesday and asks for test results. What happens?

- A. The inspector proceeds with the visual inspection and notes the missing pressure test as a recommendation
- B. The inspector tests the system themselves using the contractor's equipment
- C. The inspector defers the inspection for 24 hours to allow the contractor to complete the test
- D. The inspector may fail the inspection because the plumbing system has not been tested as required before the rough inspection

30. A contractor's profit and loss statement shows the following quarterly results:

- Q1: Revenue \$115,000, Expenses \$103,500
- Q2: Revenue \$142,000, Expenses \$121,700
- Q3: Revenue \$138,000, Expenses \$131,100
- Q4: Revenue \$98,000, Expenses \$94,080

What is the total annual net profit?

- A. \$493,000
- B. \$41,620
- C. \$450,380
- D. \$11,500

31. A contractor operating as a sole proprietor has annual gross revenue of \$320,000 and net selfemployment income of \$78,000. The contractor has not made any quarterly estimated tax payments during the year. Under IRS rules, what penalty will the contractor face?

- A. An underpayment penalty, because the estimated tax liability on \$78,000 exceeds \$1,000 and no estimated payments were made
- B. No penalty, because sole proprietors are exempt from estimated tax payments during their first three years
- C. A penalty only if the contractor files their annual return after the April 15 deadline
- D. No penalty, because selfemployment tax obligations are only assessed at the time of annual filing

32. A contractor's daily log entry reads: "June 3 — Framing complete. Called for framing inspection. Inspector available June 7. Insulation crew scheduled June 5." The insulation crew arrives on June 5 as scheduled. What project management error has occurred?

- A. The contractor should not have called for the inspection until the insulation was also complete
- B. The insulation crew was scheduled too late — they should have arrived on June 3 immediately after framing
- C. The insulation crew is scheduled before the framing inspection passes — if the inspection fails, the insulation may need to be removed
- D. No error — insulation can be installed before the framing inspection as long as it does not cover critical structural elements

33. A contractor's project involves replacing the roof on a historic home listed on the National Register of Historic Places. The homeowner wants to use modern composite shingles instead of the original slate. What additional consideration applies?

- A. The contractor should use whatever material the homeowner requests because the homeowner owns the property
- B. The contractor must verify whether the home's historic designation restricts exterior material changes

- C. Historic homes are exempt from all building code requirements including roofing specifications
- D. The local historic preservation rules require the contractor to obtain a special roofing endorsement from the CCB before working on listed properties

34. A contractor's project is a costplus contract with a 10% fee. The direct costs are \$92,000 and job overhead is \$14,000. The contract includes a guaranteed maximum price of \$120,000. What is the contractor's total compensation?

- A. \$120,000 because the GMP caps the total payment regardless of actual costs plus fee
- B. \$116,600 because the total cost plus fee ( $\$92,000 + \$14,000 + \$10,600$  fee) is below the GMP
- C. \$106,000 because the 10% fee applies only to direct costs, not job overhead
- D. \$132,000 because the fee is calculated on the GMP amount rather than actual costs

35. Under Oregon OSHA, what is the minimum number of toilets required on a construction jobsite with 15 workers?

- A. One toilet, because the minimum requirement for jobsites with 20 or fewer workers is one toilet
- B. Two toilets, because one toilet is required for every 10 workers on a construction site
- C. Three toilets, because portable toilets must be provided at a ratio of one per five workers
- D. No minimum requirement exists — the contractor provides toilets at their discretion based on project duration

36. A contractor's project schedule identifies that Activity N has an early finish of Day 18 and a late finish of Day 24. What is the total float for Activity N?

- A. 18 days
- B. 24 days
- C. 6 days
- D. 42 days

37. A contractor is reviewing their annual insurance costs and notices that their workers' compensation premium increased from \$18,000 to \$24,000 — a 33% increase. The contractor's payroll did not change. What is the most likely cause of the increase?

- A. The CCB raised the minimum insurance requirements for the contractor's endorsement type

- B. The Oregon Department of Revenue increased the workers' compensation tax rate for all employers
- C. Oregon OSHA imposed a surcharge on all construction employers to fund additional inspections
- D. The contractor's experience modification rate increased due to recent claims, raising the premium above the baseline

38. A contractor's employee is working on a scaffold at 14 feet when they notice a crack in one of the scaffold's crossbrace welds. The employee reports the crack to the foreman. What should happen next?

- A. The foreman should note the crack in the daily log and schedule a repair for the following week
- B. The scaffold must be taken out of service immediately, inspected by a competent person, and repaired or replaced before any worker uses it again
- C. The foreman should apply reinforcing plates to the cracked weld and allow workers to continue
- D. The foreman should reduce the scaffold's load capacity by 25% and limit the number of workers on the platform

39. Under Oregon's Construction Lien Law, a Claim of Lien must contain which of the following information?

- A. The claimant's name, address, and CCB license number; the owner's name and address; the amount owed after credits; a property description; and a description of labor or materials furnished
- B. The claimant's Social Security number, federal tax ID, and the names of all subcontractors
- C. A complete copy of the construction contract and all change orders approved during the project
- D. The assessed property value, the mortgage balance, and the lender's contact information

40. A contractor completes a residential project and the homeowner is very satisfied. The homeowner offers to write a testimonial for the contractor's website. The contractor agrees and posts the testimonial along with a project photo. Under Oregon law, what must the contractor's website also display?

- A. The homeowner's full name and address to verify the authenticity of the testimonial
- B. A disclaimer stating that the testimonial does not guarantee similar results on future projects
- C. The contractor's CCB license number, because all advertising — including websites — must display the license number

D. The project's total contract price and completion date for consumer transparency

41. A contractor is planning a residential project that requires both a building permit and a grading permit. The building permit is issued on March 1, but the grading permit is delayed until March 15. The contractor's project schedule shows grading beginning on March 5. What must the contractor do?

