

PRACTICE EXAM 12: OREGON CCB SIMULATION (80 QUESTIONS)

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

1. A contractor holds a Commercial Specialty Contractor — Level 1 endorsement with an \$55,000 bond, \$1 million aggregate insurance, and eight years of documented experience. The contractor is asked to serve as the prime contractor on a \$2.8 million commercial warehouse construction, managing all trades and performing structural steel erection. Can the contractor accept this role?

- A. Yes, because the CSC1 endorsement covers all commercial construction activities regardless of scope
- B. Yes, because the eight years of experience qualifies the contractor for any commercial project
- C. No, because the CSC1 endorsement limits work to one or two unrelated trades — serving as the prime contractor managing all trades requires a Commercial General Contractor endorsement
- D. No, because the project value exceeds the \$2 million ceiling for CSC1 endorsements

2. A contractor's takeoff for a residential project identifies 42 window units. Each window costs \$385 installed. The contractor applies no waste factor because windows are ordered by count. However, the contractor forgot to include the two skylights shown on the plans at \$650 each. What is the corrected window and skylight budget?

- A. \$17,470, calculated as $(42 \times \$385) + (2 \times \$650) = \$16,170 + \$1,300$
- B. \$16,170, based on 42 windows only without the skylights
- C. \$18,770, calculated with a 10% waste factor applied to the window count
- D. \$15,400, based on 40 windows with the two skylights replacing two standard windows

3. A contractor operating as a sole proprietor has annual net selfemployment income of \$92,000. The contractor's accountant calculates the selfemployment tax. What is the approximate amount, and what does it cover?

- A. \$7,038, covering the employee share of Social Security only
- B. \$11,408, covering both Social Security and Medicare at the employee-only rate of 12.4%
- C. \$17,664, covering double taxation on the first \$50,000 of income
- D. \$14,076, covering both the employer and employee shares of Social Security (12.4%) and Medicare (2.9%) at a combined rate of 15.3%

4. A general contractor on a residential project hires a landscaping subcontractor to install a retaining wall, grade the lot, and plant trees. The subcontract value is \$8,200. The GC checks the CCB database and confirms the landscaping company has an active CCB license. However, the landscaping company also needs a license from which additional Oregon agency?

- A. The Oregon Department of Environmental Quality for all soil-disturbing activities
- B. The Oregon Landscape Contractors Board, which licenses landscape contracting separately from the CCB
- C. The Oregon Department of Agriculture for all planting activities on residential properties
- D. No additional license — the CCB license covers all construction-related landscaping work

5. A contractor enters into a lump sum contract for \$128,000 to build a residential addition. During framing, the contractor discovers that the existing foundation wall has a significant structural crack not visible before demolition began. Repairing the crack will cost \$6,800. The contract does not contain a differing site conditions clause. Who bears this cost?

- A. The property owner, because preexisting structural defects are always the owner's responsibility
- B. The architect, because the crack should have been identified during the preconstruction site assessment
- C. Both parties share the cost equally under Oregon's implied warranty of habitability
- D. The contractor, because a lump sum contract fixes the price and the contractor assumes the risk of unforeseen conditions absent a differing conditions clause

6. A contractor's profit and loss statement shows revenue of \$365,000 and expenses of \$328,500. The contractor's surety bond premium is \$1,200 per year and their general liability insurance premium is \$4,800 per year. Are these insurance costs already included in the \$328,500 expense figure?

- A. Yes, because bond premiums and insurance premiums are operating expenses that should be included in the total expense figure on the profit and loss statement
- B. No, because bond premiums and insurance premiums are capital expenditures reported on the balance sheet

- C. Yes, but only the bond premium — insurance premiums are deducted from gross revenue before expenses
- D. No, because insurance and bonding costs are reported separately on the cash flow statement

7. Under Oregon law, a contractor who advertises on social media (Facebook, Instagram) must include which information in their posts and profiles?

- A. The contractor's federal EIN and Oregon Department of Revenue registration number
- B. The contractor's surety bond amount and bonding company name
- C. The contractor's CCB license number
- D. The contractor's workers' compensation policy number and insurance carrier

8. A contractor's project schedule shows that the rough plumbing, rough electrical, and rough HVAC inspections must all pass before insulation can begin. The plumbing inspection passes on Monday, the electrical passes on Tuesday, but the HVAC inspection fails on Wednesday due to an improperly sealed duct connection. The insulation crew was scheduled to start Thursday. What is the correct action?

- A. Begin insulation on walls that do not contain any HVAC ductwork
- B. Delay the insulation crew until the HVAC deficiency is corrected and the reinspection passes
- C. Install insulation around the ductwork and schedule a combined insulation and HVAC reinspection
- D. Proceed with insulation and require the HVAC subcontractor to correct the deficiency through an access panel

9. A contractor operating as an LLC has two members who are mother and daughter. They hire a fulltime laborer who is the daughter's husband. The laborer is the only employee. How is this business classified for CCB purposes?

- A. Nonexempt, because children-in-law do not qualify as immediate family under Oregon's CCB classification rules
- B. Nonexempt, because all LLCs with employees are automatically classified as nonexempt
- C. Exempt, because the laborer works fewer than 40 hours per week on average
- D. Exempt, because the LLC has two members who are immediate family and the sole employee is also immediate family (child-in-law)

10. A contractor's project involves installing a commercial elevator shaft. The shaft opening on the third floor is unprotected during construction. A drywall subcontractor's employee walks

near the opening without looking and falls into the shaft, suffering serious injuries. Under Oregon OSHA, who bears primary responsibility for protecting this floor opening?

- A. The general contractor, who has primary responsibility for overall jobsite safety including guarding floor openings on multicontractor projects
- B. The drywall subcontractor exclusively, because each employer is responsible for their own employees' safety
- C. The elevator subcontractor, because the shaft is part of their scope of work
- D. The building inspector, who should have required the opening to be guarded during the last inspection visit

11. A contractor's estimate for a commercial project shows the following: materials \$68,000, labor \$52,000, equipment \$8,500, subcontractors \$34,000, and job overhead \$12,500. The general overhead rate is 16%. What is the total estimated cost before profit?

- A. \$175,000
- B. \$202,800
- C. \$203,000
- D. \$185,600

12. A contractor's daily log entry reads: "March 22 — Poured basement walls. Temperature at 7 AM: 28°F. Applied insulated blankets to all poured walls by 9 AM." Why is this log entry significant for quality documentation?

- A. It proves that the contractor used environmentally friendly insulation materials during the pour
- B. It documents coldweather concreting precautions — concrete must be protected from freezing during initial curing, and the log confirms protective measures were taken
- C. It demonstrates that the contractor exceeded OSHA's minimum temperature requirement for concrete work
- D. It establishes that the concrete supplier delivered the correct mix design for winter conditions

13. Under Oregon's Construction Lien Law, the term "owner" includes which of the following?

- A. A person who is or claims to be the owner in fee, a contract purchaser, or a lessee with a valid lease possessing an interest in the property
- B. Only the person whose name appears on the recorded deed at the county assessor's office
- C. Only the mortgage holder who financed the purchase of the property
- D. Any person who has visited the property during the construction project

14. A contractor's project involves a residential bathroom remodel with a contract price of \$14,000. The homeowner signs the contract at the contractor's office on Tuesday. On Wednesday at 10 AM, the homeowner calls to cancel. Is this cancellation timely under ORS 701.310?

- A. No, because the homeowner's deposit has already been processed and cannot be reversed
- B. No, because contracts signed at the contractor's office are not subject to any cancellation right
- C. Yes, because the OHSSA automatically applies to all residential contracts regardless of signing location
- D. Yes, because ORS 701.310 allows cancellation of initial residential contracts until midnight of the next business day — Wednesday midnight has not yet passed

15. A contractor's employee works 50 hours in a single workweek at a regular rate of \$28.00 per hour. The employer calculates gross pay as $50 \times \$28.00 = \$1,400.00$. Is this calculation correct?

