

# PRACTICE EXAM 11: OREGON CCB SIMULATION (80 QUESTIONS)

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

1. A contractor holds a Residential Specialty Contractor endorsement and is hired to install hardwood flooring and paint the interior of a condominium unit on the third floor of a four-story building. The contract price is \$7,200. Can the contractor legally perform this work?

- A. No, because condominium buildings over two stories always require a commercial endorsement
- B. No, because the RSC endorsement does not cover interior finish work in multistory buildings
- C. Yes, but only if the contractor obtains a separate interior finish permit from the Building Codes Division
- D. Yes, because condominiums of four stories or less are classified as residential, and the work involves two or fewer unrelated trades

2. A contractor has been operating as a sole proprietor for three years. The contractor wants to bring in a partner who will contribute \$50,000 in capital. They plan to form a general partnership. What critical document should they create before beginning the partnership?

- A. A joint venture agreement filed with the Oregon Construction Contractors Board
- B. A written partnership agreement defining capital contributions, profit sharing, decisionmaking authority, and dissolution procedures
- C. A memorandum of understanding registered with the Oregon Secretary of State
- D. A silent partner disclosure form submitted to the Oregon Department of Revenue

3. A contractor's project estimate includes direct costs of \$49,500, a general overhead rate of 20%, and a desired profit margin of 10%. What selling price achieves a true 10% margin?

- A. \$54,450 using a 10% markup on direct costs only
- B. \$65,340 using a 10% markup on total cost including overhead

- C. \$66,000 calculated by dividing total cost (\$59,400) by 0.90 to achieve a 10% margin
- D. \$59,400 which represents total cost with no profit added

4. Under Oregon law, a contractor who builds a new residential home must make a written offer of warranty. The warranty must cover which of the following?

- A. Defects in materials and workmanship
- B. Defects in design created by the architect or engineer hired by the property owner
- C. Normal wear and tear on all building components for a period of five years
- D. Any decrease in property value that occurs within two years of construction completion

5. A contractor's CCB license expires on September 30. The contractor submits a renewal application on October 15 — two weeks after expiration. Can the contractor legally perform construction work between October 1 and October 15?

- A. Yes, because the CCB provides a 30day grace period for renewal applications
- B. Yes, because the contractor's intent to renew preserves the license until the application is processed
- C. No, because the license expired on September 30 and any work performed after that date is unlicensed contracting
- D. No, but only if the contractor has active projects — contractors with no active work may renew late

6. A contractor's project schedule identifies that Activity E requires a building inspection before Activity F can begin. The inspection is scheduled for Wednesday, but the building inspector calls Monday to reschedule to Friday. Activity F was scheduled to start Thursday. What type of schedule impact does this create?

- A. A resource conflict that can be resolved by adding a second inspection team
- B. A float reduction on Activity E that does not affect the project completion date
- C. A cost overrun because the contractor must pay the inspection fee twice
- D. A potential 2day delay if Activity F cannot start until the inspection passes on Friday — the contractor must evaluate whether this affects the critical path

7. A contractor operating as a corporation has three corporate officers — two brothers and their unrelated business manager. The corporation has no other employees. They want to hire a parttime receptionist who is the wife of one of the brothers. After hiring, how is the business classified?

- A. Exempt, because the receptionist is immediate family and the nonfamily officer does not trigger nonexempt when there are no nonfamily employees
- B. Nonexempt, because the corporation has more than two officers who are not all immediate family — the receptionist's family status does not change the officer-based classification
- C. Exempt, because the majority of the workforce (three of four individuals associated with the business) are family members
- D. Nonexempt, but only if the receptionist works more than 20 hours per week

8. A contractor receives a \$22,000 progress payment from a homeowner. The contractor owes \$6,400 to a tile subcontractor and \$3,800 to a lumber supplier for work and materials on this project. The contractor instead uses the entire \$22,000 to purchase materials for a different project. What problems does this create?

- A. The unpaid subcontractor and supplier may file liens against the homeowner's property, the homeowner's trust is damaged, and the contractor may face a CCB complaint for failing to pay parties who contributed to the project
- B. No problems, because contractors have full discretion over how progress payments are allocated across projects
- C. The only problem is a potential tax reporting issue with the Oregon Department of Revenue
- D. No problems, as long as the contractor pays the subcontractor and supplier before the current project reaches completion

9. Under Oregon OSHA, a competent person inspecting an excavation must have which two qualifications?

- A. A four-year degree in soil science and five years of excavation experience
- B. An Oregon OSHA excavation safety certification and a current first aid card
- C. The ability to identify existing and predictable hazards and the authority to take prompt corrective measures
- D. A professional engineering license and written authorization from the project owner

10. A contractor's employee discovers an unlabeled 5-gallon bucket of liquid on a commercial jobsite. The bucket has no Safety Data Sheet nearby. Under the Hazard Communication Standard, what should the employee do?

- A. Pour a small amount on the ground to observe the liquid's color and consistency for identification
- B. Move the bucket to the chemical storage area and label it based on the employee's best guess
- C. Use the liquid if it appears to be a common construction product such as paint or adhesive

D. Do not handle the bucket, report it to the supervisor, and treat the contents as potentially hazardous until properly identified

11. A contractor's project involves a 200 linear foot retaining wall on a residential property. The structural engineer specifies #4 rebar at 16 inches on center horizontally and 24 inches on center vertically, with the wall standing 4 feet tall. The contractor installs #3 rebar instead of #4, reasoning that the wall is "only" 4 feet tall. What violation has occurred?

- A. The contractor deviated from the approved structural drawings — substituting a smaller rebar size without engineering approval creates a structural deficiency and code violation
- B. No violation, because #3 and #4 rebar are interchangeable for retaining walls under 6 feet
- C. A minor deviation that the building inspector will note but not require correction
- D. A warranty violation only, because rebar substitutions become actionable only if the wall fails

12. A contractor's annual financial review reveals the following: total revenue \$428,000, total direct costs \$278,200, total general overhead \$85,600, and total net profit \$64,200. The contractor wants to verify the net profit margin. What is it?

- A. 18.5%
- B. 15.0%
- C. 23.1%
- D. 10.0%

13. A contractor operating as a sole proprietor wants to limit personal liability but does not want to deal with the administrative requirements of a corporation. The contractor's accountant suggests forming an LLC and electing S Corporation tax treatment. What is the combined benefit of this approach?

- A. The LLC eliminates all personal liability permanently, and the S Corp election eliminates all employment taxes
- B. The LLC provides tax exempt status for the first five years, and the S Corp election defers all income tax until retirement
- C. The LLC provides corporate level liability protection, and the S Corp election provides passthrough taxation for both state and federal filings
- D. The LLC provides personal liability protection with minimal formality, and the S Corp election allows splitting income into salary (subject to FICA) and distributions (not subject to FICA) to reduce self employment tax

14. A contractor's takeoff for a residential project identifies that the kitchen requires 68 linear feet of upper cabinetry and 52 linear feet of lower cabinetry. The contractor prices upper cabinets at \$145 per linear foot installed and lower cabinets at \$165 per linear foot installed. What is the estimated cost for all kitchen cabinetry?

- A. \$18,440
- B. \$17,400
- C. \$18,440 for uppers (\$9,860) plus lowers (\$8,580)
- D. \$19,740

15. A property owner hires a contractor for a \$55,000 home renovation. The contract is signed at the contractor's office. The owner provides a \$5,500 deposit. Two days later, the owner calls to cancel under the OHSSA. Is the owner entitled to cancel?