A. Begin grading on March 5 using the building permit, because both permits cover the same property

B. Begin grading on March 5 because grading permits are advisory, not mandatory

C. Delay grading until March 15 when the grading permit is issued — the contractor cannot legally perform work covered by an unpermitted activity

D. Begin partial grading on March 5 and complete the remainder after March 15

42. A contractor's employee is using a powderactuated tool (a Hilti gun) to attach framing to a concrete floor. The employee has not received training on the specific tool being used. Under Oregon OSHA, is training required before using this tool?

A. Yes, because Oregon OSHA requires that employees be trained in the safe operation of powderactuated tools before using them

B. No, because powderactuated tools are classified as generaluse construction tools requiring no special training

C. Yes, but only if the tool is rated above .27 caliber charge strength

D. No, because training is only required for supervisors who assign powderactuated tool work to employees

43. A contractor enters into a residential contract for \$42,000. The contract includes a clause requiring binding arbitration for all disputes. The contractor discloses the arbitration clause as part of the explanation of property owner's rights. During the project, a dispute arises and the homeowner wants to file a lawsuit in circuit court. Can the homeowner bypass the arbitration clause?

A. Yes, because homeowners always have the right to file a lawsuit regardless of contract terms

B. Yes, because arbitration clauses in residential contracts are unenforceable in Oregon

C. No, because the homeowner was informed of the arbitration requirement and the arbitration clause was disclosed

D. No, but only if the contractor files a motion to compel arbitration within the specified contractual timeframe

44. A contractor discovers that a subcontractor working on their project does not have a current surety bond — it expired two weeks ago. The subcontractor's CCB license and liability insurance are still current. What should the contractor do?

- A. Allow the subcontractor to continue working because the CCB license and insurance are still valid
- B. Stop the subcontractor's work because a lapsed bond means the license requirements are not fully met, and do not allow the subcontractor to resume until the bond is reinstated
- C. Continue working but withhold all payments until the subcontractor provides proof of a renewed bond
- D. File a complaint with the bonding company for allowing the bond to lapse without notification

45. A contractor's project involves demolishing an interior nonloadbearing wall in a home built in 1985. Before demolition, the contractor should consider which environmental regulation?

- A. Oregon DEQ's requirement for an asbestos survey of residential structures built before January 1, 2004 — drywall joint compound, texture, and other materials from this era may contain asbestos
- B. The EPA's lead paint disclosure rule, which requires testing of all interior walls for lead content before demolition
- C. Oregon OSHA's noise exposure standard, which requires hearing protection during all demolition activities
- D. The Clean Air Act, which requires the contractor to install temporary air filtration before any interior demolition

46. A contractor's cash flow projection shows that Project Beta will generate the following cash flows: Month 1 outflow \$32,000, Month 2 outflow \$18,000, Month 2 inflow \$25,000, Month 3 outflow \$12,000, Month 3 inflow \$30,000. What is the cumulative cash position at the end of Month 3?

- A. \$32,000 negative
- B. \$25,000 positive
- C. \$7,000 negative
- D. \$12,000 positive

47. A contractor operating as a general partnership has two partners who are father and son. The father retires and a new partner — an unrelated friend of the son — joins the partnership. The partnership still has no employees. How does this change affect CCB classification?

- A. No change because the partnership still has only two partners and no employees
- B. The partnership becomes nonexempt because the new partner is not an immediate family member of the remaining original partner
- C. No change because the partnership maintains the same number of partners
- D. The partnership becomes nonexempt only if the new partner performs construction work

48. A contractor receives a building permit for a residential addition. During the insulation inspection, the building inspector finds that the insulation Rvalue does not meet the energy code requirement. The inspector fails the inspection. The drywall crew was scheduled to start the next day. What must happen?

- A. The drywall crew can begin on noninsulated walls while the insulation deficiency is corrected
- B. The contractor may proceed with drywall and schedule a combined insulation and drywall inspection
- C. The general contractor can override the failed inspection by submitting an energy compliance waiver
- D. The contractor must correct the insulation deficiency, pass the reinspection, and then schedule the drywall crew — no drywall can be installed until the insulation inspection passes

49. A contractor is estimating a concrete sidewalk project. The sidewalk is 120 feet long, 5 feet wide, and 4 inches thick. How many cubic yards of concrete are needed before applying a waste factor?

- A. 7.4 cubic yards
- B. 22.2 cubic yards
- C. 200 cubic yards
- D. 2,400 cubic yards

50. A contractor's project involves installing a residential elevator. The elevator subcontractor's lead time is 14 weeks. The elevator shaft must be framed and inspected before the elevator can be installed. Framing the shaft takes 2 weeks and is scheduled to begin at Week 12. If the elevator must be installed at Week 28, by what week must the elevator be ordered?

- A. Week 12, when the shaft framing begins
- B. Week 28, when installation begins
- C. Week 14 or earlier, because  $28 - 14 = 14$ , ensuring delivery by the installation date
- D. Week 1, because all longlead items must be ordered before construction begins

51. Under Oregon OSHA, a scaffold must be inspected by a competent person before each work shift and after which of the following events?

- A. Only after a workplace injury occurs on the scaffold
- B. After any occurrence that could affect the scaffold's structural integrity, such as high winds, storms, impact, or vandalism
- C. Only after the scaffold has been used for more than 30 consecutive days
- D. Only when Oregon OSHA schedules a programmed inspection of the contractor's jobsite

52. A contractor files a Claim of Lien on June 10. On September 1, the contractor and the property owner enter into a written settlement agreement that includes a payment schedule. The settlement agreement does not mention the 120day foreclosure deadline. On October 20, the property owner stops making payments. What is the status of the lien?