- A. Yes, because construction workers are exempt from overtime requirements during peak season
- B. No, because overtime at 1.5 times the regular rate (\$42.00/hour) must be paid for the 10 hours exceeding 40 — correct gross pay is \$1,540.00
- C. Yes, because overtime applies only after 45 hours in a single workweek for construction trades
- D. No, because Oregon requires doubletime pay for all hours exceeding 40, making the correct gross pay \$1,680.00

16. A contractor receives a CCB complaint from a homeowner alleging \$8,500 in damages from defective plumbing work. The CCB investigates and issues a final order requiring the contractor to pay \$8,500. The contractor's surety bond is \$20,000. What happens if the contractor pays the \$8,500?

- A. The contractor must also pay a \$500 administrative fee to the CCB for processing the complaint
- B. The contractor's surety bond is permanently reduced to \$11,500 for the remainder of the license period
- C. The complaint is resolved — the contractor complied with the final order and no bond claim is necessary
- D. The contractor must obtain a new surety bond within 30 days because the complaint triggered a bond review

17. A contractor wants to verify whether a particular structure qualifies as "small commercial" under Oregon law. The structure is a nonresidential building measuring 11,000 square feet, 19 feet tall, with a total contract price of \$195,000. Does it qualify as small commercial?

- A. Yes, because the total contract price of \$195,000 is under the \$250,000 alternative threshold — a structure qualifies as small commercial if it meets either the size/height test or the price test
- B. No, because the building exceeds 10,000 square feet, which automatically classifies it as large commercial
- C. Yes, because the building is under 20 feet tall, which is the only measurement that matters
- D. No, because both the size test and the price test must be satisfied simultaneously

18. A contractor files a Claim of Lien on a residential property on July 8. The contractor wants to enforce the lien through foreclosure. What is the absolute last day the contractor can file a foreclosure lawsuit?

- A. September 21 (75 days after July 8)
- B. October 6 (90 days after July 8)
- C. January 5 of the following year (180 days after July 8)
- D. November 5 (120 days after July 8)

19. A contractor's employee is performing demolition work on a commercial building's interior. The employee removes a section of wall and discovers a pipe wrapped in deteriorating white fibrous insulation. The employee has completed asbestos awareness training but is not a licensed asbestos abatement worker. What should the employee do?

- A. Remove the insulation using wet methods and HEPAfiltered equipment as taught in asbestos awareness training
- B. Stop work immediately, do not disturb the material, secure the area, and notify the supervisor — the material must be tested and, if confirmed as asbestos, removed by a licensed abatement contractor
- C. Cover the insulation with plastic sheeting and continue demolition in the surrounding area
- D. Remove the pipe section and place it in a sealed container for disposal at an approved facility

20. A contractor's project involves a large commercial office building with a total project value of \$1.3 million. Under Oregon regulations, what special jobsite facility requirement applies?

- A. The contractor must provide a dedicated first aid station staffed by a certified EMT during all work shifts
- B. The contractor must install a permanent security fence with controlled access gates around the entire site
- C. The contractor must provide flush toilets and washing facilities for workers on the jobsite
- D. The contractor must provide an onsite break room with climate control and refrigeration for worker meals

21. A contractor's takeoff identifies the following quantities for a residential project: 8,200 square feet of roof sheathing (area), 2,400 linear feet of roof truss chords (linear), 22 roof vents (count), and 38 cubic yards of gravel for the driveway (volume). The contractor applies an 8% waste factor to the roof sheathing. What is the adjusted sheathing quantity?

- A. 7,544 square feet
- B. 8,856 square feet
- C. 9,020 square feet
- D. 8,200 square feet with waste calculated separately

22. A contractor discovers that their bookkeeper has been depositing customer payments into the bookkeeper's personal account and then transferring the funds to the business account three to five days later. What risk does this practice create?

- A. A potential tax reporting error because deposits appear in two different accounts
- B. No risk because the funds ultimately reach the correct business account
- C. A violation of Oregon OSHA's financial management standards for construction employers
- D. A significant risk of embezzlement, cash flow disruption, and loss of financial control — the contractor should address this immediately and implement proper financial controls

23. Under Oregon's Construction Lien Law, a Claim of Lien that is not verified by oath (not notarized) is considered which of the following?

- A. Defective and potentially unenforceable — notarization is required under ORS 87.035 for the claim to be valid
- B. Valid as long as the claimant submits a notarized correction within 30 days of the original filing
- C. Valid for commercial projects but invalid for residential projects
- D. Enforceable if the claimant can demonstrate that a notary was unavailable at the time of filing

24. A contractor's project involves pouring a concrete slab for a residential garage. The specification requires 3,500 psi concrete with fiber mesh reinforcement. The concrete supplier delivers 3,500 psi concrete without fiber mesh. The contractor places the concrete without noticing the missing fiber mesh until the next day. What should the contractor do?

- A. Add fiber mesh to the surface of the cured concrete using an adhesive application method
- B. Accept the concrete as placed because fiber mesh is a supplemental reinforcement that does not affect structural performance
- C. Notify the property owner and the engineer of record — the concrete does not meet specifications, and a determination must be made about whether the slab is acceptable or must be replaced
- D. File a claim against the concrete supplier's insurance for delivering nonconforming material

25. A contractor operating as a general partnership has two partners who are cousins. They have no employees. Under Oregon's CCB classification rules, how is this business classified?

- A. Exempt, because cousins qualify as immediate family under Oregon law
- B. Nonexempt, because cousins are not included in Oregon's definition of immediate family (parents, spouses, siblings, children, children-in-law, grandchildren)
- C. Exempt, because partnerships with two or fewer partners are always exempt regardless of family relationship
- D. Nonexempt, because all general partnerships must carry workers' compensation insurance

26. A contractor's annual financial review shows the following insurance costs: general liability \$5,400, workers' compensation \$12,800, commercial auto \$3,600, and inland marine (tools) \$1,200. What is the total annual insurance cost, and how should these costs be classified in the contractor's financial statements?

- A. \$23,000 total, classified entirely as job overhead allocated to specific projects
- B. \$23,000 total, classified entirely as direct costs on the profit and loss statement
- C. \$18,200 total (excluding workers' comp, which is classified as a payroll expense)
- D. \$23,000 total, classified as general overhead expenses on the profit and loss statement

27. A contractor's employee is working on a flat commercial roof at a height of 30 feet. The employer provides a personal fall arrest system with a 6-foot shock-absorbing lanyard. The employee connects to an anchor point on the roof. If the employee falls off the edge, the total fall distance (including lanyard, shock absorber deployment, Dring shift, and harness stretch) is approximately 12 feet. The employee's feet would be approximately 18 feet above the ground at the point of fall arrest. Is this system adequate?

- A. Yes, because the system arrests the fall before the employee reaches the ground, which is the only requirement
- B. No, because the anchor point must be at least 20 feet above the lower level for a 6foot lanyard system
- C. No, because the total fall distance exceeds 10 feet, which is the maximum allowed under Oregon OSHA
- D. Yes, but only if the employee is wearing a hard hat in addition to the harness

28. A contractor is reviewing their accounts receivable aging report. The report shows \$52,000 current (030 days), \$18,000 at 3160 days, \$9,500 at 6190 days, and \$4,200 over 90 days. The contractor's total annual revenue is \$480,000. What does the aging pattern suggest about the contractor's collections?

