

PRACTICE EXAM 13: BUSINESS & LAW EXAM SIMULATION (50 QUESTIONS)

Time Allowed: 120 Minutes (2 Hours)

Total Questions: 50

Passing Score: 70% (35 Correct)

DOMAIN 1: LICENSING REQUIREMENTS (Questions 1–8)

1. A contractor in Alabama wins a \$600,000 public library construction project. During construction, the contractor's qualifying party resigns and joins a competing company. The contractor immediately promotes the most experienced superintendent to serve as the interim qualifying party but does not notify the Licensing Board for 45 days. Under Alabama licensing law, what violations have occurred?

A. Two violations have occurred: failing to notify the Board promptly of the qualifying party change, and potentially operating without a properly designated qualifying party during the 45day gap — the promoted superintendent must meet all qualifying party requirements and be approved by the Board before serving in the role

B. No violation occurred because the superintendent automatically becomes the qualifying party upon promotion

C. Only the departing qualifying party has committed a violation by resigning during an active project

D. The 45day notification delay is within the standard 90day grace period and creates no violation

2. Under Alabama law, a licensed contractor hires an unlicensed individual as a "project coordinator" who negotiates subcontracts, signs change orders on behalf of the company, and makes binding commitments with material suppliers. The project coordinator has no ownership stake in the company. Under Alabama licensing regulations, does this arrangement create a licensing issue?

A. No issue exists because project coordinators are completely exempt from all Alabama licensing requirements

B. No issue exists because only the company owner must be concerned with licensing regulations

C. The arrangement may create a licensing issue if the project coordinator is performing acts that constitute contracting — negotiating subcontracts, signing change orders, and making binding commitments may cross the line from administrative support into activities that require licensure or authorization under the qualifying party's supervision

D. Only licensed attorneys may serve as project coordinators on Alabama construction projects

3. A contractor holds an Alabama license with a \$750,000 monetary limitation. The contractor is offered two simultaneous projects — Project A valued at \$500,000 and Project B valued at \$400,000. Both projects will be under construction at the same time. Under Alabama licensing law, does the monetary limitation apply to each individual project or to the contractor's total combined workload?

A. The monetary limitation applies to the contractor's total combined annual revenue from all sources

B. The monetary limitation generally applies to each individual project, not the contractor's combined workload — each project must independently fall within the license's monetary limit, so both Project A (\$500,000) and Project B (\$400,000) are within the \$750,000 limitation

C. The monetary limitation applies only to the largest single project the contractor has under contract

D. The combined value of \$900,000 exceeds the \$750,000 limitation and the contractor may accept only one

4. Under Alabama law, a contractor who receives a notice of complaint from the Licensing Board has the right to respond. The contractor retains an attorney to prepare a formal written response addressing each allegation in the complaint. Under Alabama's administrative procedures, what benefit does a thorough written response provide?

A. A written response has no benefit because the Board has already made its decision before receiving it

B. The response is only filed for archival purposes and has no influence on the Board's decisionmaking

C. The response is required only if the contractor wants to voluntarily surrender the license to the Board

D. A thorough written response allows the contractor to present the contractor's version of events, provide supporting documentation, identify factual inaccuracies in the complaint, and potentially resolve the matter before a formal hearing — the response may persuade the Board that no violation occurred or that the circumstances warrant reduced sanctions

5. A general contractor in Alabama subcontracts the roofing work to a subcontractor who holds a valid license. During the project, the roofing subcontractor further subcontracts a portion of the work to a secondtier subcontractor who does not hold a license. The secondtier subcontract is valued at \$65,000. Under Alabama licensing law, who is responsible for this violation?

A. Only the property owner is responsible for verifying licenses of all tiers of subcontractors on the project

B. Only the general contractor is responsible because the GC's license covers all tiers of subcontractors

C. The roofing subcontractor bears primary responsibility for engaging an unlicensed secondtier subcontractor to perform work exceeding the \$50,000 threshold — however, the general contractor may also face scrutiny for failing to ensure that all work on the project is performed by properly licensed entities

D. Secondtier subcontractors are exempt from all licensing requirements regardless of contract value

6. Under Alabama licensing regulations, the Board may issue an "emergency suspension" of a contractor's license under extraordinary circumstances. What type of situation might warrant an emergency suspension?

A. An emergency suspension may be warranted when the contractor's continued operations pose an imminent threat to public safety — such as a pattern of dangerous structural deficiencies, ongoing fraud affecting multiple consumers, or construction practices that create an immediate risk of injury or death

B. An emergency suspension is issued only for unpaid parking tickets at the Board's office location

C. Emergency suspensions are issued only for contractors who fail to attend the Board's annual conference

D. Emergency suspensions are not permitted under Alabama law and the Board must follow standard procedures

7. A contractor applies for an Alabama license and the Board requires an examination. The applicant has a documented learning disability that makes it difficult to complete timed written examinations. Under federal disability law, what accommodation must the testing authority provide?

A. The testing authority must deny the application because learning disabilities disqualify applicants from licensure

B. The testing authority must waive the examination entirely and issue the license without any testing

C. No accommodations are available for any disability under any federal law for professional licensing exams

D. Under the Americans with Disabilities Act, the testing authority must provide reasonable accommodations such as extended time, a separate testing room, a reader, or other modifications that enable the applicant to demonstrate knowledge without being disadvantaged by the disability — the accommodation must not fundamentally alter what the exam measures

8. Under Alabama law, the Licensing Board has the authority to adopt rules governing the practice of general contracting in the state. These rules carry the force of law once properly adopted. Before a new rule takes effect, what public participation requirement must be satisfied?