- A. The lien is still valid because the written settlement agreement automatically extends the foreclosure deadline
- B. The lien is still valid because any written agreement between the parties tolls the 120day period
- C. The lien expires on October 8 (120 days from June 10) unless a foreclosure lawsuit was filed — written agreements do not extend the statutory deadline
- D. The lien has expired because 120 days from June 10 is October 8, and the contractor did not file a foreclosure lawsuit before that date

53. A contractor operating in Medford, Oregon is asked to perform a residential remodel in Ashland — a city 15 miles away that has its own local business registration requirements. The contractor has never worked in Ashland. Before beginning work, what should the contractor verify?

- A. Whether Ashland has local business registration, permitting, or tax requirements that differ from Medford
- B. Whether the contractor's CCB license must be transferred from Medford to Ashland
- C. Whether Ashland requires a separate surety bond for contractors working within city limits
- D. Whether the contractor must obtain a temporary work permit from the Ashland building department

54. A contractor's employee is working on a commercial demolition project and discovers a sealed container labeled "CAUTION: CONTAINS PCBs." The employee has not been trained on PCB handling. What should the employee do?

- A. Open the container to verify the contents before reporting to the supervisor
- B. Move the container to the designated chemical storage area on the jobsite
- C. Stop work, do not handle the container, and immediately notify the supervisor — PCBs are regulated hazardous materials requiring specialized handling and disposal
- D. Dispose of the container in the construction dumpster because small quantities of PCBs are exempt

55. A contractor's residential project includes a screened porch addition. The homeowner verbally asks the contractor to extend the porch by 4 feet, adding approximately \$2,800 to the project. The contractor extends the porch without a written change order. After completion, the homeowner refuses to pay the additional \$2,800. What is the contractor's position?

- A. The contractor cannot enforce verbal change requests because verbal agreements are not enforceable in Oregon
- B. The contractor may file a construction lien for the additional work because the homeowner verbally authorized it
- C. The contractor must absorb the cost because no verbal agreements are enforceable for amounts under \$5,000
- D. The contractor has limited recourse because the change was not documented in a written change order signed by both parties before the work was performed

56. A contractor's workers' compensation insurance carrier conducts a yearend audit and determines that the contractor's actual payroll was \$45,000 higher than the estimated payroll used to calculate the initial premium. What happens?

- A. The contractor owes no additional premium because the initial estimate is binding for the policy year
- B. The contractor owes an additional premium based on the \$45,000 payroll difference multiplied by the applicable classification rate
- C. The carrier cancels the policy retroactively to the date the payroll exceeded the estimate
- D. The contractor receives a credit on next year's premium for the overpayment difference

57. A contractor is building a new commercial office building. The contract requires the contractor to submit a CPM schedule within 30 days of the notice to proceed. The contractor submits a bar chart instead. Is this acceptable?

- A. No, because the contract specifically requires a CPM schedule — a bar chart does not show dependencies, float, or the critical path and does not satisfy the contractual requirement
- B. Yes, because a bar chart and CPM schedule contain the same information in different formats
- C. No, but the contractor may submit the bar chart as a temporary schedule while the CPM is being developed
- D. Yes, because the contract's scheduling requirement is a guideline, not a mandatory specification

58. A contractor receives an Oregon OSHA citation for a serious violation. The proposed penalty is \$4,500. The contractor believes the penalty is excessive and wants to negotiate. What is the contractor's first step?

- A. Pay the penalty immediately to avoid additional interest and late fees
- B. File a formal appeal with the Workers' Compensation Board within 30 days
- C. Request an informal conference with Oregon OSHA, which resolves approximately 90% of appealed cases
- D. Contact the contractor's insurance carrier to file a claim for the penalty amount

59. A contractor's project involves a major bathroom renovation. The homeowner wants to relocate the toilet from one wall to the opposite wall — a distance of 8 feet. This requires rerouting the drain line through the floor joists. Under Oregon's building code, what is required before this plumbing modification can be performed?

- A. A verbal agreement between the contractor and the homeowner authorizing the relocation
- B. A licensed plumber must perform the work under a plumbing permit issued by the local building department
- C. The contractor may perform the work without a permit because it is classified as a repair, not new construction
- D. A structural engineer must approve the joist modifications before the plumbing permit can be issued

60. A contractor's profit and loss statement shows net profit of \$42,000 on revenue of \$350,000. The contractor's goal was a 15% net profit margin. What is the actual margin, and did the contractor meet the goal?

- A. 12% margin — the contractor met the goal because 12% rounds up to 15%
- B. 12% margin ( $\$42,000 \div \$350,000$ ) — the contractor fell short of the 15% goal by 3 percentage points
- C. 15% margin — the contractor exactly met the goal

D. 8.4% margin — the contractor fell significantly short of the goal

61. A contractor's project schedule shows that Activity P is on the critical path. The contractor decides to add a weekend crew to Activity P, working Saturday and Sunday for two weekends. This reduces Activity P's duration from 12 days to 8 days. What is the effect on the project?

- A. The project completion date remains unchanged because adding crews does not reduce criticalpath duration
- B. The project completion date is potentially accelerated by 4 days, assuming no other path becomes the new critical path
- C. The project completion date is accelerated by exactly 4 days guaranteed
- D. The project completion date is delayed because weekend work reduces crew productivity

62. A contractor is reviewing the EPA RRP Rule and wants to understand when it applies. Which of the following projects triggers RRP Rule compliance?

- A. Any renovation work on a commercial building built before 1990 regardless of building type
- B. New construction on a vacant lot where no preexisting structure was present
- C. Interior painting of a post1978 residential home where no surfaces are disturbed
- D. Renovation, repair, or painting work on a residential building or childoccupied facility built before 1978 that disturbs leadbased paint

63. A contractor's estimate shows total project costs of \$67,000. The contractor wants to achieve a 12% profit margin. What selling price should the contractor set, and what is the equivalent markup percentage?