- A. The collections are excellent because more than 60% of receivables are current
- B. The collections are normal for the construction industry and require no changes
- C. The aging pattern shows declining collection effectiveness — the \$4,200 over 90 days represents highrisk receivables that may become uncollectable, and the contractor should implement more aggressive followup on aging invoices
- D. The pattern indicates the contractor should stop extending credit and require all customers to pay in advance

29. A contractor's project involves a residential addition that requires a new concrete foundation adjacent to the existing home's foundation. The new foundation footing will be 6 inches lower than the existing footing. Under building code principles, what concern does this create?

- A. No concern, because foundation footings of different depths are standard practice in residential additions
- B. The lower new footing may undermine the existing foundation — the contractor should verify with the structural engineer that the excavation and new footing design will not compromise the existing structure's support
- C. The contractor must pour the new footing at the same depth as the existing footing regardless of design specifications
- D. The building inspector will not approve foundations at different depths within the same building

30. Under Oregon law, a contractor operating as a sole proprietor using their legal name "James Rodriguez" wants to also use the trade name "Rodriguez Premier Construction." What must the contractor do?

- A. File Articles of Organization for an LLC under the trade name before using it for any business purpose
- B. Use both names interchangeably without any registration requirement since the legal name is included
- C. Obtain a trade name endorsement from the CCB before advertising under the alternative name
- D. Register "Rodriguez Premier Construction" as an Assumed Business Name with the Oregon Secretary of State

31. A contractor's project schedule shows the following sequence for a bathroom remodel: demolition (2 days) → rough plumbing (3 days) → rough electrical (2 days, concurrent with plumbing) → plumbing/electrical inspections (1 day) → waterproofing (1 day) → tile (4 days) → grout cure (1 day) → fixture installation (2 days) → final connections (1 day). What is the minimum project duration?

- A. 15 days — demolition (2) + longer roughin (3, with electrical running concurrently) + inspections (1) + waterproofing (1) + tile (4) + grout (1) + fixtures (2) + finals (1)
- B. 17 days, calculated by adding all activity durations sequentially without accounting for parallel work
- C. 12 days, calculated by overlapping tile and fixture installation
- D. 14 days, calculated by eliminating the grout cure lag time

32. A contractor's employee is performing hot work (cutting with an oxyacetylene torch) on a steel beam in a commercial building. The area below the beam contains stored combustible materials that cannot be moved. What fire prevention measures are required?

- A. Posting a "No Smoking" sign near the combustible materials during the cutting operation
- B. Providing the torch operator with fireresistant gloves and a face shield
- C. Applying fireresistant paint to the combustible materials before beginning the cutting operation
- D. Covering the combustible materials with fireresistant blankets or shields, stationing a fire watch with appropriate extinguishing equipment, and maintaining the fire watch for a specified period after cutting is complete

33. A contractor's estimate for a residential project includes a \$4,000 allowance for plumbing fixtures. The homeowner selects fixtures totaling \$5,200. The contractor prepares a change order for the \$1,200 difference. The homeowner signs the change order. How is this handled in the project financials?

- A. The \$1,200 is deducted from the contractor's profit margin because allowance overages are the contractor's responsibility
- B. The \$1,200 is added to the contractor's overhead allocation for the project
- C. The \$1,200 is added to the contract price through the signed change order, increasing the total amount the homeowner pays
- D. The \$1,200 is absorbed by the plumbing subcontractor who recommended the upgraded fixtures

34. A contractor operating as an LLC has three members — two brothers and their mother. The LLC has no employees. They want to hire a fulltime construction laborer who is unrelated to any member. After hiring, how is the business classified?

- A. Exempt, because the majority of associated individuals (three of four) are immediate family
- B. Nonexempt, because the LLC now has an employee who is not an immediate family member
- C. Exempt, because LLCs with three or fewer members are always exempt regardless of employee status
- D. Nonexempt, because all LLCs with any employees require workers' compensation insurance regardless of family status

35. A contractor's cash flow projection for a new project shows: Week 1 outflow \$18,000 (materials), Week 2 outflow \$12,000 (labor), Week 3 outflow \$8,000 (labor + materials), Week 4 inflow \$30,000 (first progress payment). The contractor's beginning cash balance is \$22,000. What is the cash position at the end of Week 3, before the progress payment arrives?

- A. Negative \$16,000 — the contractor has spent \$38,000 against a \$22,000 starting balance, creating a \$16,000 shortfall
- B. Positive \$4,000 — the contractor still has funds remaining from the starting balance
- C. Negative \$38,000 — the total outflows through Week 3 represent the cash position
- D. Positive \$22,000 — the starting balance is unaffected until the progress payment is received

36. Under Oregon OSHA, a contractor must report a workplace amputation to which agency, and within what timeframe?

- A. To the CCB within 48 hours of the incident
- B. To the Oregon Employment Department within 72 hours of the incident
- C. To the county health department within 5 business days of the incident
- D. To Oregon OSHA within 24 hours of the employer learning of the amputation

37. A contractor's project involves a commercial tenant improvement in a strip mall. The tenant's lease expires in 18 months. The tenant hires the contractor directly — the building owner (landlord) did not authorize or participate in the contract. The contractor provides labor and materials worth \$42,000 but is not paid. Can the contractor file a lien against the building?

- A. Yes, and the lien attaches to the full value of the building and land
- B. No, because the contractor must file a complaint with the CCB instead of filing a lien
- C. Yes, but the lien may be limited by any Notice of Nonresponsibility posted by the building owner, and may only attach to the tenant's leasehold interest rather than the building itself
- D. No, because liens can only be filed by contractors who have a direct contract with the property owner

38. A contractor's project requires removing old vinyl floor tiles from a commercial building built in 1982. Before removing the tiles, what should the contractor do?

- A. Proceed with removal using standard demolition methods because vinyl tiles manufactured after 1980 do not contain asbestos
- B. Have the tiles tested for asbestos content before removal — vinyl floor tiles and their adhesive from this era commonly contain asbestos
- C. Remove the tiles using wet methods without testing because Oregon does not require asbestos testing for flooring materials
- D. Install new flooring directly over the old tiles to avoid disturbing potentially hazardous materials

39. A contractor completes a residential project on May 1. The project involved three subcontractors. The contractor provided all required notices and a written contract. By what date must the contractor have filed a Claim of Lien if they were not paid?

- A. July 15, which is 75 days after the completion date of May 1
- B. August 29, which is 120 days after the completion date
- C. June 30, which is 60 days after the completion date
- D. September 12, which is 75 days after the last subcontractor completed their scope

40. A contractor's employee is using a circular saw to cut pressure-treated lumber. The Safety Data Sheet for the wood treatment chemical indicates that the sawdust may contain arsenic compounds. Under the Hazard Communication Standard, what must the employer provide?

- A. A letter from the lumber supplier certifying that the arsenic levels are below OSHA's permissible exposure limit

- B. Training on the specific hazards of the treated lumber dust, appropriate respiratory protection, and access to the SDS
- C. An annual blood test for arsenic exposure for all employees who cut pressure-treated lumber
- D. A written exemption from Oregon OSHA for cutting pressure-treated lumber on residential jobsites

41. A contractor's project schedule identifies four activities on the critical path: Activity A (8 days), Activity B (12 days), Activity C (6 days), and Activity D (9 days). The total critical path duration is 35 days. The contractor wants to reduce the schedule by 5 days. Which approach is most cost-effective?

- A. Crash the critical-path activities starting with those that have the lowest cost per day of compression — evaluate each activity's crash cost and reduce the cheapest ones first
- B. Add resources to all four activities simultaneously to distribute the compression equally
- C. Eliminate Activity C entirely because it has the shortest duration and removing it saves 6 days
- D. Extend the work schedule to include weekends, which automatically compresses the calendar duration

42. A property owner receives a Notice of Right to Lien from a concrete supplier they have never met. The owner already paid the general contractor for all concrete work. The owner asks the contractor to explain. What should the GC tell the owner?