A. No public participation is required and the Board may adopt rules without any external input or notice

B. The Board must comply with Alabama's Administrative Procedure Act, which requires public notice of proposed rules, a comment period during which interested parties may submit written comments or request a public hearing, and a formal adoption process — this ensures transparency and stakeholder input

C. Only licensed contractors may comment on proposed rules with no public participation permitted

D. Rules take effect only if approved by unanimous vote of all licensed contractors in a statewide election

DOMAIN 2: ESTIMATING AND BIDDING (Questions 9–13)

9. A contractor is preparing a bid for a commercial project that includes a "prebid site visit" requirement. The instructions to bidders state that attendance at the prebid site visit is mandatory and that bids from contractors who did not attend will be rejected. The contractor's estimator attends but does not sign the attendance sheet. Under standard bidding practice, what risk has the contractor created?

- A. The estimator's failure to attend the site visit automatically disqualifies the bid from consideration
- B. The attendance sheet is a decorative document with no contractual or bidding significance at all
- C. Only the company owner must attend the prebid site visit and estimators may never attend on behalf
- D. Without a signed attendance record, the contractor may be unable to prove attendance — the bid may be rejected as nonresponsive if the owner cannot verify the contractor's participation, even though the estimator was physically present at the site visit

10. A contractor's estimator discovers during quantity takeoff that the architectural drawings show a 10,000 square foot building, but the structural drawings show a 10,500 square foot building. The discrepancy affects the concrete slab, steel framing, and roofing quantities. Under standard estimating and bidding practice, what should the estimator do?

- A. The estimator should submit a prebid RFI requesting clarification of the correct building area from the architect — pricing the project based on conflicting dimensions creates risk regardless of which dimension is chosen, and the RFI documents the discrepancy and obtains an official answer that all bidders can rely upon
- B. The estimator should always use the smaller dimension to make the bid more competitive for the owner
- C. The estimator should average the two dimensions and use 10,250 square feet as a compromise amount
- D. Drawing discrepancies are common and the estimator should ignore them without seeking clarification

11. A contractor is bidding a public project in Alabama and the bid form includes a line item for "mobilization." Under standard public bidding practice, what costs does the mobilization line item cover?

A. Mobilization covers only the cost of the contractor's office supplies purchased for the project trailer

B. Mobilization covers only the cost of the contractor's company holiday party held during the project

C. Mobilization covers the costs of establishing the contractor's presence on the site before production work begins — including moving equipment to the site, setting up temporary facilities (trailer, fencing, utilities), establishing site access, preparing the staging area, completing initial submittals, and other preconstruction activities

D. Mobilization covers only the cost of the final project closeout documentation and warranty materials

12. A contractor receives an "addendum" from the architect three days before the bid deadline. The addendum substantially changes the mechanical system from a conventional rooftop unit system to a variable refrigerant flow (VRF) system, affecting the mechanical cost by approximately \$200,000. Under standard bidding practice, should the contractor request a bid deadline extension?

A. The contractor should ignore the addendum because changes issued within one week of bid deadline are void

B. Addenda never affect the bid deadline regardless of the scope or complexity of the changes contained

C. The contractor must submit the bid on the original deadline because extensions are prohibited by all owners

D. The contractor should request a bid deadline extension because the substantial mechanical system change requires new subcontractor pricing, revised coordination with other trades, and additional estimating time — most owners and Alabama's bidding procedures allow deadline extensions for significant late addenda

13. A contractor is evaluating the "bidtohit" ratio for the company's estimating department. Over the past year, the company submitted 40 bids and won 8 projects. What is the bidtohit ratio, and what does it indicate about the company's bidding strategy?

- A. The bidtohit ratio is 40:1, indicating the company needs to submit 40 bids to win a single project
- B. The bidtohit ratio is 5:1 (40 bids ÷ 8 wins), meaning the company wins approximately one out of every five bids submitted — this ratio helps evaluate the competitiveness and selectivity of the company's bidding strategy and is a key metric for managing the estimating department's workload and resources
- C. The bidtohit ratio cannot be calculated from the information provided without additional financial data
- D. The bidtohit ratio is 8:40, indicating the company is winning too many projects and should raise prices

DOMAIN 3: LIEN LAWS (Questions 14–15)

14. Under Alabama's mechanics' lien law, a contractor files a lien for \$80,000 on a commercial property. The property owner believes the lien amount is inflated and that the contractor is actually owed only \$50,000. Under Alabama law, what remedy does the property owner have if the lien amount is disputed?

- A. The property owner may challenge the lien amount in court — if the court determines that the lien was willfully inflated (the contractor intentionally overstated the amount), the court may reduce the lien to the correct amount and may impose penalties on the contractor for filing a fraudulent or exaggerated lien claim
- B. The property owner has no remedy and must pay the full \$80,000 regardless of the actual amount owed
- C. The property owner may unilaterally reduce the lien amount by filing a correction with the county recorder
- D. Disputed lien amounts are always resolved by the Licensing Board rather than the courts in Alabama

15. A general contractor on a commercial project receives a "notice of intent to lien" from a secondtier subcontractor (a subsubcontractor) the GC has never contracted with and did not know was working on the project. Under Alabama's mechanics' lien law, does a secondtier subcontractor have lien rights against the property?

- A. Secondtier subcontractors can never have lien rights because they are too far removed from the owner

B. Secondtier subcontractors have lien rights only on government projects and never on private property

C. Secondtier subcontractors have lien rights only if they are personally known to the property owner

D. Secondtier subcontractors (subsubcontractors) may have lien rights against the property if they comply with Alabama's preliminary notice requirements for remote claimants — the fact that the GC did not directly contract with or know about the subsubcontractor does not eliminate the subsubcontractor's statutory lien rights

DOMAIN 4: FINANCIAL MANAGEMENT (Questions 16–20)

16. A contractor's accountant explains the difference between "direct costs" and "indirect costs" in construction accounting. On a job cost report, the accountant categorizes the project superintendent's salary as an indirect cost (general conditions) rather than a direct cost. Under standard construction accounting, why is this classification correct?