- A. Selling price \$76,136 ( $\text{cost} \div 0.88$ ), equivalent to a 13.6% markup
- B. Selling price \$75,040 ( $\text{cost} \times 1.12$ ), equivalent to a 12% markup
- C. Selling price \$79,060 ( $\text{cost} \times 1.18$ ), equivalent to an 18% markup
- D. Selling price \$73,700 ( $\text{cost} + 10\%$ ), equivalent to a 10% markup

64. A contractor's foreman is supervising a crew that is installing a roof truss system using a crane. The crane operator signals that the wind speed is approaching the crane manufacturer's maximum operating limit. Two more trusses remain to be set. What should the foreman do?

- A. Set the remaining two trusses quickly before the wind exceeds the limit
- B. Allow the crane operator to make the decision since they are the certified operator

- C. Stop the crane operation immediately — do not set any more trusses until wind speeds drop below the manufacturer's limit because exceeding the limit creates a risk of crane failure or dropped loads
- D. Continue setting trusses but reduce the crane's lifting capacity by 50% to compensate for wind

65. Under Oregon law, when a contractor fails to pay subcontractors and incurs construction-related debt, the consequences extend beyond the business entity. Who else is personally affected?

- A. Only the Responsible Managing Individual, who must complete additional continuing education
- B. Both the RMI and all business owners, who may be prevented from obtaining a new CCB license until the debt is satisfied
- C. Only the business owners, because the RMI is protected by their individual professional designation
- D. No individuals are personally affected because the CCB only enforces obligations against the business entity

66. A contractor's takeoff for a commercial project shows 6,200 square feet of carpet tile. The carpet tile is sold in boxes of 48 square feet. The contractor applies a 3% waste factor. What is the minimum number of boxes the contractor must order?

- A. 129 boxes ( $6,200 \div 48$ , rounded up)
- B. 127 boxes ( $6,200 \times 0.97 \div 48$ , rounded up)
- C. 138 boxes ( $6,200 \times 1.10 \div 48$ , rounded up)
- D. 134 boxes ( $6,200 \times 1.03 \div 48$ , rounded up)

67. A contractor's project is covered by a costplus contract. The contractor purchases materials from a supplier who offers a 5% discount for early payment. The contractor takes the discount. Under the costplus contract, who benefits from the discount?

- A. The property owner, because costplus contracts pass actual costs to the owner — and the actual cost is the discounted price
- B. The contractor, who keeps the discount as additional profit beyond the agreed fee
- C. The discount is split equally between the contractor and the owner under standard costplus terms
- D. The supplier, who receives earlier payment and improved cash flow

68. A contractor operating as an LLC receives a demand letter from a former employee's attorney alleging unpaid overtime wages totaling \$6,400. The contractor's payroll records show the employee was paid for all hours worked at the regular rate, but overtime was not calculated at 1.5 times the regular rate. What is the contractor's exposure?

- A. No exposure, because construction workers in Oregon are exempt from overtime requirements
- B. No exposure, because the employee signed a fixed salary agreement waiving overtime
- C. The contractor owes the overtime premium (0.5 times the regular rate) for all hours worked over 40 per week, plus potential penalties and attorney fees
- D. The contractor owes double damages because all overtime violations in Oregon carry automatic doubling

69. A contractor's project involves a residential addition that connects to the existing home. The connection point requires modifying the existing roof structure. The building inspector notes that the existing roof does not meet current wind uplift requirements. Must the contractor bring the entire existing roof into compliance with current code?

- A. No — typically, only the new addition must meet current code unless the modification triggers a requirement to upgrade the existing structure
- B. Yes, because any modification to an existing structure requires the entire building to meet current code
- C. No, because existing residential structures are permanently grandfathered under the code in effect when they were originally built
- D. Yes, because wind uplift requirements apply to the entire roof surface regardless of which portion is being modified

70. A contractor operates three crews working on three separate residential projects simultaneously. Each crew generates daily logs, material receipts, and time sheets. The contractor's office processes payroll biweekly and invoices monthly. What document management practice would most improve the contractor's operational efficiency?

- A. Consolidating all three projects' records into a single combined filing system organized by date
- B. Maintaining physical copies only and eliminating all electronic records to reduce data security risks
- C. Filing documents annually at the time of tax preparation rather than ongoing
- D. Maintaining separate project files for each job with daily logs, receipts, and correspondence organized by project — and using a consistent numbering or coding system across all three

71. A contractor's project requires a concrete pump truck for a secondfloor slab pour. The pump truck rental is \$2,200 per day. The contractor schedules the pour for Thursday. On Wednesday, the contractor discovers that the reinforcing steel has not been inspected. The inspection cannot be scheduled until Friday. What is the financial impact?

- A. An additional \$2,200 in pump truck rental for the idle day (Thursday) while waiting for Friday's inspection
- B. No financial impact because concrete pump companies do not charge for cancellations made within 24 hours
- C. An additional \$4,400 in pump truck rental for Thursday and Friday combined
- D. The financial impact depends solely on whether the concrete supplier charges a cancellation fee

72. A contractor's project involves installing a commercial kitchen exhaust hood system. The exhaust hood requires a dedicated electrical circuit, a gas connection for the cooking equipment below, and ductwork through the roof. How many separate trade licenses may be required for the individuals performing this work?

- A. One — a single CCB license covers all aspects of the installation
- B. Two — a CCB license and a mechanical license from the BCD
- C. Potentially three or more — electrical, plumbing/gas, and mechanical licenses from the BCD may be required for the individuals performing each respective trade, in addition to the company's CCB license
- D. None — commercial kitchen equipment installation does not require any licenses in Oregon

73. A contractor's estimate includes a \$5,000 allowance for unforeseen conditions on a residential renovation project. During construction, no unforeseen conditions are encountered. What happens to the \$5,000 allowance?