- A. The notice is fraudulent and the owner should contact the CCB to report the concrete supplier
- B. The notice means the owner must pay the concrete supplier directly, in addition to the payment already made to the GC
- C. The notice is a warning that the concrete supplier may file a lien if the supplier is not paid by the GC — the owner should verify with the GC that the supplier has been paid and request a lien waiver
- D. The notice is a standard form letter with no legal significance that can be safely disregarded

43. A contractor's annual overhead analysis shows: office lease \$24,000, office staff \$52,000, vehicle expenses \$18,000, insurance premiums \$14,400, marketing \$8,400, professional fees \$6,000, and CCB/licensing fees \$2,800. Total annual direct costs are \$680,000. What is the overhead rate?

- A. Approximately 7% based on a partial overhead calculation
- B. Approximately 18.5%, calculated as $\$125,600 \div \$680,000$
- C. Approximately 25% based on overhead as a percentage of revenue

D. Approximately 12% based on a selective overhead allocation

44. A contractor's project involves installing a new roof on a residential home. During tearoff, the contractor discovers extensive rot in the roof sheathing that was not visible from the exterior. The original contract does not include sheathing replacement. What should the contractor do?

A. Replace the rotted sheathing as part of the roofing scope because sheathing is an integral part of the roof system

B. Install the new roofing over the rotted sheathing and note the condition in the warranty exclusions

C. Notify the building inspector and request a code variance allowing installation over compromised sheathing

D. Stop work on the affected areas, document the condition with photos, and present the homeowner with a written change order for the sheathing replacement before proceeding

45. Under Oregon law, a contractor must apply for a CCB license within 24 months of passing the PSI exam. A contractor passes the exam on January 15, 2025. What is the last day they can apply?

A. January 15, 2027

B. July 15, 2026

C. January 15, 2026

D. March 15, 2027

46. A contractor is building a commercial office building. The project requires a tower crane for structural steel erection. During a routine inspection, the crane operator discovers a hairline crack in the crane's main boom. What should happen?

A. The operator should note the crack in the equipment log and continue operations at reduced capacity

B. The operator should apply a temporary weld repair and continue operations until a permanent repair can be scheduled

C. The crane must be taken out of service immediately — the boom must be inspected by a qualified person and repaired or replaced before the crane can be used again

D. The operator should reduce the load capacity by 25% and limit operations to lifts below the cracked section

47. A contractor receives a written estimate from a plumbing subcontractor for \$11,400. The GC includes this amount in their bid. After winning the project, the GC discovers the plumber's estimate did not include the cost of fixtures — only labor and roughin materials. Who bears the cost of the fixtures?

- A. The property owner, because fixture costs are always separate from the plumbing subcontract
- B. The GC, who should have verified that the plumbing estimate was complete before incorporating it into their bid — the GC's lump sum price to the owner does not change
- C. The plumbing subcontractor, who submitted an incomplete estimate and must absorb the fixture cost
- D. The fixtures are covered by the project's general overhead allocation

48. A contractor's employee is working alone at a remote residential site. The employee cuts their leg with a utility knife, and the wound requires stitches. The nearest hospital is 25 miles away. Under Oregon OSHA, what provision should have been in place for this scenario?

- A. A licensed paramedic stationed at every jobsite where workers are present
- B. A direct phone line to the nearest hospital's emergency department
- C. A written exemption from Oregon OSHA for solo work on residential sites
- D. Provisions for emergency medical transport, since the site is remote and medical facilities are not reasonably accessible — plus first aid supplies and at least one person trained in first aid on site

49. A contractor's project budget allocates \$8,500 for equipment rental. Midway through the project, the contractor has spent \$7,200 on equipment and the project is 50% complete. What does this indicate?

- A. Equipment costs are running significantly over budget — at 50% completion, approximately \$4,250 should have been spent, indicating a \$2,950 overrun that will likely worsen
- B. Equipment spending is within normal tolerances because rental costs are typically frontloaded
- C. The contractor should request a budget increase from the property owner to cover the additional equipment costs
- D. No analysis is possible because equipment costs cannot be tracked at the project midpoint

50. A contractor completes a residential project and the homeowner pays the full contract price. The contractor discovers that a plumbing subcontractor was never paid \$3,400. The subcontractor sends a Notice of Right to Lien to the homeowner. The homeowner is alarmed. What should the GC do?

- A. Advise the homeowner to ignore the notice because the homeowner has already paid the full contract price
- B. File a complaint with the CCB against the subcontractor for sending the notice without authorization
- C. Pay the subcontractor immediately and obtain a lien waiver to protect the homeowner from a lien filing
- D. Notify the homeowner that the lien is the subcontractor's problem and the GC has no further obligation

51. Under Oregon OSHA, what is the maximum gap allowed between scaffold platform planks and the guardrail supports (uprights)?

- A. 3 inches between the platform edge and the guardrail support
- B. 6 inches between the platform edge and the guardrail support
- C. No gap is permitted — the platform must extend flush to the guardrail supports
- D. 1 inch between the platform edge and the guardrail support, and the platform must be fully planked between the front uprights and the guardrail

52. A contractor enters into a costplus contract with a GMP of \$175,000. Direct costs total \$142,000 and job overhead is \$18,000. The contractor's fee is 10% of total costs. What is the total payment to the contractor, and how does the GMP affect the calculation?

- A. \$175,000 because the total (costs + fee) exceeds the GMP, which caps the payment
- B. \$175,600 because the total of \$160,000 in costs plus \$16,000 fee (\$176,000) exceeds the GMP, so the GMP caps the payment at \$175,000 — but the correct calculation shows costs of \$160,000 + fee of \$16,000 = \$176,000, exceeding the GMP, so the contractor receives \$175,000
- C. \$160,000 because the fee is waived when costs approach the GMP
- D. \$176,000 because the fee is calculated before the GMP is applied

53. A contractor operating as a sole proprietor wants to protect personal assets. The contractor forms an LLC and transfers the business. Within the first year of LLC operation, the contractor begins using the LLC's bank account to pay personal mortgage payments and car loans. What risk has the contractor created?

- A. A court may "pierce the corporate veil" because commingling personal and business funds demonstrates failure to maintain the LLC as a separate entity, potentially eliminating the liability protection

- B. No risk because LLCs are allowed to make distributions to members at any time for any purpose
- C. A tax penalty because personal expenses cannot be deducted as business expenses
- D. A CCB violation because licensed contractors may not use business accounts for personal expenditures

54. A contractor is reviewing their workers' compensation claims history to understand why premiums increased. Over the past three years, the contractor had eight claims totaling \$124,000 in medical costs. The industry average for the contractor's classification and payroll size is three claims totaling \$45,000. What does this comparison indicate?

- A. The contractor's premiums are lower than average because more claims result in volume discounts
- B. The contractor's claims history is significantly worse than the industry average, which will increase the experience modification rate and raise future premiums
- C. The contractor's claims volume is within acceptable tolerance because the industry average is based on smaller companies
- D. The comparison is meaningless because workers' compensation premiums are fixed by state regulation

55. A contractor's project involves a residential addition that includes a new bathroom. The plumbing subcontractor installs the drain lines and water supply lines. Before the drywall is installed, who must inspect the plumbing work?

- A. The general contractor's project superintendent, who verifies all subcontractor work before covering
- B. The plumbing subcontractor, who selfcertifies their own work using a signed compliance form
- C. The property owner, who must approve all plumbing work before it is enclosed
- D. The local building department inspector, who conducts the rough plumbing inspection to verify code compliance before the walls are enclosed

56. A contractor's project has a contract price of \$98,000. Actual direct costs total \$59,800, job overhead is \$9,200, and general overhead allocation is \$13,720. What is the actual net profit and profit margin?