A. The superintendent's salary is a direct cost because the superintendent works directly on the building

B. The superintendent's salary is classified as an indirect cost (general conditions/project overhead) because it is a timedependent management cost that supports the entire project rather than a specific trade or installation activity — unlike a carpenter's wages (direct labor for a specific work item), the superintendent's cost cannot be attributed to any single work activity

C. All salaries are classified as direct costs regardless of the employee's role or management function

D. The superintendent's salary classification depends on whether it exceeds \$100,000 annually

17. A contractor's financial statement shows "depreciation expense" of \$120,000 for the year. The contractor's fleet of equipment was purchased for \$800,000 and has been depreciated over five years. Under financial management principles, why is depreciation important even though it is a noncash expense?

A. Depreciation is a noncash expense that reduces taxable income (lowering the company's tax obligation) and reflects the gradual loss of value of the company's equipment over its useful life — while no cash leaves the company when depreciation is recorded, it accurately represents the economic consumption of the asset and the future need to replace it

- B. Depreciation has no significance in financial management and may be ignored by all construction companies
- C. Depreciation increases the company's cash balance by the full depreciation amount each fiscal year
- D. Depreciation applies only to buildings owned by the contractor and never to construction equipment

18. A contractor reviews the company's "accounts receivable turnover" ratio and calculates it at 4.0 times per year. Under financial management principles, what does this ratio indicate?

- A. The ratio indicates the company has \$4.00 in receivables for every \$1.00 of annual revenue earned
- B. The ratio indicates the company processes 4 invoices per year regardless of dollar amounts billed
- C. An accounts receivable turnover of 4.0 means the company collects its average receivables balance four times per year (approximately every 91 days) — a higher turnover indicates faster collection, while a lower turnover suggests slower collection; the contractor should aim for a higher ratio to improve cash flow
- D. The ratio measures only the number of customers the company invoices annually with no financial meaning

19. A contractor is negotiating a construction loan with the bank to finance a speculative commercial building the contractor will develop and sell. The bank requires a "personal guarantee" from the contractor's principal. Under financial management principles, what does the personal guarantee mean for the principal?

- A. The personal guarantee is a symbolic gesture with no financial consequence for the principal owner
- B. The personal guarantee means the principal is personally liable for repaying the construction loan if the company defaults — the bank may pursue the principal's personal assets (home, savings, investments) to recover the loan balance, regardless of the company's corporate or LLC liability protection
- C. The personal guarantee applies only to the first \$10,000 of the loan balance with no additional liability
- D. Personal guarantees are prohibited by Alabama banking regulations for all construction loan transactions

20. A contractor's job cost report shows that the "cost performance index" (CPI) for a commercial project has been declining steadily from 1.05 in month 2 to 0.88 in month 6. Under earned value management principles, what does this declining CPI trend indicate?

A. The declining CPI is a positive trend indicating the project is becoming more efficient over time

B. CPI trends have no significance for project management and should be monitored only by the accountant

C. The CPI decline has no relationship to the project's actual cost performance at any point during execution

D. The declining CPI from 1.05 to 0.88 indicates the project's cost efficiency is deteriorating — in month 2, the project was earning \$1.05 for every dollar spent (under budget), but by month 6, it earns only \$0.88 per dollar (over budget); this worsening trend signals that corrective action is urgently needed before the overrun becomes unrecoverable

DOMAIN 5: PAYROLL, TAXES, AND INSURANCE (Questions 21–26)

21. Under federal tax law, a contractor must properly handle "prevailing wage" requirements on a federally funded construction project subject to the DavisBacon Act. The prevailing wage determination for the project area specifies that carpenters must be paid a total of \$45.00 per hour — consisting of a base wage of \$30.00 and fringe benefits of \$15.00. The contractor currently pays carpenters \$32.00 per hour in base wages with \$10.00 in fringe benefits. Under DavisBacon, what must the contractor pay?

A. The contractor must pay the full prevailing wage of \$45.00 per hour in total compensation — the contractor may meet this requirement by paying \$32.00 base + \$13.00 additional fringe, or by paying \$35.00 base + \$10.00 fringe, or any combination that totals at least \$45.00; the contractor may not pay less than the total prevailing wage including both the wage and fringe components

B. The contractor may continue paying \$32.00 base + \$10.00 fringe (\$42.00 total) with no adjustment needed

C. DavisBacon requires the contractor to pay only the base wage of \$30.00 with fringe benefits being optional

D. The contractor must pay exactly \$30.00 base wage and exactly \$15.00 fringe with no variation permitted

22. A contractor's workers' compensation insurance policy is based on an estimated annual payroll of \$1,200,000. The premium rate for the primary classification code is \$10.00 per \$100 of payroll, and the company's EMR is 1.10. What is the estimated annual workers' compensation premium before any other adjustments?

- A. The estimated annual premium is \$132,000 calculated as $(\$1,200,000 \div \$100) \times \$10.00 \times 1.10 = \$132,000$ — the base premium of \$120,000 is increased by 10% due to the aboveaverage EMR of 1.10, reflecting the company's worse-than-average claims history
- B. \$120,000 calculated without applying the EMR adjustment to the base premium calculation
- C. \$12,000 calculated at 1% of the total estimated annual payroll regardless of classification rate
- D. \$1,200,000 because the premium always equals the total annual payroll amount exactly

23. Under Alabama law, an employer must provide workers' compensation benefits to an employee who suffers a "compensable injury" — an injury that arises out of and in the course of employment. An employee slips on ice in the employer's parking lot while arriving for work and breaks an ankle. Under Alabama workers' compensation law, is this injury compensable?

- A. The injury is not compensable because it occurred in the parking lot and not at the employee's work station
- B. The injury is not compensable because slipping on ice is always considered a personal risk, not a work risk
- C. Injuries in employer-controlled parking lots may be compensable under the "premises rule" — if the parking lot is owned or maintained by the employer and the employee was on the premises for work purposes, the injury likely arises out of and in the course of employment; however, the specific facts and Alabama case law determine compensability
- D. The injury is compensable only if the employee was carrying work materials at the time of the fall

24. A contractor is reviewing the company's "general liability insurance program" and the insurance broker explains the concept of "aggregate erosion." Under standard CGL policy terms, what is aggregate erosion and why is it a concern?