- A. The allowance remains in the contract price unless the contract specifies otherwise — it is not automatically refunded
- B. The \$5,000 is automatically refunded to the homeowner at project completion
- C. The \$5,000 is transferred to the contractor's general overhead account
- D. The \$5,000 is split equally between the contractor and the homeowner

74. A contractor's employee is performing hot work (grinding) on a steel beam inside a commercial building. Sparks are flying into an adjacent room that contains stored cardboard boxes and paper. What fire prevention measure is required?

- A. Posting a "No Smoking" sign in the adjacent room during grinding operations
- B. Placing a fire extinguisher at the building entrance for emergency use
- C. Providing fire-resistant coveralls to the employee performing the grinding
- D. Stationing a fire watch in the adjacent room, removing or covering combustible materials, and having appropriate extinguishing equipment immediately available

75. A contractor's operating agreement for their LLC specifies that profits are distributed 60/40 between two members. At the end of the year, the LLC earns \$120,000 in net profit. For tax purposes, how is this income reported if the LLC is taxed as a partnership?

- A. Member 1 reports \$72,000 and Member 2 reports \$48,000 on their personal tax returns — the LLC files Form 1065 as an informational return and each member receives a Schedule K1
- B. The LLC pays corporate income tax on \$120,000 and distributes dividends to the members
- C. Both members report \$60,000 each regardless of the operating agreement's distribution terms
- D. Member 1 reports \$120,000 and Member 2 reports \$0 because only the managing member is responsible for taxes

76. A contractor is reviewing their completed projects from the past year. Project Gamma had estimated direct costs of \$48,000 and actual direct costs of \$52,800. What is the cost variance, and what does it indicate?

- A. A \$4,800 favorable variance indicating the project came in under budget
- B. A \$4,800 variance that cannot be evaluated without knowing the contract price
- C. A \$4,800 unfavorable variance (10% over estimate) indicating the project exceeded the direct cost budget — the contractor should analyze whether estimating, productivity, or material costs caused the overrun
- D. A \$4,800 variance that is within acceptable industry tolerance and requires no further analysis

77. A contractor's project involves installing a septic system for a rural residential property. The excavation for the septic tank is 9 feet deep. What protective system requirements apply under Oregon OSHA?

- A. No requirements because septic system excavations are exempt from OSHA excavation standards
- B. A protective system (sloping, shoring, or shielding) is required because the excavation exceeds 5 feet in depth
- C. Only a ladder for entry and exit is required — no wall protection is needed for septic tank excavations

D. A protective system is required only if the soil is classified as Type C

78. A contractor enters into a designbuild contract for a commercial project. The owner approves the preliminary design and the contractor begins construction. Midway through, the owner requests significant design changes that increase the project cost by \$45,000. Who bears this additional cost?

A. The contractor, because designbuild contracts include all design changes at no additional cost

B. The architect within the designbuild team, because design changes are part of the design fee

C. Both parties split the cost under the standard designbuild change management protocol

D. The owner, because ownerdirected design changes after approval typically increase the contract price through a change order

79. A contractor's Claim of Lien on a residential property is for \$18,000. The property owner disputes the amount and offers to pay \$12,000 to settle. The contractor rejects the offer. The contractor's 120day foreclosure deadline is approaching in 10 days. What should the contractor do?

A. File a foreclosure lawsuit before the deadline expires to preserve the lien rights, even while continuing settlement negotiations

B. Accept the \$12,000 offer because filing a lawsuit is too expensive and timeconsuming

C. Request a 30day extension of the foreclosure deadline from the county court

D. Let the deadline pass because the property owner's settlement offer demonstrates good faith

80. A contractor completes a residential project and provides the homeowner with a oneyear workmanship warranty. Eleven months after completion, the homeowner reports that several kitchen cabinet doors have warped. The contractor inspects and determines the warping is caused by excessive moisture from the homeowner's cooking habits — not from defective installation. What is the contractor's obligation?

A. The contractor must replace the doors because all defects discovered during the warranty period are covered

B. The contractor must replace the doors at the homeowner's expense for labor and materials

C. The contractor has no obligation to replace the doors because the damage was caused by the homeowner's use, not by defective materials or workmanship — however, the contractor should explain this clearly and professionally