- A. Net profit \$25,280 and margin 20%
- B. Net profit \$15,280 and margin 15.6%
- C. Net profit \$29,000 and margin 29.6%
- D. Net profit \$38,200 and margin 39%

57. Under Oregon law, when must a contractor provide the Information Notice to Owner About Construction Liens to the property owner?

- A. At the time of the written contract, for residential projects exceeding \$1,000
- B. Within 30 days of the project start date for all construction projects
- C. At the time of the first progress payment for residential projects exceeding \$2,000
- D. Before filing a Claim of Lien against the property

58. A contractor's project involves excavating a trench for a residential foundation. The trench is 5.5 feet deep in Type B soil. The contractor decides to bench the trench walls. Under Oregon OSHA, what is the maximum vertical height of the first bench in Type B soil?

- A. 2 feet vertical height for the first bench
- B. 5.5 feet — the full depth may be vertical if the soil is Type B
- C. 4 feet vertical height for the first bench, with subsequent benches not exceeding the vertical height limits for the soil type
- D. 3 feet vertical height, with subsequent benches at 1.5-foot intervals

59. A contractor operating in Eugene is awarded a project in Newport, Oregon — a coastal city 125 miles away. The project will last eight weeks. What additional costs should the contractor include in the project estimate?

- A. A separate CCB license for Lincoln County where Newport is located
- B. A coastal construction surcharge required by the Oregon Building Codes Division
- C. An Oregon OSHA regional assessment fee for projects outside the contractor's home county
- D. Crew travel time and mileage, potential lodging and per diem expenses, fuel for equipment transport, and the logistical costs of managing a remote project

60. A contractor's project involves installing a residential swimming pool. The excavation reaches 9 feet at the deep end in Type A soil (the most stable classification). Under Oregon OSHA, what protective system is required?

- A. No protection is required because Type A soil does not require protective systems at any depth
- B. A protective system is required because the excavation exceeds 5 feet — sloping, shoring, or shielding must be used regardless of soil type

- C. A protective system is required only if the pool excavation will remain open for more than 48 hours
- D. Only a competent person inspection is required — no physical protective system is needed for Type A soil

61. A contractor's employee is using a portable generator to power tools on a residential jobsite. The generator is running inside the partially enclosed garage. After 30 minutes, another worker enters the garage and notices the first employee is unconscious on the floor. What is the most likely cause, and what should the second worker do?

- A. Electrical shock from the generator — the second worker should disconnect the generator and begin CPR
- B. Heat exhaustion from working in an enclosed space — the second worker should provide water and ventilation
- C. Dehydration and fatigue — the second worker should call for additional crew members to assist
- D. Carbon monoxide poisoning from the generator's exhaust — the second worker should immediately remove the unconscious employee from the enclosed space into fresh air, call 911, and begin CPR if the employee is not breathing

62. A contractor's project involves a commercial kitchen renovation. The contract is costplus with a 12% fee. The contractor discovers that purchasing materials through a wholesale account saves 8% compared to retail pricing. Under the costplus contract, who benefits from this savings?

- A. The contractor keeps the savings as additional profit because the costplus fee covers wholesale purchasing efforts
- B. The property owner benefits because costplus contracts reimburse actual costs — the lower wholesale price reduces the reimbursable amount
- C. The savings is split equally between the contractor and the owner under standard costplus terms
- D. The wholesaler benefits because they receive payment faster than retail customers

63. A contractor enters into a lump sum contract for \$72,000 to remodel a residential kitchen. The homeowner makes three change orders totaling \$8,400 in additions and one change order for a \$2,200 credit (scope reduction). What is the revised contract price?

- A. \$72,000, because the original lump sum price cannot be modified
- B. \$80,400, reflecting only the additions without the credit

- C. \$78,200, reflecting the original price plus additions minus the credit ($\$72,000 + \$8,400 - \$2,200$)
- D. \$82,600, reflecting the additions plus a 10% change order management fee

64. Under Oregon law, a contractor who hires a subcontractor for residential work must verify the subcontractor's CCB license. The GC checks the CCB database on March 1 and confirms the subcontractor's license is active. The subcontractor begins work on March 15. On April 10, the GC learns that the subcontractor's insurance lapsed on March 20 — five days after work began. What is the GC's responsibility?

- A. The GC must stop the subcontractor's work immediately and not allow them to resume until their insurance is reinstated — the GC should have been actively monitoring subcontractor compliance
- B. No responsibility, because the GC verified the license on March 1 and fulfilled their verification obligation
- C. The GC must file a complaint with the CCB against the subcontractor within 10 business days
- D. The GC must obtain replacement insurance on behalf of the subcontractor to avoid project delays

65. A contractor's project budget includes \$3,500 for building permits. The actual permit fees total \$4,100. This \$600 variance affects which cost category?

- A. General overhead, because permit fees are classified as indirect business expenses
- B. The contractor's profit margin, because permit fees are always absorbed by the contractor
- C. Direct labor costs, because permit fees are included in the burdened labor rate calculation
- D. Job overhead (general conditions), because building permits are projectspecific costs

66. A contractor's employee is working on a scaffold platform at 12 feet. The scaffold has a top rail at 42 inches and a midrail at 21 inches, but no toeboard. A wrench falls from the platform and strikes a worker below. What scaffold safety component was missing?

- A. A safety net below the scaffold platform to catch falling objects
- B. A toeboard on all open sides and ends of the platform — toeboards prevent tools and materials from falling off the platform edge
- C. A debris containment screen attached to the guardrail system
- D. A designated tool storage area at least 6 feet from the platform edge

67. A contractor's project involves building a detached garage on a residential property. The garage foundation requires excavating footings 42 inches deep. The soil is sandy (Type C). Under Oregon OSHA, is a protective system required?

- A. Yes, because the excavation is in Type C soil, which is the least stable classification
- B. No, because the excavation is under 4 feet deep and below the 5foot trigger for protective systems
- C. No, because a protective system is required only at 5 feet or greater — the 42inch (3.5foot) depth does not meet the threshold regardless of soil type
- D. Yes, because all excavations require protective systems regardless of depth when the soil is Type C

68. A contractor is reviewing their tax obligations for the year. The contractor operates as an LLC taxed as a partnership with two members. The LLC earned \$180,000 in net income, distributed 60/40 between the members. Which tax form does the LLC file, and what do the members receive?

- A. The LLC files Form 1065 (Partnership Return) and each member receives a Schedule K1 showing their share of income — Member 1 reports \$108,000 and Member 2 reports \$72,000 on their personal returns
- B. The LLC files Form 1120 (Corporate Return) and pays corporate tax on \$180,000
- C. Each member files a separate Schedule C reporting their share of income without any LLClevel filing
- D. The LLC files Form 1120S and distributes W2s to each member for their share of income

69. A contractor's project involves installing a retaining wall on a slope. During heavy rain, the partially completed wall shifts 2 inches due to soil saturation. The contractor's foreman decides to continue construction the next day after the rain stops, without evaluating the movement. What professional obligation has the foreman failed to meet?

- A. The obligation to notify Oregon OSHA about structural movement on a construction site
- B. The obligation to file a change order with the property owner for the soil condition
- C. The obligation to report the wall movement to the CCB within 24 hours
- D. The obligation to stop work, evaluate the cause of the movement, and determine whether the wall design or construction method needs to be modified before proceeding — continuing without evaluation risks structural failure

70. A contractor's project is a residential new home build with a contract price of \$425,000. The homeowner provided a \$42,500 deposit (10%). After the foundation is complete, the contractor bills \$85,000 as the first progress payment. The homeowner pays \$85,000. Total

paid to date is \$127,500 (deposit + first progress payment). The contractor has spent \$98,000 in actual costs. What is the contractor's current cash position on this project?