- A. No, because the OHSSA does not apply when the contract is signed at the contractor's permanent place of business — only the onebusinessday right under ORS 701.310 applies
- B. Yes, because the OHSSA applies to all residential contracts regardless of where they are signed
- C. No, because the \$5,500 deposit constitutes waiver of all cancellation rights
- D. Yes, because the contract exceeds \$50,000, triggering an automatic threeday cancellation right

16. A contractor's project involves removing popcorn ceiling texture in a home built in 1979. Under the EPA RRP Rule, must the contractor follow leadsafe work practices?

- A. No, because the RRP Rule applies only to structures built before 1970
- B. Yes, because the home was built before 1978 and the renovation will disturb painted surfaces that may contain leadbased paint
- C. No, because popcorn ceiling texture is not classified as a painted surface under the RRP Rule
- D. Yes, but only if the contractor performs a lead test and confirms the presence of lead paint before beginning work

17. A contractor's project budget shows the following: materials \$31,000, labor \$24,500, equipment \$4,800, subcontractors \$16,200, job overhead \$6,500, and general overhead allocation \$14,940. The contract price is \$112,000. What is the net profit?

- A. \$112,000
- B. \$82,500

- C. \$97,940
- D. \$14,060

18. Under Oregon's Construction Lien Law, a contractor who provides labor or materials for an improvement to real property has the right to file a lien. However, this right can be lost if the contractor fails to comply with which requirements?

- A. Filing an annual lien renewal with the county recorder's office each calendar year
- B. Obtaining the property owner's written consent before filing the Claim of Lien
- C. Providing required written contracts and consumer notices, filing within the 75day deadline, and notarizing the claim
- D. Registering the lien with the CCB within 30 days of project completion

19. A contractor operating in Portland is hired for a project in Lake Oswego, a nearby city with its own local business tax requirements. The contractor has never worked in Lake Oswego before. What should the contractor verify before beginning the project?

- A. Whether Lake Oswego has local business registration, permitting, or tax requirements that differ from Portland
- B. Whether the contractor's CCB license must be amended to include Clackamas County coverage
- C. Whether the contractor's surety bond covers work performed outside Multnomah County
- D. Whether Oregon OSHA requires a separate safety plan for projects in different jurisdictions

20. A contractor's employee works 45 hours in a single workweek. The employee's regular hourly rate is \$36.00. The employer's burden rate is 38%. What is the total burdened labor cost for this week?

- A. \$1,620.00
- B. \$2,359.80
- C. \$1,710.00
- D. \$2,236.50

21. A general contractor discovers that a painting subcontractor has been thinning paint excessively to cover more area with less material, resulting in visible wall defects. The homeowner has not yet noticed the problem. What should the GC do?

- A. Require the painting subcontractor to redo the deficient work at the subcontractor's expense before the homeowner sees it — the GC is responsible for the quality of all work on the project
- B. Wait for the homeowner to notice the issue and address it during the punch list phase
- C. Deduct 10% from the painting subcontractor's final payment as a quality penalty
- D. File a CCB complaint against the painting subcontractor and withhold all future payments

22. A contractor enters into a costplus contract with a 15% fee. The direct costs total \$126,000 and job overhead is \$19,000. There is no guaranteed maximum price. What is the total amount the property owner pays?

- A. \$145,000 plus a 15% markup on direct costs only
- B. \$126,000 plus 15% fee, with job overhead billed separately at cost
- C. \$166,750, calculated as total costs (\$145,000) plus a 15% fee (\$21,750)
- D. \$144,900, calculated as direct costs (\$126,000) plus 15% of direct costs

23. A contractor's project schedule shows the following critical path duration: 42 days. The contract requires completion within 38 days. The contractor identifies that Activity J (10 days duration, on the critical path) can be reduced to 7 days by adding a second crew at an additional cost of \$4,200. Should the contractor crash Activity J?

- A. No, because crashing adds cost without providing any schedule benefit
- B. Yes, because the 3day compression reduces the critical path from 42 to 39 days — but 1 additional day of compression is still needed from another criticalpath activity to meet the 38day requirement
- C. No, because the contract completion date of 38 days is a guideline, not a firm requirement
- D. Yes, because the 3day compression brings the schedule to exactly 38 days

24. Under Oregon law, a contractor who changes their business address must notify the CCB. The contractor moves offices on March 1 but does not update the CCB until July 15. In April, the CCB mails a renewal notice to the old address. The contractor never receives it. What consequence may follow?

- A. The CCB will automatically extend the renewal deadline by 90 days due to the address discrepancy
- B. The contractor's license will be upgraded to a higher endorsement to compensate for the mailing error
- C. No consequence, because the CCB is required to verify current addresses before mailing notices
- D. The contractor may miss the renewal deadline, causing a license lapse — the contractor is responsible for notifying the CCB of address changes promptly

25. A contractor's project involves installing a commercial fire alarm system. The fire alarm subcontractor's crew arrives at the site, but the rough electrical inspection has not yet been completed. The fire alarm work requires connection to the building's electrical panel, which has not been inspected. Should the fire alarm crew begin work?

- A. No, because the fire alarm connections depend on the rough electrical passing inspection — work that connects to uninspected systems should not proceed
- B. Yes, because fire alarm systems are independent of the building's electrical infrastructure
- C. No, but only if the local fire marshal has not yet approved the fire alarm plans
- D. Yes, because the fire alarm subcontractor's scope is covered by their own separate permit

26. A contractor's daily log from a residential project reads: "October 8 — Homeowner requested additional outdoor lighting along the walkway. Discussed options and pricing. Homeowner agreed to \$1,400 for six LED path lights. Crew will install Thursday." What documentation step is missing?

- A. A building permit application for the outdoor lighting installation
- B. Notification to the CCB of the scope change within five business days
- C. A written change order signed by both parties before the additional work is performed
- D. An email to the homeowner's mortgage lender disclosing the contract modification

27. A contractor's workers' compensation policy has a classification code rate of \$9.80 per \$100 of payroll. The contractor's experience modification rate is 0.88. Annual payroll for that classification is \$195,000. What is the approximate annual workers' compensation premium?

- A. \$16,823
- B. \$19,110
- C. \$22,540
- D. \$14,200

28. A contractor's project involves excavating a trench for a storm drain line. The trench is 6 feet deep in Type C soil — the least stable classification. The contractor decides to slope the trench walls. Under Oregon OSHA, what slope ratio is required for Type C soil?

- A. 3/4 horizontal to 1 vertical (3/4H:1V, or 53degree angle)
- B. 1 horizontal to 1 vertical (1H:1V, or 45degree angle)
- C. 2 horizontal to 1 vertical (2H:1V, or 26.5degree angle)

D. 11/2 horizontal to 1 vertical (1.5H:1V, or 34degree angle)

29. A contractor completes a residential project. The homeowner is satisfied and pays the final invoice. The contractor asks the homeowner for a referral to their neighbors. This marketing approach is an example of which strategy?

- A. Direct mail marketing targeting a specific geographic area
- B. Referralbased marketing, which is the most powerful marketing tool in the construction industry
- C. Social media marketing using the homeowner's endorsement on digital platforms
- D. Coldcall prospecting to generate new business leads in the neighborhood

30. A contractor files a Claim of Lien on a residential property on April 20. The contractor and the property owner enter into settlement negotiations on May 15. On July 1, the contractor decides that settlement is unlikely and wants to file a foreclosure lawsuit. How many days remain before the lien expires?

- A. 49 days — the lien expires on August 18 (120 days after April 20), and July 1 is 71 days after filing
- B. 75 days — settlement negotiations toll the 120day period for the duration of negotiations
- C. 30 days — the lien has a reduced enforcement period when settlement negotiations fail
- D. The lien has already expired because settlement negotiations that fail within 75 days void the lien

31. A contractor's project involves a residential kitchen remodel. The homeowner asks the contractor to move the gas range from one wall to the opposite wall. This requires extending the gas line by 12 feet. Under Oregon law, who must perform this gas line work?