- A. Aggregate erosion refers to the physical wear of construction equipment covered by the CGL policy

B. Aggregate erosion occurs when multiple claims during the policy period consume the general aggregate limit, reducing the remaining coverage available for subsequent claims — if several large claims exhaust the aggregate early in the policy year, the contractor has no remaining CGL coverage for the rest of the year

C. Aggregate erosion refers to the deterioration of aggregate materials (gravel, sand) stored on construction sites

D. Aggregate erosion is a term used only in marine insurance and has no application to construction CGL policies

25. Under federal tax law, a contractor who provides health insurance to employees must comply with the Affordable Care Act's "employer mandate" if the company is classified as an "applicable large employer" (ALE). What threshold determines whether a contractor is an ALE?

A. An employer with 50 or more fulltime equivalent employees (FTEs) in the prior calendar year is classified as an ALE and must offer affordable, minimumvalue health coverage to fulltime employees or face potential employer shared responsibility penalties

B. All employers regardless of size are classified as ALEs and must comply with the employer mandate

C. Only employers with more than 500 employees are classified as ALEs under the ACA employer mandate

D. The ALE classification applies only to government contractors and not to private construction companies

26. A contractor's insurance broker recommends an "ownercontrolled insurance program" (OCIP) for a large commercial project. Under standard construction insurance practice, what is an OCIP and how does it differ from the traditional approach where each contractor carries its own insurance?

A. An OCIP requires each contractor to purchase double the normal insurance limits for the specific project

B. An OCIP is identical to each contractor carrying separate insurance with no difference in structure

C. An OCIP eliminates all insurance requirements and the project proceeds with no coverage whatsoever

D. An OCIP (also called a "wrapup" insurance program) is a single insurance program purchased by the owner that provides CGL, workers' compensation, and sometimes other coverages for all contractors and subcontractors on the project — it consolidates coverage

under one program, eliminates coverage gaps between contractors, and may reduce total insurance costs through volume purchasing

DOMAIN 6: PERSONNEL AND LABOR LAW (Questions 27–31)

27. Under the Fair Labor Standards Act, a contractor classifies all field workers as "nonexempt" and pays them hourly wages with overtime for hours exceeding 40 per week. One foreman consistently works 50 hours per week. The foreman's regular rate is \$30.00 per hour. Under FLSA, what is the foreman's total weekly gross pay?

- A. \$1,500.00 calculated as 50 hours \times \$30.00/hour with no overtime premium for any hours worked
- B. The foreman earns \$1,650.00 per week — 40 hours at \$30.00/hour (\$1,200.00) plus 10 overtime hours at \$45.00/hour ($1.5 \times \$30.00 = \$45.00 \times 10 = \450.00) for a total of \$1,650.00
- C. \$1,800.00 calculated as 50 hours \times \$36.00/hour with the overtime premium applied to all 50 hours
- D. \$2,250.00 calculated as 50 hours \times \$45.00/hour with the overtime rate applied to every hour worked

28. A contractor's HR manager is developing a "progressive discipline" policy for the company. Under standard employment law practice, what does a progressive discipline system typically include?

- A. Progressive discipline requires immediate termination for every first offense regardless of severity
- B. Progressive discipline applies only to union employees and has no application in nonunion companies
- C. Progressive discipline systems are prohibited by Alabama employment law for all private employers
- D. Progressive discipline typically includes escalating levels of corrective action — verbal warning, written warning, suspension, and termination — applied consistently based on the severity and frequency of the infraction; the system creates documentation that supports the employer's position if a wrongful termination claim is filed

29. Under OSHA's multiemployer worksite policy, a subcontractor (the "creating employer") erects a defective scaffold that is then used by a different subcontractor's workers (the "exposing employer"). Under OSHA, which employers may be cited for the scaffold hazard?

A. Both the creating employer (who erected the defective scaffold) and the exposing employer (whose workers are exposed to the hazard) may be cited — the creating employer for creating the hazard and the exposing employer for allowing its workers to use the defective scaffold without verifying its safety

B. Only the building owner may be cited because all scaffold hazards are the owner's exclusive responsibility

C. Only the general contractor may be cited regardless of which employer created or used the scaffold

D. No employer may be cited because scaffold hazards are not regulated by OSHA on any construction site

30. A contractor employs a worker who requests leave under the Family and Medical Leave Act to care for a spouse undergoing chemotherapy. The contractor has 60 employees. Under FMLA, is the contractor required to grant this leave request?

A. No, because FMLA applies only to employers with 500 or more employees in the construction industry

B. No, because FMLA leave is available only for the employee's own medical condition, not a family member's

C. Yes, FMLA provides up to 12 weeks of unpaid, jobprotected leave to care for a spouse with a serious health condition — the contractor has 60 employees (exceeding the 50employee threshold), making the company a covered employer; the employee must have worked for the employer for at least 12 months and 1,250 hours

D. Yes, but only if the contractor voluntarily agrees to grant the leave as a discretionary company benefit

31. Under Alabama law, a contractor who operates a drugfree workplace program may be eligible for a workers' compensation premium discount. To qualify for the discount, the drugfree workplace program must include specific components. Which of the following is a required component?

A. Only a verbal announcement at the annual company picnic that drugs are discouraged in the workplace

- B. A written drugfree workplace policy, employee education about substance abuse, supervisor training on recognizing impairment, drug testing procedures (preemployment, random, postaccident, reasonable suspicion), and an employee assistance program (EAP) referral option
- C. Only a posted sign in the break room that says "Say No to Drugs" with no additional program elements
- D. Only preemployment drug testing is required with no ongoing testing or educational components needed

DOMAIN 7: PROJECT MANAGEMENT (Questions 32–34)

32. A contractor is managing a commercial project and the CPM schedule shows that the project will finish 20 working days late due to a combination of ownercaused delays (12 days) and contractorcaused delays (8 days) that occurred concurrently during the same 12day period. Under standard delay analysis principles, how should these "concurrent delays" be allocated?