- A. Negative \$98,000 because the contractor has spent all received funds
- B. Positive \$29,500 (\$127,500 received minus \$98,000 spent) — but this surplus must fund ongoing work until the next progress payment
- C. Positive \$127,500 because the contractor has received this amount without considering expenses
- D. Zero because the deposit and progress payment exactly offset the actual costs incurred

71. Under Oregon law, a contractor must provide which notice to the property owner on residential projects exceeding \$2,000?

- A. The Consumer Protection Notice and the Notice of Procedure
- B. Only the Information Notice to Owner About Construction Liens
- C. Only the Consumer Protection Notice
- D. Only the Notice of Procedure

72. A contractor's takeoff for a flooring project identifies 2,400 square feet of luxury vinyl plank at \$4.85 per square foot, with a 6% waste factor. The contractor also needs 2,400 square feet of underlayment at \$0.75 per square foot with a 3% waste factor. What is the total material cost?

- A. \$11,640 for vinyl plank only without underlayment
- B. \$11,160 without waste factors applied to either material
- C. \$14,178, calculated as vinyl plank with waste ($2,544 \text{ sq ft} \times \$4.85 = \$12,338$) plus underlayment with waste ($2,472 \text{ sq ft} \times \$0.75 = \$1,854$) — totaling approximately \$14,192, closest to \$14,178
- D. \$15,840 with a combined 10% waste factor on all materials

73. A contractor's project involves a commercial building renovation. During demolition, the contractor discovers a previously unknown underground fuel storage tank leaking diesel into the soil. What is the contractor's immediate obligation?

- A. Remove the tank immediately to prevent further contamination
- B. Continue demolition and report the tank to the property owner after the project is complete
- C. Pour concrete over the tank to seal the leak and prevent further soil contamination
- D. Stop work in the affected area, notify the property owner, and contact the appropriate environmental authorities — the contractor should not disturb the tank without proper environmental assessment and regulatory guidance

74. A contractor operating as a sole proprietor earns \$88,000 in net selfemployment income. The contractor makes quarterly estimated tax payments of \$4,000 each (\$16,000 total). At tax time, the contractor's total federal tax liability (income tax + selfemployment tax) is \$22,500. What additional amount does the contractor owe?

- A. Nothing — the estimated payments cover the full liability
- B. \$6,500, which is the difference between the \$22,500 liability and the \$16,000 in estimated payments
- C. \$22,500, because estimated payments are credited only against income tax, not selfemployment tax
- D. \$4,000, because one of the quarterly payments was applied to the wrong tax year

75. A contractor receives a written demand from a homeowner alleging that a deck built six months ago has structural deficiencies. The homeowner demands \$18,000 in repairs. The contractor's general liability policy has a \$500,000 peroccurrence limit. What should the contractor do first?

- A. Notify the general liability insurance carrier immediately — the carrier has a duty to defend covered claims and should be involved from the outset
- B. Pay the \$18,000 directly to avoid litigation costs and potential premium increases
- C. Inspect the deck personally and offer to make repairs at no cost to resolve the matter informally
- D. File a counterclaim against the homeowner for breach of contract

76. A contractor's project schedule shows the following activities and their relationships:

- Activity A: 5 days (no predecessors)
- Activity B: 8 days (predecessor: A)
- Activity C: 3 days (predecessor: A)
- Activity D: 6 days (predecessors: B and C)
- Activity E: 4 days (predecessor: D)

What is the critical path and total project duration?

- A. A → C → D → E = 18 days
- B. A → B → D → E = 23 days
- C. A → B → D → E = 23 days — this is the longest path through the network
- D. A → C → D → E = 18 days with 5 days of float on Path 2

77. A contractor's employee is performing electrical work in a commercial building and must work on an energized 480-volt panel. Under Oregon OSHA's electrical safety standards, what precautions are required?

- A. The employee must wear leather gloves and safety glasses while working on the energized panel
- B. The employee must complete a 4-hour online electrical safety course before working on any panel above 240 volts
- C. No special precautions are required for qualified electrical workers who hold a BCD electrical license
- D. The employee must follow arc flash safety procedures, use appropriate PPE rated for the voltage and arc flash hazard, and the work must be performed by a qualified person trained in electrical safety

78. A contractor operating as a corporation has two officers — husband and wife — and one nonfamily employee. The employee resigns. After the employee leaves, how is the business classified?

- A. Exempt, because all employees are now gone and the only officers are immediate family
- B. Exempt, because the corporation has two officers who are spouses and no nonfamily employees — meeting all exempt criteria
- C. Nonexempt, because corporations that were previously nonexempt cannot revert to exempt status
- D. Nonexempt, because the corporation must maintain its nonexempt classification for the remainder of the current license period

79. A contractor is building a new home and receives the 28-day concrete test results for the garage slab. The specification requires 3,500 psi and the test results show 3,200 psi. The contractor has already framed the walls on top of the slab. What should the contractor do?

- A. Notify the structural engineer and the property owner — the concrete does not meet specifications, and the engineer must evaluate whether the slab is adequate for its intended use or requires remediation
- B. Accept the concrete because the 300 psi difference is within standard industry tolerance
- C. Apply a surface hardener to increase the compressive strength to the specified level
- D. Remove the framing, demolish the slab, and repour to the correct specification

80. A contractor's project involves a residential kitchen remodel. The contractor provides the homeowner with a detailed written proposal that includes the scope of work, price, payment schedule, CCB license number, and the contractor's contact information. The proposal does not

include the explanation of property owner's rights. The homeowner signs the proposal. Does this document satisfy Oregon's written contract requirements?

- A. Yes, because the proposal contains all essential commercial terms needed for a valid contract
- B. Yes, because the CCB license number on the proposal satisfies all regulatory requirements
- C. No, because proposals are preliminary documents that cannot serve as construction contracts
- D. No, because the signed proposal is missing the explanation of property owner's rights, which is a required element of every written residential construction contract under Oregon CCB rules

Practice Exam 12: Answer Key and Explanations

1. C — The Commercial Specialty Contractor endorsement limits work to one or two unrelated building trades. Serving as the prime contractor managing all trades on a \$2.8 million warehouse requires a Commercial General Contractor endorsement, which allows unlimited trades and overall project management responsibility.
2. A — Windows: $42 \times \$385 = \$16,170$. Skylights: $2 \times \$650 = \$1,300$. Total: \$17,470. Missing items in a take-off — like forgetting the skylights — directly translate to cost overruns. Count measurements should include every discrete unit shown on the plans.
3. D — Self-employment tax: $\$92,000 \times 0.153 = \$14,076$. This covers both the employer and employee shares of Social Security (12.4%) and Medicare (2.9%). As a sole proprietor, the contractor pays both halves because there is no employer to split the contribution.
4. B — Landscaping contractors in Oregon are licensed separately through the Oregon Landscape Contractors Board, not the CCB. The GC should verify that the landscaping company holds both a CCB license (if performing construction work) and an LCB license for landscape contracting activities.
5. D — Under a lump sum contract without a differing site conditions clause, the contractor assumes the risk of unforeseen conditions. The \$6,800 foundation repair is the contractor's cost. Including a differing conditions clause in future contracts would shift this risk to the owner.
6. A — Bond premiums and insurance premiums are operating expenses included in the total expense figure on the profit and loss statement. They represent ongoing costs of doing business that reduce net profit and must be accounted for in overhead calculations.
7. C — Oregon law requires the CCB license number on all advertising, including social media posts and profiles. Facebook, Instagram, and all other digital platforms are subject to the same display requirements as websites, business cards, and vehicle lettering.
8. B — All three rough inspections must pass before insulation can begin. The failed HVAC inspection must be corrected and re-inspected before insulation is installed. Installing insulation before all rough inspections pass risks having to remove it for corrections.