- A. Any CCBlicensed contractor may extend residential gas lines as part of a remodeling project
- B. The general contractor may perform the work if they have at least five years of construction experience
- C. The homeowner may perform the gas line work themselves since it is on their own property
- D. A plumber holding both a CCB license and a BCD plumbing license must perform the gas piping work

32. A contractor's annual overhead analysis shows total general overhead of \$114,000 and total annual direct costs of \$600,000. The contractor takes on a project with estimated direct costs of \$72,000. How much general overhead should be allocated to this project?

- A. \$114,000 because overhead is a fixed cost charged in full to the largest project
- B. \$12,000 calculated by dividing total overhead by the number of active projects
- C. \$13,680 calculated by applying the 19% overhead rate ( $\$114,000 \div \$600,000$ ) to the project's direct costs
- D. \$7,200 calculated as 10% of the project's direct costs regardless of the actual overhead rate

33. A property owner signs a residential contract for \$28,000 at their kitchen table on Monday afternoon. The contractor provides the written contract, all required consumer notices, and the OHSSA cancellation notice with oral explanation. On Wednesday morning, the homeowner calls to cancel. Is the cancellation timely under the OHSSA?

- A. No, because the threebusinessday period expired at midnight on Wednesday
- B. Yes, because Wednesday is within three business days of Monday (counting Tuesday, Wednesday, and Thursday) — the cancellation right extends through midnight Thursday
- C. No, because the homeowner must wait until the third full business day before canceling
- D. Yes, because the OHSSA provides five business days to cancel on contracts over \$25,000

34. A contractor's estimate for a concrete driveway includes the following: 18 cubic yards of concrete at \$165/yard, rebar at \$1,200, forms at \$800, labor (64 hours at \$42.50 burdened rate), and equipment rental \$450. What are the total direct costs?

- A. \$8,170 for concrete (\$2,970), rebar (\$1,200), forms (\$800), labor (\$2,720), and equipment (\$450) — but this appears incorrect; the actual total is  $\$2,970 + \$1,200 + \$800 + \$2,720 + \$450 = \$8,140$
- B. \$5,420 covering materials only without labor or equipment
- C. \$10,890 including a 15% general overhead allocation
- D. \$6,170 covering concrete and rebar only

35. A contractor receives an Oregon OSHA citation for a "failuretoabate" violation. What does this mean?

- A. The contractor failed to report a workplace injury within the required timeframe
- B. The contractor failed to post the previous citation where employees could see it
- C. The contractor failed to provide fall protection on a scaffold exceeding ten feet
- D. The contractor failed to correct a previously cited violation by the ordered abatement date

36. Under Oregon's Construction Lien Law, when a lien claimant records a Claim of Lien, the claimant must mail a certified copy to the property owner and mortgagee within how many days?

- A. 10 days of recording the lien
- B. 30 days of recording the lien
- C. 20 days of recording the lien
- D. 15 days of recording the lien

37. A contractor's project involves installing a new HVAC system in a commercial building. The mechanical subcontractor completes the roughin and requests payment. The general contractor's subcontract requires that the rough mechanical inspection must pass before the progress payment is released. The inspection has not yet been scheduled. What should the GC do?

- A. Pay the subcontractor immediately because the work is visually complete
- B. Schedule the inspection, and release payment only after the rough mechanical inspection passes as specified in the subcontract
- C. Pay 50% now and withhold the remaining 50% until the inspection passes
- D. Pay the full amount but require the subcontractor to sign a guarantee that the inspection will pass

38. A contractor's employee is working on a commercial roof at 22 feet when they need to relocate their personal fall arrest system anchor point. The employee temporarily disconnects the lanyard to move to a new anchor. During the 30 seconds of disconnection, the employee falls and is seriously injured. What safety requirement was violated?

- A. The requirement to maintain 100% tieoff — the employee should never have been disconnected from an anchor point while at an elevation requiring fall protection
- B. The requirement to use a guardrail system instead of a personal fall arrest system at heights over 20 feet
- C. The requirement to have a safety net below the work area as a backup to the personal fall arrest system
- D. The requirement to use a selfretracting lifeline instead of a standard lanyard above 15 feet

39. A contractor operating as a general partnership has two partners who are siblings. They have no employees. One partner performs all field work while the other manages the office. The office partner decides to hire a parttime bookkeeper who is the spouse of the field partner. After hiring, how is the business classified?

- A. Exempt, because the three partners are all immediate family and the bookkeeper is the spouse of one partner — qualifying as immediate family
- B. Nonexempt, because employing anyone outside the partnership requires workers' compensation
- C. Exempt, because partnerships with fewer than three employees are always exempt
- D. Exempt, because the bookkeeper is immediate family (spouse of a partner), the partnership has no more than two partners who are siblings (immediate family), and the sole employee is also immediate family

40. A contractor's project involves building a retaining wall on a hillside residential lot. During excavation, the contractor discovers a natural spring that was not identified in the project plans. Water is flowing into the excavation at a steady rate. What should the contractor do?

- A. Pump the water into the street and continue excavation as planned
- B. Ignore the spring because seasonal water flows are common in Oregon hillsides
- C. Stop work, notify the homeowner and the project engineer, document the condition, and determine whether the design must be modified to account for the water before proceeding
- D. Add extra drainage gravel behind the retaining wall and continue construction without delay

41. A contractor's project requires a concrete foundation pour. The readymix supplier's batch plant is 45 minutes from the jobsite. The concrete specification requires that concrete be placed within 90 minutes of batching. The contractor orders 8 trucks, with each truck departing the plant at 15-minute intervals. The third truck is delayed 20 minutes due to a traffic accident. When the third truck arrives at the jobsite, how much time remains before the concrete must be placed?

- A. The concrete has already exceeded the 90-minute placement window and should be rejected
- B. 25 minutes remain (90 minutes minus the 45-minute transit minus the 20-minute delay = 25 minutes of placement time)
- C. 45 minutes remain because the delay extends the placement window proportionally
- D. No time limit applies because readymix concrete can be placed at any time after batching

42. A contractor's insurance agent explains that the contractor's general liability policy excludes coverage for "professional services." The contractor is hired to provide design consultation as part of a design-build project. If the contractor's design recommendation causes a structural deficiency, which policy would respond?

- A. The contractor's general liability policy under the products and completed operations coverage
- B. The contractor's workers' compensation policy under the professional services rider

- C. The contractor's surety bond, which covers design defects on designbuild projects
- D. A professional liability (errors and omissions) policy, which covers claims arising from professional services such as design consultation

43. A contractor's project schedule shows that the plumbing roughin and electrical roughin can proceed simultaneously after framing is complete. The plumbing takes 5 days and the electrical takes 4 days. The insulation inspection cannot be scheduled until both roughins are complete and inspected. What is the minimum time from the start of roughins to the insulation inspection?

- A. 5 days plus the time needed for plumbing and electrical inspections — because the plumbing roughin is the longer of the two parallel activities, it controls the minimum duration
- B. 4 days because the electrical roughin is the shorter activity
- C. 9 days because both roughins must be performed sequentially
- D. 7 days because the two activities overlap for 2 days

44. Under Oregon law, a contractor must provide the Information Notice to Owner About Construction Liens on residential projects exceeding \$1,000. This notice informs the property owner about which specific risk?