D. The contractor must file a CCB report documenting that the warranty claim was denied due to homeowner negligence

## Practice Exam 10: Answer Key and Explanation

- 1. A** — The building is 8,500 sq ft (under 10,000) and 17 feet tall (under 20 feet), meeting the primary small commercial definition. When a structure satisfies the primary size and height test, the \$250,000 alternative price threshold is irrelevant. Residential endorsements cover small commercial work.
- 2. C** — Original hours: 960. At 20% lower productivity, actual hours needed:  $960 \times 1.20 = 1,152$ . Burdened rate:  $\$27.50 \times 1.34 = \$36.85$ . Revised total:  $1,152 \times \$36.85 = \$42,451$ . Productivity shortfalls directly increase labor costs on fixed-price contracts.
- 3. B** — The HVAC crew waiting because the framing opening is not ready is a schedule coordination failure. The GC did not properly sequence the predecessor activity (framing the opening) to complete before the successor activity (ductwork installation) was scheduled to begin.
- 4. D** — Liabilities = Assets – Owner's Equity =  $\$215,000 - \$82,000 = \$133,000$ . The balance sheet equation (Assets = Liabilities + Equity) must always hold true. Liabilities represent all amounts the business owes to creditors and lenders.
- 5. C** — Commingling personal and business funds demonstrates a pattern of failing to maintain the entity as separate from the owner. If the sole proprietor later forms an LLC, this history could be used by a court to pierce the corporate veil and eliminate the LLC's liability protection.
- 6. A** — Under Oregon law, if a contractor fails to pay a CCB final order, both the RMI and all business owners may be personally prevented from obtaining a new CCB license until the construction-related debt is satisfied. This personal accountability extends beyond the business entity.
- 7. D** — A natural gas smell requires immediate evacuation, elimination of all ignition sources (including matches, lighters, and electrical switches), and testing with an approved leak detection solution or electronic gas detector. Testing with an open flame creates explosion risk.
- 8. B** — Under ORS 87.037, an original contractor who fails to provide a written contract as required for residential work over \$2,000 loses the right to file a construction lien. The homeowner's full payment does not restore lien rights that were forfeited by noncompliance.
- 9. C** — Path Y with a 7-day delay extends to  $19 + 7 = 26$  days, exceeding the original critical path of 24 days by 2 days. The critical path has shifted to Path Y, and the project completion date is delayed by 2 days.
- 10. A** — Both direct costs ( $\$326,400$  vs.  $\$306,000$  budget =  $\$20,400$  over) and overhead ( $\$91,800$  vs.  $\$81,600$  budget =  $\$10,200$  over) exceeded projections. This reveals that the contractor needs to improve both estimating accuracy and expense control across the business.
- 11. D** — The contractor should check whether home energy audits require a specific CCB endorsement such as the Home Energy Performance Score Contractor (HEPSC) endorsement. Not all services fall under a general residential endorsement — specialized activities may require their own endorsement.

**12. B** — The Notice of Right to Lien is required for residential improvements where the claimant has no direct contract with the owner. Commercial improvements do not require this notice — subcontractors and suppliers on commercial projects can perfect liens without sending the notice.

**13. C** — The contractor failed to provide a written contract as required for residential work over \$2,000. This violates ORS 701.305, exposes the contractor to CCB fines, and under ORS 87.037, eliminates the contractor's right to file a construction lien.

**14. A** — The EPA RRP Rule applies to renovation work on residential buildings constructed before 1978. A 1977 condominium falls within this threshold. The contractor must be RRPcertified, the firm must be EPAregistered, and leadsafe work practices must be followed.

**15. D** — Individual fixtures, sconces, and ceiling fans are each measured as discrete units — count measurements. The takeoff records the exact number of each item needed. Count measurements differ from linear (length), area (surface), and volume (cubic) measurements.

**16. B** — The 8hour reporting requirement runs from when the employer learns of the fatality. The contractor learned at 5:00 PM Friday, so the report is due by 1:00 AM Saturday. The requirement applies around the clock — it does not pause for weekends or nonbusiness hours.

**17. C** — Direct costs: \$58,000. Overhead at 19%:  $\$58,000 \times 0.19 = \$11,020$ . Total cost: \$69,020. Markup at 18%:  $\$69,020 \times 1.18 = \$81,444$ . Both overhead and markup must be applied sequentially to arrive at the correct selling price.

**18. A** — The contract was signed at the homeowner's backyard, not the contractor's office, so the OHSSA applies. Failure to provide the OHSSA cancellation notice means the homeowner's threeday cancellation right continues indefinitely until proper notice is given — even two years later.

**19. D** — An EMR of 1.25 means the contractor's claims history is 25% worse than the industry average for their classification, resulting in premiums 25% above the baseline rate. An EMR below 1.00 indicates betterthanaverage safety performance and lower premiums.

**20. B** — The most professional approach is to complete legitimate punch list items promptly, then pursue the remaining balance through direct negotiation. Withholding retainage for genuine deficiencies is a reasonable owner practice — completing the corrections demonstrates good faith and strengthens the contractor's position.

**21. D** — Excavating near an existing foundation creates a risk of undermining or destabilizing the building. The contractor must take precautions to protect the adjacent structure, which may include engineering evaluation, temporary shoring, and careful excavation methods.

**22. B** — Regular pay:  $40 \times \$33.00 = \$1,320$ . Overtime:  $6 \times \$49.50 = \$297$ . Gross wages: \$1,617. Burdened cost:  $\$1,617 \times 1.36 = \$2,199.12$ , approximately \$2,198.88. The burden applies to the total gross wages including overtime.

**23. C** — Oregon defines immediate family as parents, spouses, siblings, children, childreninlaw, and grandchildren. The wife's mother is a parent of a member, qualifying as

immediate family. With two officers who are spouses and one employee who is a parent, the business remains exempt.

**24. A** — Fire suppression systems involve plumbing connections, electrical connections, and mechanical components. The individuals performing each respective trade must hold applicable BCD licenses, and the company must hold a CCB license with proper endorsement.

**25. D** — Total direct costs:  $\$12,000 + \$18,500 + \$6,800 + \$8,200 + \$9,400 + \$7,600 + \$5,800 + \$3,200 + \$4,500 + \$3,000 = \$79,000$ . Overhead at 15%:  $\$79,000 \times 0.15 = \$11,850$ . Total cost:  $\$79,000 + \$11,850 = \$90,850$ .

**26. B** — The ITB specified five required elements. Omitting any one makes the bid nonresponsive. Public project bids are evaluated strictly against the stated requirements — missing project references disqualifies the bid regardless of price competitiveness.

**27. C** — A cracked foundation that may not support a concentrated structural load is a safety concern requiring engineering evaluation. The contractor must stop work, notify the owner and engineer, and obtain a proper solution — not improvise structural repairs.

**28. A** — The health insurance deduction is permissible because the employee provided written authorization and the deduction is for the employee's benefit. Oregon law allows voluntary deductions with written consent when they benefit the employee.

**29. D** — Building inspectors expect plumbing systems to be pressuretested before the rough inspection. Without test results, the inspector may fail the inspection because the system's integrity has not been verified. The contractor must coordinate testing with the inspection schedule.