- A. All 20 days of delay are allocated to the contractor because the contractor caused some of the delay
- B. All 20 days are allocated to the owner because ownercaused delays always take precedence over contractor delays
- C. The concurrent delays cancel each other out and no time extension is granted to either party
- D. Under the prevailing concurrent delay doctrine, the contractor is typically entitled to a time extension for the concurrent period (because the project would have been delayed regardless of the contractor's actions) but is generally not entitled to monetary compensation for the concurrent period — the 8 days of contractoronly delay would not receive a time extension

33. A contractor is implementing a "submittal schedule" for a commercial project. The specification requires the contractor to submit shop drawings, product data, and samples for architect review and approval before procurement and installation. Under standard construction practice, why is the submittal schedule critical to project success?

- A. The submittal schedule ensures that submittals are prepared and reviewed in time to avoid procurement and installation delays — longlead items must be submitted first, the architect's review time must be factored into the schedule, and rejected submittals that require resubmission consume additional time that can delay the critical path

- B. The submittal schedule is only required on government projects and has no relevance to private construction
- C. The submittal schedule applies only to paint colors and carpet selections with no other submittals included
- D. The submittal schedule has no relationship to the construction schedule or project completion timeline

34. A contractor's project manager notices that the weekly safety inspection reports show a recurring pattern of the same safety violation — workers consistently fail to wear fall protection when working on the secondfloor framing. The superintendent has addressed the issue verbally each week but the violation continues. Under standard safety management practice, what escalation is needed?

- A. The recurring violation indicates that verbal warnings alone are insufficient — the contractor must implement progressive discipline (written warnings, suspension, termination for repeat offenders), retrain all workers on fall protection requirements, evaluate whether the work conditions make compliance difficult and provide engineering solutions, and ensure supervisors actively enforce the rules rather than just mentioning them
- B. The superintendent should continue verbal warnings indefinitely because that is the maximum enforcement
- C. Recurring safety violations are acceptable if the superintendent documents them in the weekly report
- D. Only OSHA may address recurring safety violations and the contractor has no authority to discipline workers

DOMAIN 8: CONTRACT MANAGEMENT (Questions 35–40)

35. Under Alabama contract law, a contractor enters into a subcontract that contains an "order of precedence" clause establishing the hierarchy of contract documents when conflicts exist. The order lists: (1) the subcontract agreement, (2) the prime contract general conditions, (3) the specifications, (4) the drawings. If the specifications require ceramic tile in the restrooms but the drawings show vinyl tile, which document governs?

- A. The drawings govern because they are the most recently produced document in the design process

B. Both documents are equally valid and the contractor may install either material at the contractor's option

C. The conflict cannot be resolved without issuing a new contract between the parties involved

D. Under the order of precedence, the specifications (ranked #3) govern over the drawings (ranked #4) — the higherranked document controls when conflicts exist between documents; however, the contractor should still notify the architect of the discrepancy before proceeding

36. A contractor is reviewing a proposed contract that includes a "schedule acceleration" clause allowing the owner to direct the contractor to accelerate the schedule by up to 30 days at any time during the project. Under standard contract management practice, what concern does this clause raise for the contractor?

A. The acceleration clause raises no concerns because acceleration always reduces the contractor's total cost

B. The acceleration clause gives the owner unilateral authority to compress the schedule, which will increase the contractor's costs (overtime, additional crews, expedited materials, reduced productivity) — the contractor must ensure the clause includes a mechanism for recovering these additional costs through a change order

C. Acceleration clauses apply only to residential construction and have no effect on commercial projects

D. The acceleration clause automatically extends the contract duration and reduces the daily work requirements

37. Under Alabama law, a contractor discovers a "patent defect" (a defect visible to a reasonable observer) in the architect's design during the bidding phase. The contractor bids the project without notifying the architect of the defect. During construction, the defect causes a \$50,000 cost increase. Under standard contract law, may the contractor recover this additional cost?

A. The contractor may have difficulty recovering the cost because the contractor had a duty to notify the architect of the known patent defect before bidding — by bidding without disclosure, the contractor assumed the risk of the defect and may be deemed to have included the cost of addressing it in the bid price

B. The contractor automatically recovers all costs because design defects are always the architect's responsibility

- C. The contractor may recover the cost only if the defect is worth more than \$100,000 in additional work
- D. Patent defects are always the property owner's responsibility regardless of when they are discovered

38. A contractor completes a commercial project and submits the final pay application. The contract requires the contractor to submit "consent of surety to final payment" before the owner releases the final retainage. Under standard construction practice, what is the purpose of this document?

- A. The consent of surety is required only on residential projects and never on commercial construction work
- B. The consent of surety is a decorative certificate with no legal significance for any party involved
- C. The consent of surety confirms that the surety company (bonding company) consents to the release of the final payment to the contractor — it protects the owner by confirming that the surety does not object to the final payment, and it confirms that the surety's obligations under the performance and payment bonds remain in effect despite the final payment
- D. The consent of surety transfers the surety's bond obligations to the property owner after final payment

39. Under Alabama contract law, a contractor who is wrongfully terminated by the owner has the right to recover damages. Under the standard measure of damages for wrongful termination, what is the contractor entitled to recover?

- A. The contractor is entitled to only \$1 in nominal damages for wrongful termination regardless of actual losses
- B. The contractor receives only the return of the original bid bond submitted during the bidding process
- C. The contractor is entitled to recover the unpaid work completed before termination only, with no lost profits
- D. The contractor is typically entitled to recover payment for all work completed before termination, plus the profit the contractor would have earned on the uncompleted portion of the contract, plus any demobilization costs and other consequential damages — the goal is to

place the contractor in the financial position it would have occupied had the contract been fully performed

40. A contractor is reviewing a contract that includes a "notice to proceed" (NTP) provision stating that the contractor may not begin construction until receiving a written NTP from the owner. The owner verbally tells the contractor to "go ahead and start" but does not issue the written NTP. Under standard contract provisions, what risk does the contractor face by beginning work without the written NTP?