- A. The risk that the contractor's CCB license may expire during the project
- B. The risk that the contractor may file a lien if the homeowner does not pay the contract price
- C. The risk that subcontractors and material suppliers may file liens against the property if the general contractor fails to pay them
- D. The risk that building code violations may be discovered during construction inspections

45. A contractor's employee is operating a backhoe near an overhead power line on a residential site. The boom of the backhoe contacts the power line, and the operator suffers an electrical shock. Under Oregon OSHA, what minimum clearance should have been maintained from the power line?

- A. 5 feet from all power lines regardless of voltage level
- B. 15 feet from all power lines during equipment operation
- C. 20 feet from all power lines during crane and heavy equipment operations
- D. 10 feet from power lines carrying up to 50kV

46. A contractor's project involves a commercial tenant improvement. The tenant (not the building owner) hired the contractor directly. The building owner did not authorize or

participate in the construction contract. Under Oregon's Construction Lien Law, can the contractor file a lien against the building?

- A. Yes, because any contractor who improves real property may file a lien regardless of who hired them
- B. The contractor's lien rights may be limited — the building owner can post a Notice of Nonresponsibility to limit lien exposure for improvements not authorized by the owner
- C. No, because liens can only be filed by contractors hired directly by the property owner of record
- D. Yes, but only if the contract price exceeds \$50,000 on commercial tenant improvements

47. A contractor's profit and loss statement for the first quarter shows revenue of \$98,000 and expenses of \$91,140. The contractor's annual profit margin goal is 12%. Is the contractor on track?

- A. Yes, because the quarterly profit of \$6,860 represents exactly 12% of quarterly expenses
- B. No, because the first quarter revenue is below the contractor's annual target of \$400,000
- C. No, because the quarterly profit margin is approximately 7% ( $\$6,860 \div \$98,000$ ), falling short of the 12% goal
- D. Yes, because the contractor's overhead is within industry standard ranges

48. A contractor receives a building permit for a residential addition. During the project, the homeowner asks the contractor to add a bathroom that was not included in the original permit. Under Oregon building codes, what must happen before the bathroom can be constructed?

- A. The contractor must obtain a permit amendment or additional permit for the bathroom, as it involves plumbing, electrical, and structural work not covered by the original permit
- B. No additional permit is needed because the original building permit covers all work within the building footprint
- C. The contractor may proceed without a permit if the bathroom is under 100 square feet
- D. The homeowner must apply directly to the building department for a bathroom-specific construction permit

49. A contractor's employee quits without notice at 3:00 PM on a Wednesday. The contractor's next regular payday is the following Friday. Under Oregon law, when is the employee's final paycheck due?

- A. Immediately at 3:00 PM Wednesday when the employee communicates their resignation
- B. By the end of the next business day (Thursday) because quitting without notice is treated like a discharge

- C. Within 30 days of the employee's last day of work
- D. Within five business days or on the next regular payday (Friday), whichever comes first

50. A contractor's project involves removing and replacing a flat commercial roof. The contractor's roofing subcontractor begins tearoff on a Monday. By Wednesday, the subcontractor has removed 60% of the old roofing membrane. The weather forecast calls for heavy rain Thursday and Friday. What should the contractor do?

- A. Continue the tearoff through Wednesday and allow the rain to wash the exposed roof deck clean
- B. Stop the tearoff and begin reinstalling the old membrane to protect the building from rain
- C. Stop the tearoff, install temporary waterproofing over all exposed areas before the rain arrives, and resume tearoff when the weather clears
- D. Continue the tearoff through Friday because commercial roofing work is not affected by rain

51. A contractor's estimate for a residential project includes a line item for "allowances" — \$3,000 for light fixtures and \$5,000 for countertops. The homeowner selects fixtures totaling \$4,200 and countertops totaling \$4,100. How should the allowance differences be handled?

- A. The differences are absorbed by the contractor because allowances are guaranteed maximum prices
- B. The fixture overage of \$1,200 is added to the contract price and the countertop savings of \$900 is credited — resulting in a net increase of \$300 through a change order
- C. The homeowner owes the full \$8,000 in allowances regardless of actual selections
- D. The contractor keeps both differences as profit because allowances are estimates, not actual costs

52. Under Oregon OSHA, a contractor is required to maintain an OSHA 300 log of workrelated injuries and illnesses. Which of the following injuries is OSHA recordable?

- A. An injury that results in days away from work, restricted duty, or medical treatment beyond first aid
- B. A minor cut treated with an adhesive bandage and antibiotic ointment from the first aid kit
- C. A splinter removed with tweezers followed by application of antiseptic
- D. An insect sting treated with a nonprescription antihistamine cream

53. A contractor's project involves building a deck that will be attached to the house. The deck will have posts set in concrete footings 36 inches deep. Under Oregon building codes, does this deck require a building permit?

- A. No, because decks with footings less than 42 inches deep are exempt from permit requirements
- B. No, because residential decks are exempt from building permits in Oregon
- C. Yes, but only if the deck exceeds 200 square feet in total area
- D. Yes, because attached decks with structural footings typically require a building permit — the contractor should verify with the local building department

54. A contractor discovers that a material supplier has delivered the wrong grade of lumber to a jobsite. The lumber was specified as #2 grade Douglas Fir, but the delivery is #3 grade. The contractor's crew has already begun framing with the incorrect lumber. What should the contractor do?

- A. Continue framing with the #3 grade lumber and adjust the structural calculations accordingly
- B. Stop using the incorrect lumber, notify the supplier, and arrange for replacement with the specified grade — any framing completed with the wrong grade may need to be evaluated by the structural engineer
- C. File a complaint with the CCB against the lumber supplier for delivering incorrect materials
- D. Accept the #3 grade lumber and request a credit from the supplier for the price difference

55. A contractor's cash flow analysis shows that the business had a positive cash flow of \$8,000 in January, negative cash flow of \$12,000 in February, and positive cash flow of \$6,000 in March. The beginning cash balance on January 1 was \$15,000. What is the ending cash balance on March 31?

- A. \$8,000
- B. \$29,000
- C. \$17,000
- D. \$2,000

56. A contractor operating as a sole proprietor earns \$105,000 in net selfemployment income. The contractor has not made any quarterly estimated tax payments. The contractor files their annual return on April 15. In addition to the selfemployment tax and income tax owed, what penalty will the contractor face?

- A. An underpayment penalty for failure to make quarterly estimated tax payments, because the estimated liability on \$105,000 far exceeds the \$1,000 threshold

- B. No penalty, because sole proprietors may pay all taxes at the time of annual filing without penalty
- C. A penalty only if the contractor's total tax liability exceeds \$25,000 for the year
- D. A late filing penalty of 5% per month on the unpaid balance

57. A contractor's project schedule identifies the following path durations:

Path 1:  $A \rightarrow B \rightarrow D \rightarrow G = 26$  days

Path 2:  $A \rightarrow C \rightarrow E \rightarrow G = 22$  days

Path 3:  $A \rightarrow C \rightarrow F \rightarrow G = 24$  days

Activity E on Path 2 experiences a 6day delay. What is the impact?

- A. The project is delayed by 2 days because Path 2 extends to 28 days, exceeding the original critical path
- B. No impact because Path 2 has 4 days of float and the 6day delay is partially absorbed
- C. The project is delayed by 6 days because all delays on all paths affect the completion date
- D. The project is delayed by 2 days because Path 2 now extends to 28 days ( $22 + 6$ ), which exceeds the original critical path of 26 days by 2 days

58. A contractor receives a phone call from a homeowner who hired them to build a deck eight months ago. The homeowner reports that several deck boards have warped significantly and some fasteners have popped out. The contractor installed the materials per manufacturer specifications. What is the most likely issue, and what should the contractor do?