9. D — Oregon defines immediate family as parents, spouses, siblings, children, children-in-law, and grandchildren. The daughter's husband is a child-in-law of the mother. With two members who are immediate family and one employee who is also immediate family, the LLC remains exempt.

10. A — The general contractor has primary responsibility for overall jobsite safety on multi-contractor projects, including guarding floor openings. An unprotected elevator shaft opening is a recognized fall hazard that the GC must address regardless of which subcontractor's scope includes the shaft.

11. C — Total direct costs: $\$68,000 + \$52,000 + \$8,500 + \$34,000 + \$12,500 = \$175,000$. General overhead at 16%: $\$175,000 \times 0.16 = \$28,000$. Total cost: $\$175,000 + \$28,000 = \$203,000$. Both job overhead and general overhead must be included.

12. B — The log documents cold-weather concreting precautions. Concrete placed at 28°F must be protected from freezing during initial curing, and the log confirms insulated blankets were applied within hours of the pour. This contemporaneous record demonstrates proper quality management.

13. A — Under ORS 87.005, "owner" includes a person who is or claims to be the owner in fee, a contract purchaser of an interest in the property, or a lessee with a valid lease possessing an interest in the property. The definition is broader than just the deed holder.

14. D — ORS 701.310 allows cancellation of initial residential contracts until midnight of the next business day. The contract was signed Tuesday, so the cancellation right extends through midnight Wednesday. A Wednesday 10 AM call is well within the window.

15. B — Overtime at 1.5 times the regular rate applies to hours over 40 per workweek. Correct calculation: $40 \times \$28.00 = \$1,120 + 10 \times \$42.00 = \420 . Total: $\$1,540$. Construction workers are generally not exempt from overtime requirements.

16. C — The contractor paid the \$8,500 final order, resolving the complaint. The surety bond was not involved because the contractor complied with the order directly. The bond is only claimed when the contractor refuses to pay a final order.

17. A — The building exceeds the primary size test (11,000 sq ft > 10,000) but the total contract price of \$195,000 is under the \$250,000 alternative threshold. A structure qualifies as small commercial if it meets either test — the price test is satisfied.

18. D — A construction lien expires 120 days after recording unless a foreclosure lawsuit is filed. From July 8, the 120-day deadline falls on November 5. Missing this deadline permanently extinguishes the lien.

19. B — Suspected asbestos must not be disturbed. The employee should stop work, secure the area, and notify the supervisor. Asbestos awareness training teaches recognition and reporting — not removal. Only licensed abatement contractors may remove confirmed asbestos.

20. C — For projects over \$1 million, the general contractor must provide flush toilets and washing facilities on the jobsite. This goes beyond the standard portable toilet requirement and applies to larger commercial and residential projects.

21. B — Quantity with waste: $8,200 \times 1.08 = 8,856$ square feet. The 8% waste factor accounts for cutting at roof edges, valleys, and penetrations. Ordering only the net quantity guarantees a shortage during installation.

22. D — Routing customer payments through a personal account creates significant risk of embezzlement, cash flow disruption, and loss of financial control. The contractor should implement proper controls requiring all deposits to go directly into the business account.

23. A — Under ORS 87.035, a Claim of Lien must be verified by oath, which requires notarization. An unnotarized claim is defective and potentially unenforceable. This is a mandatory procedural requirement with no workaround.

24. C — Concrete placed without specified fiber mesh reinforcement does not meet the contract specifications. The contractor must notify the owner and engineer so they can determine whether the slab is acceptable as-is or must be replaced. Unilateral acceptance is not the contractor's decision.

25. B — Oregon defines immediate family as parents, spouses, siblings, children, children-in-law, and grandchildren. Cousins are not included in this definition. Two unrelated partners (for classification purposes) triggers non-exempt status even without employees.

26. D — Total insurance: $\$5,400 + \$12,800 + \$3,600 + \$1,200 = \$23,000$. All insurance premiums are classified as general overhead expenses on the profit and loss statement because they support the entire business operation, not individual projects.

27. A — The system arrests the fall at approximately 12 feet below the anchor point, leaving the employee's feet 18 feet above the ground. The system is adequate because it prevents the employee from striking the ground or any lower obstruction. The key requirement is sufficient clearance below the anchor.

28. C — The aging pattern shows \$4,200 over 90 days — receivables that become increasingly difficult to collect with each passing month. The contractor should implement more aggressive follow-up procedures on aging invoices to prevent uncollectable write-offs.

29. B — A new footing lower than the existing footing may undermine the existing foundation by removing lateral support. The structural engineer must verify that the excavation and footing design will not compromise the existing structure's support system.

30. D — "Rodriguez Premier Construction" does not include the owner's real and true name as the sole business identifier — it adds the word "Premier" and the word "Construction," making it an assumed business name. It must be registered with the Secretary of State.

31. A — Demolition (2) + longer rough-in (3, with electrical running concurrently in 2) + inspections (1) + waterproofing (1) + tile (4) + grout cure (1) + fixtures (2) + finals (1) = 15 days. The parallel rough-ins save 2 days compared to sequential scheduling.

32. D — When combustible materials cannot be moved, they must be covered with fire-resistant blankets or shields. A fire watch with appropriate extinguishing equipment must be stationed during cutting and for a specified period afterward. These are mandatory fire prevention measures.

33. C — The signed change order adds the \$1,200 fixture overage to the contract price. Allowances are adjusted based on actual selections, and the difference — whether an increase or decrease — is documented through a change order that modifies the total contract amount.

34. B — Having any employee who is not an immediate family member triggers non-exempt classification. The family relationships among the three LLC members are irrelevant when a non-family employee is hired. The contractor must notify the CCB and obtain workers' compensation.

35. A — Starting balance \$22,000 minus cumulative outflows ($\$18,000 + \$12,000 + \$8,000 = \$38,000$) = negative \$16,000. The contractor needs \$16,000 in additional funding to bridge the gap until the Week 4 progress payment arrives.

36. D — An amputation must be reported to Oregon OSHA within 24 hours of the employer learning of the injury. This is the same timeframe as in-patient hospitalizations and loss of an eye. Fatalities require the more urgent 8-hour reporting.

37. C — When a tenant makes improvements without the landlord's authorization, the building owner can post a Notice of Nonresponsibility to limit lien exposure. The contractor's lien may attach only to the tenant's leasehold interest rather than the full property value.

38. B — Vinyl floor tiles and their adhesive from buildings constructed before 2004 commonly contain asbestos. The tiles must be tested before removal. If asbestos is confirmed, proper abatement procedures under Oregon OSHA's asbestos standard must be followed.

39. A — The Claim of Lien must be filed within 75 days of the contractor's last furnishing of labor or materials, or 75 days after completion, whichever comes first. If the contractor's last work was on May 1, the deadline is July 15.

40. B — The employer must train employees on the specific hazards of pressure-treated lumber dust (which may contain arsenic), provide appropriate respiratory protection, and ensure access to the Safety Data Sheet. This is a standard HazCom obligation for any hazardous material used on the jobsite.

41. A — The most cost-effective approach is to crash critical-path activities starting with those that have the lowest cost per day of compression. Evaluate each activity's crash cost and reduce the cheapest ones first until the desired 5 days of compression are achieved.

42. C — The Notice of Right to Lien warns the owner that the concrete supplier may file a lien if not paid — even though the owner already paid the GC. The owner should verify with the GC that the supplier has been paid and request a lien waiver as proof.

43. B — Total overhead: $\$24,000 + \$52,000 + \$18,000 + \$14,400 + \$8,400 + \$6,000 + \$2,800 = \$125,600$. Rate: $\$125,600 \div \$680,000 = 18.5\%$. This rate must be applied to every project to ensure indirect business costs are fully recovered.

44. D — Discovering rot under an existing roof is an unforeseen condition not included in the original contract. The contractor must stop work on affected areas, document the condition, and present a written change order before replacing the sheathing. Installing new roofing over rotten sheathing is not acceptable.