A. Beginning work without the written NTP creates no risk because verbal authorization is always sufficient

B. The contractor risks having the early work period excluded from the contract time calculation, may not be covered by insurance or bonds until the formal NTP is issued, and may have difficulty recovering costs for work performed before the contractual start date — the contractor should insist on the written NTP or at minimum obtain written confirmation that the verbal authorization constitutes the NTP

C. The contractor faces no risk because the NTP is only a scheduling tool with no contractual significance

D. Beginning work early automatically extends the contract duration by the number of earlystart days

DOMAIN 9: BUSINESS ORGANIZATION (Questions 41–42)

41. A contractor operates as a multimember LLC and two of the three members disagree about whether to take on a large, highrisk project. The operating agreement requires a majority vote for all business decisions exceeding \$500,000. The proposed project is valued at \$1,200,000. Under Alabama LLC law, how is this decision resolved?

A. The majority rules — two of three members constitute a majority, so the two agreeing members' decision controls; the dissenting member must accept the majority decision unless the operating agreement provides otherwise (such as requiring unanimous consent for certain highvalue or highrisk decisions)

B. The dissenting member's vote automatically overrides the majority because all LLC decisions require unanimity

- C. The Alabama Secretary of State must vote as a tiebreaker on all LLC business decisions exceeding \$500,000
- D. The decision is automatically delegated to the company's accountant whenever members cannot agree

42. A contractor is dissolving a partnership in Alabama. Under Alabama partnership law, what obligations must be fulfilled before the partnership can be fully dissolved?

- A. The partnership is dissolved immediately upon any partner's verbal announcement with no further obligations
- B. The partnership may simply stop operating with no formal dissolution steps or creditor notification required
- C. The partners must wind up partnership affairs by completing existing contracts, collecting receivables, paying all creditors and obligations, distributing remaining assets to partners according to their partnership agreement, filing dissolution documents with the Alabama Secretary of State, and canceling all licenses and registrations
- D. Only partnerships with annual revenue exceeding \$10,000,000 must follow formal dissolution procedures

DOMAIN 10: RISK MANAGEMENT (Questions 43–46)

43. A contractor is constructing a commercial building during winter months and the weather forecast predicts temperatures below freezing for the next week. Concrete placement is scheduled during this period. Under standard risk management practice, what precautions must the contractor implement for coldweather concrete placement?

- A. No precautions are needed because concrete is not affected by freezing temperatures during placement
- B. The contractor should cancel all concrete work during winter months and resume in the spring season
- C. Only a prayer for warmer weather is needed before proceeding with the standard concrete placement methods
- D. The contractor must implement ACI 306 coldweather concrete procedures including heating mix water and/or aggregates to maintain concrete temperature above 50°F during placement,

protecting freshly placed concrete from freezing with insulated blankets or heated enclosures, extending curing time, and monitoring concrete temperature to ensure adequate strength gain before exposure to freezing

44. Under Alabama law, a contractor who operates heavy construction equipment (excavators, bulldozers, cranes) near underground gas pipelines must comply with Alabama's Underground Facility Damage Prevention Act (Alabama OneCall/811). What is the contractor's primary obligation under this law?

- A. The contractor has no obligation to locate underground utilities before excavating in Alabama
- B. The contractor must notify Alabama 811 (OneCall) at least 48 hours (two business days) before excavating, allowing utility owners to mark the location of their underground facilities — the contractor must then handdig within the tolerance zone (typically 18 inches on each side of the marked location) and exercise reasonable care to avoid damaging the marked utilities
- C. Only utility companies are required to call 811 before any excavation work near gas pipelines
- D. The 811 notification requirement applies only to excavation deeper than 20 feet below grade level

45. A contractor's risk management plan identifies "technology failure" as an emerging risk. The company relies on cloudbased project management software, GPSguided equipment, and digital plan sets. Under standard risk management principles, what mitigation measures should the contractor implement?

- A. The contractor should maintain backup systems and redundant data storage, establish offline access to critical project documents, develop manual backup procedures for essential functions, maintain current software licenses and cybersecurity protections, and train employees on fallback procedures when technology fails
- B. Technology failure is not a recognized construction risk and requires no mitigation measures
- C. The contractor should abandon all technology and return exclusively to paperbased project management
- D. Only the IT department is responsible for technology risk and the project team has no mitigation role

46. A contractor's safety program includes a "nearmiss reporting" system where workers report incidents that could have caused injury but did not. Under standard safety management principles, why is nearmiss reporting valuable?

A. Nearmiss reports have no safety value because no injury occurred during the reported incident

B. Nearmiss reports are valuable only for calculating the company's insurance premiums annually

C. Nearmiss reports identify hazards and unsafe conditions before they cause actual injuries — analyzing nearmiss patterns reveals systemic risks that can be corrected proactively; research shows that for every serious injury, hundreds of nearmisses with similar root causes occur, making nearmiss data a leading indicator of future injury risk

D. Nearmiss reporting is prohibited by OSHA because it creates unnecessary documentation burden

DOMAIN 11: SAFETY, RECORDKEEPING, AND ENVIRONMENTAL (Questions 47–50)

47. Under OSHA's construction safety standards, a contractor must implement a "fire prevention plan" for the construction site. What are the key elements of a construction site fire prevention plan?

A. Only a posted "No Smoking" sign is required with no additional fire prevention planning or measures needed

B. The fire prevention plan is required only for buildings that are already occupied by tenants during renovation

C. Fire prevention planning is optional on construction sites and is never required by OSHA regulations

D. The fire prevention plan must identify potential fire hazards (hot work, flammable storage, temporary heating, electrical), establish procedures for handling and storing flammable materials, define hot work permit procedures, specify fire extinguisher locations and types, establish housekeeping requirements, and designate responsible personnel for fire prevention

48. A contractor is performing structural steel erection on a commercial building and the ironworkers are using an oxyacetylene cutting torch to modify steel members in the field. Under OSHA's construction fire protection standards, what specific requirement applies to this "hot work" activity?