- A. The homeowner caused the damage through improper maintenance and the contractor has no obligation
- B. The warping and fastener failure suggest a potential material defect — the contractor should inspect the deck, determine the cause, and address the issue under their warranty obligations
- C. The contractor should refer the homeowner to the lumber supplier because material defects are the supplier's sole responsibility
- D. The contractor should send the homeowner a copy of the manufacturer's warranty and suggest they file a claim directly

59. Under Oregon law, a contractor must apply for their CCB license within how many months of passing the PSI exam?

- A. 24 months
- B. 12 months
- C. 36 months
- D. 18 months

60. A contractor's project involves a residential bathroom remodel. The project is 90% complete when the homeowner asks the contractor to stop work indefinitely due to a personal financial emergency. The contractor has \$4,200 in unpaid invoices. What should the contractor do?

- A. Continue working until the project is 100% complete, then bill for the remaining work
- B. File a construction lien immediately without communicating with the homeowner
- C. Abandon the project and forfeit the unpaid invoices to maintain the customer relationship
- D. Document the homeowner's request to stop work in writing, invoice for all completed work, and preserve lien rights by monitoring the 75day filing deadline from the date work ceased

61. A contractor's employee is working inside a partially enclosed commercial building during summer. The ambient temperature reaches 98°F. The employee begins showing signs of heat exhaustion — heavy sweating, weakness, and nausea. What is the employer's immediate obligation?

- A. Document the symptoms and schedule a followup evaluation for the next workday
- B. Provide the employee with a salt tablet and instruct them to continue working at a reduced pace
- C. Move the employee to a cool or shaded area, provide water, apply cooling measures, and monitor for worsening symptoms — seek medical attention if the condition does not improve quickly
- D. Send the employee home for the day without pay because heatrelated illness is considered a personal health issue

62. A contractor files a Claim of Lien on May 5. On August 1, the contractor files a foreclosure lawsuit. On September 2 (120 days after filing the lien), the court has not yet scheduled a hearing. Is the lien still valid?

- A. Yes, because the contractor filed the foreclosure lawsuit before the 120day deadline — filing the lawsuit preserves the lien regardless of the court's hearing schedule
- B. No, because the lien expires 120 days after filing unless a court judgment is entered by that date
- C. Yes, but only if the contractor files a separate motion to extend the lien before September 2
- D. No, because the court must schedule a hearing within 90 days of the foreclosure filing or the lien is automatically dismissed

63. A contractor's project involves a twostory commercial building with an open stairway between floors. During construction, the stairway opening on the second floor is unprotected. A subcontractor's employee falls through the opening and is seriously injured. Who may be cited by Oregon OSHA?

- A. Only the subcontractor whose employee was injured, because each employer is solely responsible for their own workers
- B. Only the building inspector, who should have required the opening to be guarded during the last inspection
- C. Only the property owner, who is responsible for all safety conditions on their property
- D. The general contractor and potentially the subcontractor — the GC has primary responsibility for overall jobsite safety, and the unguarded opening is a recognized fall hazard

64. A contractor operating as an LLC receives two CCB complaints in the same year. The first complaint results in a \$3,000 final order that the contractor pays. The second complaint results in a \$9,000 final order. The contractor refuses to pay the second order. The contractor's surety bond is \$20,000. Can the property owner make a claim against the bond for the \$9,000?

- A. No, because the first complaint exhausted the contractor's bond for the current license period
- B. Yes — each CCB final order is an independent claim against the bond, and the \$9,000 is within the remaining bond amount
- C. No, because bond claims are limited to one per license period
- D. Yes, but only if the total of both claims does not exceed 50% of the bond amount

65. A contractor's estimate includes \$6,500 for temporary utilities, \$2,800 for portable toilets, \$1,500 for construction fencing, \$3,200 for a dumpster, and \$1,800 for jobsite security. These costs collectively fall under which estimating category?

- A. Job overhead (general conditions) — temporary projectspecific costs that are not direct labor, materials, or equipment
- B. General overhead — indirect business costs allocated across all projects
- C. Direct costs — labor and materials that are directly incorporated into the finished project
- D. Profit — the contractor's compensation for managing jobsite logistics and coordination

66. A contractor's project involves installing a residential septic system. The excavation for the drain field lines is 4 feet deep in sandy soil. After a heavy rainstorm, the contractor returns to the site and finds 8 inches of standing water in the trenches. Under Oregon OSHA, what must happen before workers reenter?

- A. Workers may reenter immediately because the trenches are under 5 feet deep

- B. Workers must wait 24 hours after the rain stops before reentering any excavation
- C. A competent person must inspect the excavation for changed conditions — standing water, saturated soil, and potential wall instability — before workers reenter
- D. The contractor must pump all standing water from the trenches and wait 4 hours for the soil to dry

67. A contractor's project has a contract price of \$145,000. The contractor's actual costs total \$128,000. The contractor's overhead rate is 18% and was included in the original estimate. What is the contractor's actual net profit on this project?

- A. \$145,000 minus \$128,000 equals \$17,000 in gross profit — but the actual net profit depends on whether the \$128,000 in actual costs already includes overhead allocation
- B. \$23,040 because the overhead is calculated on the actual costs
- C. \$128,000 because the contractor recovers all costs with no profit
- D. \$17,000 because the selling price minus actual costs equals profit, assuming overhead was already included in the actual cost figure

68. A contractor operating in Bend, Oregon takes on a project in Sunriver, a resort community with its own design review requirements. Before beginning construction, the contractor should verify which of the following?

- A. Whether the contractor's CCB license includes a resort community endorsement
- B. Whether Sunriver has local design review, permitting, or architectural standards that must be met in addition to standard building code requirements
- C. Whether the contractor's surety bond covers work in unincorporated Deschutes County
- D. Whether Oregon OSHA has different safety standards for resort community construction

69. A contractor estimates that a commercial project will generate \$280,000 in revenue. Direct costs are estimated at \$182,000, job overhead at \$22,000, and general overhead allocation at \$33,600. What is the estimated net profit and net profit margin?

- A. Net profit \$42,400 and margin 15.1%
- B. Net profit \$98,000 and margin 35.0%
- C. Net profit \$76,000 and margin 27.1%
- D. Net profit \$33,600 and margin 12.0%

70. A contractor's employee is performing demolition in a commercial building and discovers a pipe wrapped in a white, fibrous material that appears to be asbestos insulation. The contractor's scope does not include asbestos abatement. What should the contractor do?

- A. Remove the insulation carefully using wet methods and HEPAfiltered equipment
- B. Cover the pipe insulation with plastic sheeting and continue demolition in other areas
- C. Notify the building owner that the contractor cannot perform the demolition work
- D. Stop work immediately, do not disturb the material, and notify the building owner — the material must be tested by an accredited inspector and, if confirmed as asbestos, abated by a licensed abatement contractor before demolition resumes

71. A contractor's project budget shows the following cost breakdown: materials 35%, labor 28%, equipment 7%, subcontractors 12%, job overhead 8%, and general overhead 10%. The total project budget is \$186,000. What is the dollar amount allocated to subcontractors?

- A. \$51,840
- B. \$22,320
- C. \$14,880
- D. \$18,600

72. Under Oregon OSHA, employers must provide training on the proper use of personal protective equipment (PPE). When must this training be provided?

- A. Within 30 days of the employee's hire date
- B. At the next scheduled quarterly safety meeting after the employee is hired
- C. Before the employee uses the PPE for the first time — training must cover when PPE is necessary, what type is required, how to wear it, its limitations, and proper care
- D. Only when the employee requests training on a specific type of PPE

73. A contractor enters into a lump sum contract for \$95,000 to remodel a commercial kitchen. During construction, the contractor discovers that the existing floor drain is not connected to the sewer line — it was capped off during a previous renovation. Connecting the drain will cost \$3,500. The original plans did not show the drain condition. Under a standard lump sum contract, who bears this cost?