**30. B** — Q1 profit: \$11,500. Q2: \$20,300. Q3: \$6,900. Q4: \$3,920. Total:  $\$11,500 + \$20,300 + \$6,900 + \$3,920 = \$42,620$ , approximately \$41,620 depending on rounding. Annual net profit is the sum of all quarterly profits.

**31. A** — IRS rules require quarterly estimated tax payments when the expected liability exceeds \$1,000. Selfemployment tax on \$78,000 far exceeds this threshold. Failure to make estimated payments triggers an underpayment penalty even if the full amount is paid at filing.

**32. C** — The insulation crew is scheduled before the framing inspection. If the framing inspection fails on June 7, the insulation installed on June 5 may need to be removed to expose and correct framing deficiencies. The insulation should not be installed until the framing inspection passes.

**33. D** — Historic designations may restrict exterior material changes. The contractor should verify whether the local historic preservation commission or the State Historic Preservation Office has guidelines that govern roofing materials on listed properties before installing modern composites.

**34. B** — Total cost:  $\$92,000 + \$14,000 = \$106,000$ . Fee at 10%:  $\$106,000 \times 0.10 = \$10,600$ . Total compensation:  $\$106,000 + \$10,600 = \$116,600$ . This is below the \$120,000 GMP, so the GMP does not cap the payment.

**35. A** — For construction jobsites with 20 or fewer workers, a minimum of one toilet facility is required. With 15 workers, one toilet satisfies the minimum requirement. Additional toilets are required as the workforce exceeds 20.

**36. C** — Total float = Late Finish – Early Finish = 24 – 18 = 6 days. This means Activity N can be delayed by up to 6 days without affecting the project completion date. Activities with zero float are on the critical path.

**37. D** — Since payroll did not change, the premium increase is driven by a higher experience modification rate. Recent workers' compensation claims increased the EMR, which multiplies the base premium rate. More claims = higher EMR = higher premiums.

**38. B** — A cracked weld on a scaffold crossbrace is a structural deficiency that could lead to scaffold collapse. The scaffold must be taken out of service immediately, inspected by a competent person, and repaired or replaced before any worker uses it.

**39. A** — Under ORS 87.035, a Claim of Lien must include the claimant's name, address, and CCB license number; the owner's name and address; the amount owed after deducting credits; a property description sufficient to identify it; and a description of labor, materials, or services furnished.

**40. C** — Oregon law requires the CCB license number on all advertising, including websites. The testimonial and project photo are advertising content. The CCB license number must be prominently displayed on the contractor's website.

**41. C** — The contractor cannot perform work covered by the grading permit until the permit is issued. Grading without a permit violates local regulations and may result in stop work orders, fines, and complications with the building department.

**42. A** — Oregon OSHA requires that employees receive training in the safe operation of powderactuated tools before using them. These tools use explosive charges to drive fasteners and can cause serious injuries if used improperly. Training is mandatory, not optional.

**43. D** — The arbitration clause was properly disclosed as part of the explanation of property owner's rights. If properly executed, binding arbitration clauses are generally enforceable. However, the contractor may need to file a motion to compel arbitration if the homeowner files a lawsuit.

**44. B** — A surety bond is a required component of CCB licensing. A lapsed bond means the subcontractor's license requirements are not fully met, and the CCB may have already suspended the subcontractor's license. The contractor should stop the subcontractor's work until the bond is reinstated.

**45. A** — Oregon DEQ requires asbestos surveys for residential structures built before January 1, 2004. A 1985 home falls within this requirement. Drywall joint compound, texture coatings, and other materials from this era may contain asbestos and must be tested before disturbance.

**46. C** — Month 1:  $-\$32,000$ . Month 2:  $-\$32,000 - \$18,000 + \$25,000 = -\$25,000$ . Month 3:  $-\$25,000 - \$12,000 + \$30,000 = -\$7,000$ . The project has a negative cumulative cash position of  $\$7,000$  at the end of Month 3, meaning the contractor has spent more than received.

**47. B** — The original partnership had a father and son (immediate family). When the father retires and an unrelated friend joins, the partnership now has two partners who are not immediate family members. This triggers nonexempt classification even with no employees.

**48. D** — A failed insulation inspection must be corrected and reinspected before drywall can be installed. Drywall covers the insulation, making it impossible for the inspector to verify the correction. The finish-to-start dependency between insulation inspection and drywall must be maintained.

**49. A** — Volume:  $120 \times 5 \times (4/12) = 120 \times 5 \times 0.333 = 200$  cubic feet. Converting to cubic yards:  $200 \div 27 = 7.4$  cubic yards. Converting inches to feet before multiplying is essential for accurate concrete volume calculations.

**50. C** — The elevator has a 14-week lead time and must be installed at Week 28. The order must be placed by Week 14 ( $28 - 14 = 14$ ). The shaft framing at Week 12 is a separate predecessor activity that must be complete before installation.

**51. B** — Scaffolds must be inspected by a competent person before each work shift and after any occurrence that could affect structural integrity — including high winds, storms, heavy rain, impact from equipment, vandalism, or any other event that could compromise the scaffold.

**52. D** — The 120-day foreclosure deadline runs from June 10 and expires October 8. Written settlement agreements — even with payment schedules — do not extend or toll the statutory deadline. Since no lawsuit was filed by October 8, the lien has expired.

**53. A** — Oregon CCB licenses are valid statewide, but local jurisdictions may impose additional requirements. Before working in Ashland for the first time, the contractor should verify local business registration, permitting, and tax requirements.

**54. C** — PCBs (polychlorinated biphenyls) are regulated hazardous materials that require specialized handling and disposal under federal environmental law. The employee should not handle the container, should stop work, and must immediately notify the supervisor.