A. No special requirements apply to oxyacetylene cutting on construction sites under any OSHA standard

B. A "hot work permit" must be issued before any cutting, welding, or burning operation begins — the permit verifies that the area has been inspected for combustibles, fire extinguishing equipment is present, a fire watch has been established, and appropriate precautions have been implemented to prevent fire

C. Only the equipment manufacturer's representative may authorize hot work on any construction project

D. Hot work permits are required only for welding inside completed buildings and not for outdoor cutting operations

49. Under EPA's stormwater management regulations, a contractor's SWPPP must include a "spill prevention and response" section addressing accidental releases of petroleum products and hazardous materials on the construction site. What must this section include?

A. The spill prevention section must identify potential spill sources (fuel tanks, equipment maintenance areas, chemical storage), establish containment measures (secondary containment, drip pans), define spill response procedures (containment, cleanup, notification), identify responsible personnel, maintain spill response equipment onsite, and establish reporting thresholds for notifying ADEM and the National Response Center

B. Only a statement that "spills are unlikely" is required with no further planning or equipment provisions

C. Spill prevention planning applies only to maritime construction and not to landbased building projects

D. The spill prevention section requires only a list of nearby gas stations where fuel may be purchased

50. A contractor is performing earthwork on a commercial site and discovers what appears to be a burial site containing human remains. Under Alabama law, what must the contractor do immediately upon discovering human remains during construction?

A. The contractor should continue excavating carefully around the remains to avoid disturbing the bones

B. The contractor should remove the remains and place them in a container for transport to the local hospital

C. The contractor must immediately stop all work in the area of the discovery, secure the site to prevent disturbance, and notify local law enforcement and the appropriate state authorities (Alabama Historical Commission) — Alabama law requires specific procedures for the treatment and disposition of discovered human remains, and continuing to excavate may constitute a criminal offense

D. The contractor should cover the remains with soil and continue construction without notifying anyone

Practice Exam 13: Answer Key and Explanations

DOMAIN 1: LICENSING REQUIREMENTS (Questions 1–8)

1. A — Two separate violations occurred. First, the contractor failed to promptly notify the Board of the qualifying party departure. Second, the company potentially operated without a properly designated qualifying party during the 45-day gap. The promoted superintendent must meet all qualifying party requirements and receive Board approval before serving in the role.

2. C — While the title "project coordinator" suggests an administrative role, the actual activities described — negotiating subcontracts, signing change orders, and making binding commitments — may constitute acts that require licensure or proper authorization under the qualifying party's supervision. The substance of the work, not the job title, determines whether licensing requirements apply.

3. B — The monetary limitation generally applies to each individual project independently, not to the contractor's combined workload. Both Project A (\$500,000) and Project B (\$400,000) fall within the \$750,000 limit individually. The contractor may perform both projects simultaneously as long as each project independently complies with the license classification.

4. D — A thorough written response allows the contractor to present a defense, provide supporting documentation, correct factual inaccuracies, and potentially resolve the matter before a formal hearing. The response may persuade the Board that no violation occurred or that mitigating circumstances warrant reduced sanctions, saving both parties the time and expense of formal proceedings.

5. C — The roofing subcontractor bears primary responsibility for engaging an unlicensed second-tier subcontractor above the \$50,000 threshold. However, the general contractor may also face scrutiny for failing to ensure compliance throughout the subcontractor chain. Both the first-tier and general contractor have duties to verify that all work is performed by properly licensed entities.

6. A — Emergency suspension is reserved for situations posing imminent threats to public safety — such as dangerous structural deficiencies across multiple projects, ongoing consumer fraud affecting many victims, or construction practices creating immediate risk of serious injury or death. The emergency power allows the Board to act swiftly without waiting for standard procedural timelines.

7. D — The ADA requires testing authorities to provide reasonable accommodations for documented disabilities. Extended time, separate testing rooms, readers, and other modifications enable applicants to demonstrate knowledge without being disadvantaged by the disability. The accommodations must not fundamentally alter what the examination measures.

8. B — Alabama's Administrative Procedure Act requires public notice of proposed rules, a comment period for written submissions and hearing requests, and a formal adoption process. This ensures that licensed contractors, industry stakeholders, and the public have an opportunity to provide input before rules carrying the force of law take effect.

DOMAIN 2: ESTIMATING AND BIDDING (Questions 9–13)

9. D — Without a signed attendance record, the contractor cannot prove participation in the mandatory prebid site visit. Even though the estimator was physically present, the lack of documentation may result in bid rejection as nonresponsive. Always sign attendance sheets and obtain written confirmation of participation at mandatory prebid events.

10. A — Conflicting building dimensions between architectural and structural drawings create estimating risk regardless of which dimension is used. A prebid RFI documents the discrepancy and obtains an official clarification from the architect that all bidders can rely upon. Guessing or averaging the dimensions invites cost exposure.

11. C — Mobilization covers the costs of establishing the contractor's site presence before production work begins: equipment delivery, trailer setup, temporary fencing and utilities, site access preparation, initial submittals, and other preconstruction activities. It is a distinct line item that accounts for the significant upfront investment required to start a project.

12. D — A substantial system change from conventional rooftop units to VRF requires new mechanical subcontractor pricing, revised coordination with electrical and plumbing trades, and additional estimating time. Most owners and bidding procedures allow deadline extensions for significant late addenda. Submitting an inadequately priced bid serves no one's interests.

13. B — A bid-to-hit ratio of 5:1 (40 bids ÷ 8 wins) means the company wins approximately one in five bids. This metric helps evaluate bidding competitiveness and estimating department efficiency. A very high ratio suggests the company is not competitive; a very low ratio may indicate the company is leaving profit on the table.

DOMAIN 3: LIEN LAWS (Questions 14–15)

14. A — The property owner may challenge a disputed lien amount in court. If the court finds the contractor willfully inflated the lien (claiming more than legitimately owed), the court may reduce the lien to the correct amount and impose penalties for filing a fraudulent or exaggerated claim. Filing an honest, accurate lien is essential.