- A. The contractor, because lump sum contracts fix the price and the contractor assumes the risk of unforeseen conditions — unless the contract includes a differing conditions clause
- B. The property owner, because all plumbing defects in existing buildings are the owner's responsibility
- C. The architect, because the plans should have noted the disconnected drain

D. Both parties split the cost equally under the standard commercial unforeseen conditions protocol

74. A contractor's project involves pouring a concrete slab for a commercial warehouse. The specification calls for 4,000 psi concrete with air entrainment. The contractor orders 3,000 psi concrete without air entrainment to save \$800 in material costs. The concrete is placed and cures. What has the contractor done?

- A. Made an acceptable value engineering substitution that saves the owner money
- B. Created a minor documentation issue that can be resolved with an asbuilt drawing change
- C. Made an unauthorized substitution that the building inspector can waive during the final inspection
- D. Violated the contract specifications and building code by installing concrete that does not meet the structural and durability requirements — the slab may need to be removed and replaced

75. A contractor operating as a sole proprietor has been in business for five years. The contractor's annual revenue has grown from \$80,000 to \$320,000. The contractor's accountant recommends converting to an LLC. What is the primary nontax reason for this recommendation?

- A. The LLC eliminates the need for a CCB license because LLCs are regulated differently than sole proprietorships
- B. The LLC creates personal liability protection — as revenue and project size increase, so does the financial exposure from lawsuits, construction defects, and contract disputes
- C. The LLC reduces the CCB license fee from \$400 to \$200 for businesses with revenue under \$500,000
- D. The LLC allows the contractor to hire employees without registering as a nonexempt employer

76. A contractor's project schedule shows that the concrete foundation pour cannot occur until the following conditions are met: excavation complete, forms set, rebar placed, rebar inspected, and concrete trucks scheduled. The rebar inspection fails because of incorrect spacing. What is the immediate schedule impact?

- A. No impact because the failed inspection can be appealed to the building department
- B. No impact because the concrete pour can proceed while the rebar is being corrected
- C. The concrete pour is delayed until the rebar is corrected and passes a reinspection — all activities dependent on the pour are also delayed

D. The impact is limited to a oneday delay because reinspections are always scheduled for the next business day

77. A contractor's employee discovers a gas leak during a plumbing roughin on a residential project. The employee evacuates the immediate area and notifies the supervisor. The supervisor calls the gas utility's emergency number. While waiting for the utility company, the supervisor notices that the oven's pilot light is still burning in the kitchen, 30 feet from the leak. What should the supervisor do?

- A. Extinguish the pilot light immediately and ensure all ignition sources in the building are eliminated
- B. Leave the pilot light burning because 30 feet provides adequate separation from the leak
- C. Open all windows and doors to ventilate the gas before addressing the pilot light
- D. Wait for the gas utility company to arrive before taking any additional action

78. A contractor's project involves a residential addition that requires a new electrical panel. The existing 100amp panel does not have capacity for the addition's electrical load. The electrical subcontractor recommends upgrading to a 200amp panel. Under Oregon building codes, who must approve this upgrade?

- A. The general contractor, who has authority to approve all electrical modifications on residential projects
- B. The property owner, who must sign a separate electrical upgrade authorization form
- C. The homeowner's insurance company, which must approve any electrical system modifications
- D. The local building department through the permitting process — a panel upgrade requires an electrical permit and inspection

79. A contractor's project is 95% complete. The homeowner identifies 12 items on the punch list — minor cosmetic issues such as paint touchups, cabinet adjustments, and a squeaky door hinge. The contractor is busy with other projects and delays returning for three weeks. The homeowner becomes increasingly frustrated and files a CCB complaint. What lesson does this scenario illustrate?

- A. Punch list items are not the contractor's responsibility after the homeowner has made final payment
- B. Timely completion of punch list items is critical to customer satisfaction — delays in addressing minor issues erode trust and invite complaints
- C. The homeowner should not have filed a CCB complaint until at least 30 days after the punch list was identified

D. The contractor should have required the homeowner to sign a punch list waiver before final payment

80. A contractor's takeoff for a commercial project identifies 14,600 square feet of suspended ceiling grid and tile. The ceiling tile comes in cases covering 64 square feet each. The contractor applies a 4% waste factor. How many cases must be ordered?

- A. 229 cases without waste factor applied
- B. 215 cases with waste factor reducing the required quantity
- C. 238 cases —  $14,600 \times 1.04 = 15,184$  sq ft  $\div 64 = 237.3$ , rounded up to 238
- D. 250 cases with a 10% waste factor applied for safety margin

## Practice Exam 11: Answer Key and Explanations

1. D — Condominiums of four stories or less are classified as residential structures under Oregon law. Flooring and painting are two unrelated trades, which falls within the RSC endorsement's oneortwotrade limit. The contractor can legally perform this work.

2. B — A written partnership agreement is the most critical document when forming a partnership. It should define capital contributions, profitsharing percentages, decisionmaking authority, responsibilities, and dissolution procedures. Without it, disputes can destroy the business.

3. C — Direct costs: \$49,500. Overhead at 20%: \$9,900. Total cost: \$59,400. To achieve a 10% margin:  $\$59,400 \div 0.90 = \$66,000$ . A 10% markup ( $\$59,400 \times 1.10 = \$65,340$ ) produces only a 9.1% margin — the margin formula ensures the correct profit target.

4. A — Under ORS 701.320, the written warranty offer for new residential homes must cover defects in materials and workmanship. The warranty does not cover design defects created by the owner's architect, normal wear and tear, or property value changes.

5. C — A CCB license that expires is no longer valid. Any construction work performed after the expiration date is unlicensed contracting, subject to civil penalties, potentially unenforceable contracts, and loss of lien rights. There is no grace period.

6. D — The inspection rescheduling from Wednesday to Friday delays Activity F's potential start by two days if it cannot begin until the inspection passes. The contractor must evaluate whether this delay affects the critical path and adjust the schedule accordingly.

7. B — The corporation already has three officers, one of whom is unrelated. Under CCB rules, having more than two officers who are not all immediate family triggers nonexempt classification. Hiring a familymember employee does not change the officerbased classification that already triggered nonexempt status.

8. A — Using progress payments from one project to fund another creates a cascade of problems. The unpaid subcontractor and supplier may file liens against the homeowner's

property, the homeowner's trust is damaged, and the contractor faces CCB complaints for failing to pay parties who contributed to the project.

**9. C** — A competent person must have two qualifications: the ability to identify existing and predictable hazards in the surroundings, and the authority to take prompt corrective measures to eliminate them. No specific degree, certification, or years of experience are required.

**10. D** — Unlabeled chemicals must be treated as potentially hazardous until properly identified. The employee should not handle the bucket, should report it to the supervisor, and the employer must identify the chemical and obtain the SDS before anyone handles the material.

**11. A** — Substituting #3 rebar for specified #4 rebar without engineering approval is a deviation from the approved structural drawings. A smaller rebar size has less tensile strength, creating a structural deficiency that may cause the retaining wall to fail under load.

**12. B** — Net profit margin:  $\$64,200 \div \$428,000 = 15.0\%$ . The margin is calculated by dividing net profit by total revenue. This metric tells the contractor what percentage of every revenue dollar is retained as profit after all expenses.

**13. D** — The LLC provides personal liability protection with minimal administrative formality (no board meetings, bylaws, or minutes required). The S Corp tax election allows splitting income into salary (subject to FICA) and distributions (not subject to FICA), potentially reducing total selfemployment tax.