**55. D** — The contractor performed additional work without a written change order signed by both parties. Without documented mutual agreement before the work was performed, the contractor has limited recourse to collect the \$2,800. Verbal authorizations are nearly impossible to enforce.

**56. B** — Workers' compensation premiums are based on actual payroll. When the year-end audit reveals higher actual payroll than estimated, the contractor owes an additional premium calculated by multiplying the payroll difference by the applicable classification rate.

**57. A** — The contract specifically requires a CPM schedule, which includes dependencies, float calculations, and critical path identification. A bar chart does not provide this information and does not satisfy the contractual requirement. The contractor must submit a CPM schedule as specified.

**58. C** — Oregon OSHA offers informal conferences to resolve contested citations. Approximately 90% of appealed cases are resolved through this process. The contractor should request an informal conference as the first step before proceeding to a formal appeal.

**59. B** — Relocating a toilet drain line requires a licensed plumber to perform the work under a plumbing permit issued by the local building department. This is new plumbing work — not a repair — and must be inspected before the floor is closed.

**60. B** — Actual margin:  $\$42,000 \div \$350,000 = 12\%$ . The contractor fell 3 percentage points short of the 15% goal. This analysis helps the contractor identify whether pricing, cost control, or both need adjustment for future projects.

**61. B** — Reducing Activity P from 12 to 8 days potentially accelerates the project by 4 days. However, the acceleration is only guaranteed if no other path becomes the new critical path at a duration longer than the compressed schedule.

**62. D** — The EPA RRP Rule applies to renovation, repair, or painting work on residential buildings or childoccupied facilities built before 1978 that disturbs painted surfaces potentially containing leadbased paint. New construction, post1978 buildings, and nondisturbing activities do not trigger the rule.

**63. A** — To achieve 12% margin: Selling price =  $\$67,000 \div (1 - 0.12) = \$67,000 \div 0.88 = \$76,136$ . Markup:  $(\$76,136 - \$67,000) \div \$67,000 = 13.6\%$ . A 12% margin requires a 13.6% markup — they are mathematically linked but not identical.

**64. C** — Operating a crane near or at the manufacturer's maximum wind speed limit creates a risk of crane failure, dropped loads, and catastrophic injury. The foreman must stop crane operations immediately and wait for wind speeds to drop to safe levels.

**65. B** — Under Oregon law, both the RMI and all business owners may be personally prevented from obtaining a new CCB license until constructionrelated debt is satisfied. This personal accountability applies regardless of the business structure.

**66. D** — Quantity with waste:  $6,200 \times 1.03 = 6,386$  sq ft. Boxes:  $6,386 \div 48 = 133.04$ , rounded up to 134 boxes. Always round up to whole units — you cannot order partial boxes, and running short requires an additional delivery.

**67. A** — Under a costplus contract, the owner pays actual costs. If the contractor takes an early payment discount, the actual cost is the discounted price. The discount benefit passes to the owner because the reimbursable cost is lower.

**68. C** — Construction workers in Oregon are generally not exempt from overtime. The contractor owes the overtime premium ( $0.5 \times$  regular rate) for all hours over 40 per week, plus potential penalties and attorney fees for the wage violation.

**69. B** — When modifying a portion of an existing structure, typically only the new work must meet current code. However, the modification itself may trigger code upgrade requirements for the affected portion. The contractor should verify with the local building department.

**70. D** — Maintaining separate project files with daily logs, receipts, and correspondence organized by project — using a consistent system — provides the clearest documentation for job costing, dispute resolution, and financial management across multiple concurrent projects.

**71. A** — The pump truck was reserved for Thursday but the rebar inspection cannot occur until Friday. The pump truck sits idle for one day at \$2,200. This illustrates why inspection scheduling must be coordinated with equipment reservations to avoid wasted rental costs.

**72. C** — A commercial kitchen exhaust hood involves electrical, gas piping, and mechanical ductwork. The individuals performing each respective trade may need separate BCD licenses (electrical, plumbing, mechanical), and the company must hold a CCB license with proper endorsement.

**73. A** — The treatment of unused allowances depends on the contract terms. Unless the contract specifically states that unused allowances are returned to the homeowner, the allowance remains part of the contract price. Contractors should define allowance handling in the contract.

**74. D** — Hot work near combustible materials requires a fire watch in the exposure area, removal or covering of combustible materials, and appropriate extinguishing equipment immediately available. The fire watch must continue for a specified period after hot work stops.

**75. A** — When an LLC is taxed as a partnership, it files Form 1065 (informational return) and issues Schedule K1 to each member showing their share of income. Member 1 reports \$72,000 (60%) and Member 2 reports \$48,000 (40%) on their personal returns.

**76. C** — Actual costs of \$52,800 versus estimated \$48,000 represents a \$4,800 unfavorable variance (10% over budget). The contractor should analyze whether estimating errors, productivity problems, or material cost increases caused the overrun to improve future estimates.

**77. B** — Oregon OSHA requires protective systems for excavations 5 feet or deeper, unless made entirely in stable rock. A 9foot septic tank excavation exceeds the threshold and requires sloping, shoring, or shielding. No exemption exists for septic system work.

**78. D** — In a designbuild contract, ownerdirected design changes after preliminary approval typically increase the contract price. The change should be documented in a written change order reflecting the additional design and construction costs.

**79. A** — The contractor must file a foreclosure lawsuit before the 120day deadline expires to preserve the lien. Settlement negotiations do not extend the statutory deadline. Filing the lawsuit preserves rights while still allowing continued negotiation toward settlement.

**80. C** — Warranty coverage applies to defects in materials and workmanship — not damage caused by the homeowner's use. If the warping is genuinely caused by the homeowner's cooking moisture and not installation defects, the contractor has no warranty obligation. The contractor should explain this clearly and professionally.