45. A — The contractor must apply within 24 months of passing the exam. Passing on January 15, 2025 means the deadline is January 15, 2027. After this date, the contractor must retake the education and exam.

46. C — A crack in a crane's main boom is a critical structural deficiency that could lead to catastrophic failure during a lift. The crane must be taken out of service immediately, inspected by a qualified person, and repaired or replaced before resuming operations.

47. B — The GC should have verified that the plumbing estimate included all scope components before incorporating it into their bid. The GC's lump sum price to the owner is fixed — the GC must absorb the fixture cost or negotiate with the plumber, but cannot pass it to the owner.

48. D — On remote sites where medical facilities are not reasonably accessible, the employer must provide provisions for emergency medical transport. First aid supplies and at least one person trained in first aid must also be available on every construction site.

49. A — At 50% completion, approximately \$4,250 of the \$8,500 equipment budget should have been spent. Actual spending of \$7,200 represents a \$2,950 overrun that will likely worsen if the pattern continues through project completion.

50. C — The GC should pay the subcontractor immediately and obtain a lien waiver to protect the homeowner. The GC received payment from the homeowner and has an obligation to pay the subcontractor. Allowing a lien to be filed against the homeowner's property damages the client relationship.

51. D — Oregon OSHA requires that scaffold platforms be fully planked or decked between the front uprights and the guardrail, with no gap exceeding 1 inch. This prevents tools and materials from falling through gaps and protects workers below.

52. B — Total costs: $\$142,000 + \$18,000 = \$160,000$. Fee at 10%: $\$16,000$. Total: $\$176,000$. Since this exceeds the $\$175,000$ GMP, the GMP caps the total payment at $\$175,000$. The contractor absorbs the $\$1,000$ difference.

53. A — Commingling personal and business funds is the primary behavior that leads courts to pierce the corporate veil. Using the LLC's bank account for personal mortgage and car payments demonstrates failure to maintain the entity as separate, potentially eliminating the liability protection.

54. B — Eight claims totaling $\$124,000$ versus an industry average of three claims totaling $\$45,000$ demonstrates significantly worse safety performance. This will increase the experience modification rate, raising premiums above the industry baseline.

55. D — The local building department inspector must conduct the rough plumbing inspection to verify code compliance before walls are enclosed. This is a mandatory inspection point — drywall cannot be installed until the plumbing passes inspection.

56. B — Total costs: $\$59,800 + \$9,200 + \$13,720 = \$82,720$. Net profit: $\$98,000 - \$82,720 = \$15,280$. Margin: $\$15,280 \div \$98,000 = 15.6\%$. All three cost categories must be deducted to determine actual profitability.

57. A — The Information Notice to Owner About Construction Liens must be provided at the time of the written contract for residential projects exceeding \$1,000. The notice warns the owner about potential lien claims from subcontractors and suppliers.

58. B — For Type B soil, the maximum vertical height of the first bench is 4 feet, with subsequent benches following the soil type's specific vertical and horizontal step requirements. Benching specifications vary by soil classification.

59. D — A project 125 miles away creates additional costs: crew travel time and mileage, lodging and per diem for an eight-week duration, fuel for equipment transport, and the logistical costs of supervising a remote project. All must be included in the estimate.

60. B — Oregon OSHA requires protective systems for all excavations 5 feet or deeper, regardless of soil type. Even Type A soil — the most stable — requires sloping, shoring, or shielding at 5 feet. The 9-foot pool excavation clearly exceeds this threshold.

61. D — A gas-powered generator running inside a partially enclosed space produces carbon monoxide, which is odorless and can cause unconsciousness and death. The second worker must remove the employee to fresh air immediately, call 911, and begin CPR if the employee is not breathing.

62. B — Under a cost-plus contract, the owner pays actual costs. Wholesale pricing reduces the actual material cost, which reduces the reimbursable amount. The savings passes to the owner because cost-plus reimburses what was actually spent.

63. C — Approved change orders modify the contract price. Original: \$72,000 + additions \$8,400 – credit \$2,200 = \$78,200. Both additions and credits are documented through signed change orders that adjust the total contract amount.

64. A — The GC must stop the subcontractor's work immediately. Verifying license status at hiring is necessary but not sufficient — the GC should actively monitor subcontractor compliance throughout the project. A lapsed insurance policy means the subcontractor's license requirements are not fully met.

65. D — Building permit fees are job overhead (general conditions) — project-specific costs that are not direct labor or materials. The \$600 variance between estimated and actual permit fees affects the project's job overhead category.

66. B — Toeboards are required on all open sides and ends of scaffold platforms more than ten feet above the ground. Toeboards prevent tools and materials from sliding off the platform edge and striking workers below.

67. C — Oregon OSHA requires protective systems at 5 feet or greater. A 42-inch (3.5-foot) excavation does not meet the 5-foot threshold, regardless of soil type. However, even in shallow excavations, a competent person should evaluate conditions.

68. A — An LLC taxed as a partnership files Form 1065 (an informational return) and issues Schedule K-1 to each member. Member 1 reports \$108,000 (60%) and Member 2 reports \$72,000 (40%) on their personal returns.

69. D — A retaining wall that shifts 2 inches during rain indicates a structural concern that must be evaluated before proceeding. Continuing construction without assessing the cause of movement risks progressive failure. The foreman should stop work and engage the project engineer.

70. B — Cash received: \$127,500. Cash spent: \$98,000. Current position: positive \$29,500. However, this surplus must fund ongoing work — labor, materials, and subcontractor payments — until the next progress payment arrives.

71. A — For residential projects exceeding \$2,000, both the Consumer Protection Notice and the Notice of Procedure are required. The Information Notice to Owner About Construction Liens is triggered at the lower \$1,000 threshold.

72. C — Vinyl plank with waste: $2,400 \times 1.06 = 2,544$ sq ft \times \$4.85 = \$12,338. Underlayment with waste: $2,400 \times 1.03 = 2,472$ sq ft \times \$0.75 = \$1,854. Total: approximately \$14,192, closest to \$14,178.

73. D — An unknown leaking underground fuel tank is a potential environmental emergency. The contractor must stop work, notify the property owner, and contact environmental authorities. Disturbing the tank could spread contamination and violate environmental regulations.

74. B — Total liability \$22,500 minus estimated payments \$16,000 = \$6,500 remaining balance due at filing. Estimated payments reduce the total amount owed but do not eliminate the obligation if the payments were insufficient.

75. A — The contractor should notify their general liability insurance carrier immediately. The carrier has a duty to defend covered claims, provide legal counsel, and cover defense costs. Acting without involving the carrier — whether paying or counterclaiming — is premature.

76. C — The critical path is the longest path: A (5) \rightarrow B (8) \rightarrow D (6) \rightarrow E (4) = 23 days. Path A \rightarrow C \rightarrow D \rightarrow E = 18 days with 5 days of float. The critical path determines the minimum project duration.

77. D — Working on an energized 480-volt panel requires arc flash safety procedures, PPE rated for the specific voltage and arc flash hazard level, and performance by a qualified person trained in electrical safety. This is among the most dangerous electrical work in construction.

78. B — After the non-family employee resigns, the corporation has two officers who are spouses and no non-family employees. This meets all exempt criteria — the business can reclassify from non-exempt to exempt by notifying the CCB.

79. A — Concrete testing below the specified 3,500 psi is non-conforming. The structural engineer must evaluate whether the 3,200 psi slab is adequate for its intended use. The contractor should not make this determination unilaterally — it requires engineering judgment.

80. D — The signed proposal is missing the explanation of property owner's rights, which is a required element of every written residential construction contract under Oregon CCB rules. Without this element, the document does not satisfy the statutory requirements.