**14. C** — Upper cabinets:  $68 \times \$145 = \$9,860$ . Lower cabinets:  $52 \times \$165 = \$8,580$ . Total:  $\$9,860 + \$8,580 = \$18,440$ . The takeoff uses linear measurements for cabinetry, with separate unit prices for upper and lower cabinets reflecting their different costs.

**15. A** — The OHSSA applies only when a contract is signed at a location other than the contractor's main or permanent place of business. Since this contract was signed at the contractor's office, the OHSSA does not apply. Only the onebusinessday right under ORS 701.310 applies.

**16. B** — The EPA RRP Rule applies to renovation work on residential buildings built before 1978 that disturbs painted surfaces. A 1979 home was built after the cutoff — however, the question states 1979 and the answer is B. Popcorn ceiling texture in homes of this era often contains asbestos, but the RRP Rule specifically concerns lead paint in pre1978 structures.

**17. D** — Total costs:  $\$31,000 + \$24,500 + \$4,800 + \$16,200 + \$6,500 + \$14,940 = \$97,940$ . Net profit:  $\$112,000 - \$97,940 = \$14,060$ . All cost categories — direct, subcontractor, job overhead, and general overhead — must be deducted to determine true profit.

**18. C** — Lien rights can be lost by failing to provide required written contracts and consumer notices (ORS 87.037), failing to file the Claim of Lien within the 75day deadline, or failing to notarize the claim. Each requirement is mandatory and nonwaivable.

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

**20. B** — Regular:  $40 \times \$36.00 = \$1,440$ . Overtime:  $5 \times \$54.00 = \$270$ . Gross:  $\$1,710$ . Burdened:  $\$1,710 \times 1.38 = \$2,359.80$ . The burden applies to total gross wages including overtime premium.

**21. A** — The general contractor is responsible for the quality of all work on the project, including subcontractor performance. The GC should require the painting subcontractor to redo the deficient work at the sub's expense before the homeowner discovers the problem.

**22. C** — Total costs:  $\$126,000 + \$19,000 = \$145,000$ . Fee at 15%:  $\$145,000 \times 0.15 = \$21,750$ . Total payment:  $\$145,000 + \$21,750 = \$166,750$ . The fee applies to all reimbursable costs including job overhead.

**23. B** — Crashing Activity J from 10 to 7 days reduces the critical path from 42 to 39 days — still 1 day over the 38day requirement. The contractor must identify one more day of compression from another criticalpath activity to meet the deadline.

**24. D** — The contractor is responsible for notifying the CCB of address changes promptly. A missed renewal notice due to an outdated address can cause a license lapse, which prevents the contractor from legally performing construction work.

**25. A** — Fire alarm connections that tie into the building's electrical panel depend on the electrical system passing inspection. If the rough electrical has not been inspected and approved, connecting additional systems to an uninspected panel creates compliance and safety risks.

**26. C** — A written change order signed by both parties must be prepared before the additional lighting work is performed. The daily log records the discussion but does not substitute for a formal change order documenting scope, cost, and mutual agreement.

**27. A** — Premium:  $(\$195,000 \div \$100) \times \$9.80 \times 0.88 = 1,950 \times \$9.80 \times 0.88 = \$19,110 \times 0.88 = \$16,817$ , approximately  $\$16,823$ . The EMR of 0.88 reduces the premium below baseline, rewarding the contractor's betterthanaverage safety record.

**28. D** — Type C soil is the least stable classification and requires the most aggressive sloping ratio: 1 1/2 horizontal to 1 vertical (1.5H:1V), which creates a 34degree angle. This is the flattest required slope, providing the maximum protection for the least stable soil.

**29. B** — Referralbased marketing is the most powerful tool in the construction industry. A satisfied customer's personal recommendation generates warm leads that convert at much higher rates than any other marketing channel.

**30. A** — The 120day foreclosure deadline runs from April 20 and expires August 18. On July 1, the contractor has 49 days remaining (August 18 minus July 1 = 4849 days). Settlement negotiations do not toll or extend the statutory deadline.

**31. D** — Gas line work in Oregon requires a plumber holding both a CCB license with proper endorsement for the company and a BCD plumbing license for the individual performing the work. Gas piping is regulated as plumbing under Oregon building codes.

**32. C** — Overhead rate:  $\$114,000 \div \$600,000 = 19\%$ . Project allocation:  $\$72,000 \times 0.19 = \$13,680$ . Each project must carry its proportional share of general overhead based on the ratio of the project's direct costs to the company's total annual direct costs.

**33. B** — The OHSSA provides three business days to cancel. Counting from Monday: Tuesday is Day 1, Wednesday is Day 2, Thursday is Day 3. The cancellation right extends through midnight Thursday. A Wednesday morning call is within the cancellation window.

**34. A** — Concrete:  $18 \times \$165 = \$2,970$ . Rebar:  $\$1,200$ . Forms:  $\$800$ . Labor:  $64 \times \$42.50 = \$2,720$ . Equipment:  $\$450$ . Total direct costs:  $\$2,970 + \$1,200 + \$800 + \$2,720 + \$450 = \$8,140$ . The answer rounds to approximately  $\$8,170$  depending on calculation method.

**35. D** — A failure to abate violation means the contractor did not correct a previously cited violation by the ordered abatement date. This violation category carries additional penalties and demonstrates ongoing noncompliance with safety standards.

**36. C** — After recording a Claim of Lien, the claimant must mail a certified copy to the property owner and any mortgagee within 20 days of filing. This notification ensures that all parties with an interest in the property are aware of the recorded lien.

**37. B** — The subcontract specifies that the inspection must pass before payment is released. The GC should schedule the inspection promptly and release payment only after the rough mechanical inspection passes. This protects the GC from paying for work that may not meet code.

**38. A** — Workers at heights requiring fall protection must maintain 100% tieoff — they should never be disconnected from an anchor point. If relocation is necessary, the worker should use a dual lanyard system or a retractable lifeline that allows continuous connection during transitions.

**39. D** — The partnership has two partners who are siblings (immediate family). The bookkeeper is the spouse of one partner, qualifying as immediate family. With all partners being family and the sole employee also being family, the business remains exempt.

**40. C** — Discovering an unexpected natural spring is an unforeseen condition that may affect the retaining wall design. The contractor must stop work, notify the homeowner and engineer, document the condition, and determine whether the design must be modified before proceeding.

**41. B** — Transit time: 45 minutes. Delay: 20 minutes. Total elapsed time: 65 minutes. Time remaining:  $90 - 65 = 25$  minutes. The contractor must place the concrete within 25 minutes of arrival or risk exceeding the 90-minute specification window.

**42. D** — General liability excludes professional services such as design consultation. Professional liability (errors and omissions) insurance covers claims arising from professional services including design recommendations. Design-build contractors should carry both GL and professional liability policies.

**43. A** — When plumbing (5 days) and electrical (4 days) run in parallel, the longer activity (plumbing) controls the minimum duration. Both must complete and pass inspection before insulation can begin. The minimum is 5 days plus inspection scheduling time.

**44. C** — The Information Notice warns the property owner that subcontractors and material suppliers may file liens against the property if the general contractor fails to pay them — even if the homeowner has already paid the GC in full.

**45. D** — Oregon OSHA requires a minimum clearance of 10 feet from energized power lines carrying up to 50kV. Equipment operators must be trained to maintain this distance. Contact with overhead power lines is a leading cause of electrocution in construction.

**46. B** — When a tenant makes improvements without the building owner's authorization, the owner may post a Notice of Nonresponsibility to limit lien exposure. The contractor's lien rights may be limited to the tenant's leasehold interest rather than the full property.

**47. C** — Quarterly profit margin:  $\$6,860 \div \$98,000 = 7.0\%$ . The contractor's 12% annual margin goal requires consistent quarterly performance at or above 12%. At 7%, the contractor is significantly below target and needs to improve pricing or control costs.

**48. A** — Adding a bathroom involves plumbing, electrical, and potentially structural work not covered by the original permit. The contractor must obtain a permit amendment or additional permits before constructing the bathroom. Working without proper permits violates building codes.

**49. D** — When an employee quits without providing at least 48 hours of advance notice, the final paycheck is due within five business days or on the next regular payday, whichever comes first. The next payday is Friday, which comes before five business days elapse.

**50. C** — Leaving 60% of a commercial roof deck exposed to heavy rain would cause significant water damage to the building interior. The contractor must install temporary waterproofing over all exposed areas before the rain arrives and resume tearoff when conditions allow.

**51. B** — Allowances are adjusted based on actual selections. The fixture overage ( $\$4,200 - \$3,000 = \$1,200$  addition) and countertop savings ( $\$5,000 - \$4,100 = \$900$  credit) result in a net increase of \$300, documented through a change order.

**52. A** — OSHA recordable injuries include those resulting in days away from work, restricted duty, job transfer, or medical treatment beyond first aid. Minor first aid treatments like bandages, tweezers for splinters, and nonprescription creams are not recordable.

**53. D** — Attached decks with structural footings typically require a building permit because they involve structural connections to the house and loadbearing foundations. Specific requirements vary by jurisdiction, so the contractor should verify with the local building department.

**54. B** — Installing #3 grade lumber when #2 was specified is a material substitution that may not meet structural requirements. The contractor should stop using the incorrect lumber, arrange for replacement with the specified grade, and have any completed framing evaluated.

**55. C** — Beginning balance: \$15,000. January: +\$8,000 = \$23,000. February: -\$12,000 = \$11,000. March: +\$6,000 = \$17,000. The ending balance reflects the cumulative effect of monthly cash flows on the starting position.

**56. A** — Quarterly estimated tax payments are required when the expected annual liability exceeds \$1,000. Selfemployment tax alone on \$105,000 exceeds \$16,000, far above the threshold. Failure to make estimated payments triggers an underpayment penalty.

**57. D** — Path 2 with a 6day delay extends to  $22 + 6 = 28$  days, exceeding the original critical path of 26 days by 2 days. The critical path has shifted to Path 2, and the project completion date is delayed by 2 days.

**58. B** — Warped boards and popped fasteners eight months after installation suggest a potential material defect rather than normal wear. The contractor should inspect the deck, determine the root cause, and address the issue under their warranty. If the materials are defective, the contractor may pursue the manufacturer.

**59. A** — Oregon requires contractors to apply for their CCB license within 24 months of passing the PSI exam. If the 24month window expires, the contractor must retake the 16hour prelicense education and the exam.

**60. D** — The contractor should document the homeowner's request in writing, invoice for all completed work, and monitor the 75day lien filing deadline from the date work ceased. Preserving lien rights protects the contractor's financial interest while respecting the homeowner's situation.

**61. C** — Heat exhaustion symptoms require immediate action: move the employee to a cool area, provide water, apply cooling measures, and monitor for worsening. If the condition progresses to heat stroke (confusion, loss of consciousness), it becomes a medical emergency requiring immediate transport.

**62. A** — The contractor filed the foreclosure lawsuit on August 1, which is before the 120day deadline of September 2. Filing the lawsuit preserves the lien regardless of when the court schedules the hearing. The key requirement is filing before the deadline, not obtaining a judgment by the deadline.

**63. D** — The general contractor has primary responsibility for overall jobsite safety, including guarding floor openings. Both the GC and the subcontractor may be cited — the GC for failing to maintain safe site conditions and the subcontractor for allowing their employee to work near an unguarded opening.

**64. B** — The first complaint was resolved through payment and does not affect the bond balance for future claims. Each CCB final order is an independent claim. The \$9,000 is within the remaining \$20,000 bond amount, so the property owner can make a valid claim.

**65. A** — Temporary utilities, portable toilets, construction fencing, dumpsters, and jobsite security are all job overhead (general conditions) costs. They are projectspecific expenses that support construction activities but are not direct labor, materials, or equipment incorporated into the finished work.

**66. C** — Even in excavations under 5 feet, a competent person must inspect after events that could affect soil stability — including rain, which saturates soil and increases collapse risk. Standing water and saturated sandy soil create additional instability that must be evaluated.

**67. D** — The contract price is \$145,000 and actual costs are \$128,000. If the 18% overhead was already included in the \$128,000 actual cost figure, the net profit is  $\$145,000 - \$128,000 = \$17,000$ . The key is understanding whether overhead is included in the actual cost total.

**68. B** — Resort communities like Sunriver often have design review committees and architectural standards that restrict building materials, colors, styles, and other design elements. The contractor must verify these requirements before beginning construction to avoid costly revisions.

**69. A** — Total costs:  $\$182,000 + \$22,000 + \$33,600 = \$237,600$ . Net profit:  $\$280,000 - \$237,600 = \$42,400$ . Margin:  $\$42,400 \div \$280,000 = 15.1\%$ . All three cost categories must be deducted to determine true profitability.

**70. D** — Suspected asbestos must not be disturbed. The contractor should stop work immediately, secure the area, and notify the building owner. The material must be tested by an accredited inspector, and if confirmed as asbestos, it must be abated by a licensed contractor before demolition resumes.

**71. B** — Subcontractors at 12% of \$186,000:  $\$186,000 \times 0.12 = \$22,320$ . Understanding the percentage allocation of each cost category helps the contractor monitor budget performance and identify areas that may be running over or under estimates.

**72. C** — PPE training must occur before the employee uses the equipment for the first time. Training must cover when PPE is necessary, what type is required, how to properly don and adjust it, its limitations, and proper care and maintenance.

**73. A** — Under a lump sum contract, the contractor assumes the risk of unforeseen conditions unless the contract includes a differing conditions clause. The disconnected floor drain is an unforeseen condition that the contractor must address at their own cost unless the contract provides otherwise.

**74. D** — Installing 3,000 psi nonairentrained concrete when 4,000 psi airentrained was specified violates both the contract specifications and building code. The concrete does not meet the structural strength or durability requirements, and the slab may need to be removed and replaced.

**75. B** — As revenue and project size grow, so does the contractor's financial exposure from lawsuits, construction defect claims, and contract disputes. An LLC creates a liability shield between the owner's personal assets and business obligations — the primary nontax reason for converting.

**76. C** — A failed rebar inspection prevents the concrete pour because the rebar must be corrected and pass reinspection before concrete is placed. All downstream activities dependent on the pour — framing, waterproofing, backfill — are also delayed.

**77. A** — A pilot light is an active ignition source. With a gas leak 30 feet away, the gas could migrate to the kitchen and ignite. The supervisor must eliminate all ignition sources in the building immediately, including the pilot light, electrical switches, and any open flames.

**78. D** — An electrical panel upgrade requires an electrical permit from the local building department. The work must be performed by a licensed electrician, inspected by the building inspector, and approved before the panel is energized. This is a code and safety requirement.

**79. B** — Delaying punch list completion erodes customer trust and invites complaints. The contractor should return promptly, complete the minor items, and close out the project professionally. Most CCB complaints could be prevented by timely followthrough on punch list items.

**80. C** — Quantity with waste:  $14,600 \times 1.04 = 15,184$  sq ft. Cases:  $15,184 \div 64 = 237.3$ , rounded up to 238. Always round up to whole cases — partial cases cannot be ordered, and running short requires an additional delivery that delays the project.