15. D — Secondtier subcontractors (subsubcontractors) may have lien rights against the property if they comply with Alabama's preliminary notice requirements for remote claimants. The GC's lack of knowledge about or contract with the subsubcontractor does not eliminate the statutory lien rights that protect parties who contribute labor or materials to the improvement.

DOMAIN 4: FINANCIAL MANAGEMENT (Questions 16–20)

16. B — The superintendent's salary is an indirect cost because it supports the entire project rather than any single trade or work activity. Unlike a carpenter installing framing (direct labor traceable to a specific work item), the superintendent manages all activities across all trades. This timedependent management cost is classified as project overhead/general conditions.

17. A — Depreciation is a noncash expense that reduces taxable income while reflecting the economic consumption of equipment value. Although no cash leaves the company when depreciation is recorded, it accurately represents the gradual loss of asset value and the eventual need for replacement. Ignoring depreciation overstates profitability and underestimates future capital needs.

18. C — An accounts receivable turnover of 4.0 means the company collects its average receivable balance four times per year — approximately every 91 days. A higher turnover indicates faster collection and better cash flow. The contractor should aim to increase this ratio by billing promptly, following up on overdue invoices, and resolving payment disputes quickly.

19. B — A personal guarantee makes the principal personally liable for the construction loan if the company defaults. The bank may pursue the principal's personal assets — home, savings, investments — to recover the loan balance. The corporate or LLC liability shield does not protect against personally guaranteed obligations.

20. D — The CPI decline from 1.05 to 0.88 shows deteriorating cost efficiency. In month 2, the project earned \$1.05 per dollar spent (under budget). By month 6, it earns only \$0.88 per dollar (12% over budget). This worsening trend demands immediate investigation and corrective action before the cost overrun becomes unrecoverable.

DOMAIN 5: PAYROLL, TAXES, AND INSURANCE (Questions 21–26)

21. A — DavisBacon requires total compensation (base wage plus fringe benefits) of at least \$45.00 per hour. The contractor may allocate the total between wages and fringes in any combination that meets or exceeds the total prevailing wage. At \$32.00 base + \$10.00 fringe (\$42.00), the contractor is \$3.00 short and must increase the total to at least \$45.00.

22. A — The premium calculation is: $(\$1,200,000 \div \$100) \times \$10.00 \times 1.10 = 12,000 \times \$10.00 \times 1.10 = \$132,000$. The EMR of 1.10 increases the base premium of \$120,000 by 10%, reflecting the company's aboveaverage claims history. Improving safety performance to reduce the EMR below 1.0 would lower the premium significantly.

23. C — Injuries in employercontrolled parking lots may be compensable under the "premises rule." If the employer owns or maintains the parking lot and the employee was arriving for work purposes, the injury likely arises out of and in the course of employment. Compensability depends on the specific facts and Alabama case law.

24. B — Aggregate erosion occurs when multiple claims consume the general aggregate limit during the policy period. Once the aggregate is exhausted, no CGL coverage remains for subsequent claims until the policy renews. Early exhaustion leaves the contractor completely uninsured for the remainder of the policy year.

25. A — An applicable large employer has 50 or more fulltime equivalent employees. ALEs must offer affordable, minimumvalue health coverage to fulltime employees or face employer shared responsibility penalties (the "pay or play" mandate). The FTE calculation includes parttime hours converted to fulltime equivalents.

26. D — An OCIP consolidates CGL, workers' compensation, and potentially other coverages under a single program purchased by the owner. It covers all contractors and subcontractors, eliminates coverage gaps between separate policies, and may reduce total insurance costs through volume purchasing. Contractors' individual policies are typically excluded for the OCIP project.

DOMAIN 6: PERSONNEL AND LABOR LAW (Questions 27–31)

27. B — The foreman earns 40 regular hours at \$30.00/hour (\$1,200.00) plus 10 overtime hours at \$45.00/hour ($1.5 \times \$30.00 = \45.00 , multiplied by 10 hours = \$450.00), for a total of \$1,650.00. FLSA overtime applies only to hours exceeding 40, not to all 50 hours worked during the week.

28. D — Progressive discipline provides escalating corrective actions — verbal warning, written warning, suspension, termination — applied consistently based on infraction severity and frequency. The documented progression demonstrates fairness and creates a paper trail supporting the employer's position if a wrongful termination claim is filed.

29. A — Under OSHA's multiemployer policy, both the creating employer (who erected the defective scaffold) and the exposing employer (whose workers use it) may be cited. The creating employer is responsible for the hazard, and the exposing employer is responsible for verifying safety before allowing workers to use equipment installed by others.

30. C — FMLA provides up to 12 weeks of unpaid, jobprotected leave to care for a spouse with a serious health condition. The contractor has 60 employees (exceeding the 50employee threshold) and is a covered employer. The employee must meet eligibility requirements of 12 months of employment and 1,250 hours worked.

31. B — Alabama's DrugFree Workplace Program requires a comprehensive approach: written policy, employee education, supervisor training, drug testing (preemployment, random,

postaccident, reasonable suspicion), and EAP referral options. Simply posting a sign or making verbal announcements does not meet the program requirements for the premium discount.

DOMAIN 7: PROJECT MANAGEMENT (Questions 32–34)

32. D — Under concurrent delay analysis, the contractor is typically entitled to a time extension for the concurrent period because the project would have been delayed regardless of the contractor's actions. However, the contractor generally does not receive monetary compensation during the concurrent period because the contractor's own delay contributed. The contractor's only delay (8 days) receives no time extension.

33. A — The submittal schedule is critical because late submittals cause procurement delays that ripple through the construction schedule. Longlead items must be submitted first, the architect's review time must be built into the schedule, and resubmission time for rejected submittals must be accounted for. Poor submittal management is one of the most common causes of construction delays.

34. A — Recurring violations indicate that verbal warnings are insufficient. The contractor must escalate to progressive discipline, retrain all workers, evaluate whether site conditions make compliance difficult, provide engineering solutions where possible, and ensure supervisors actively enforce requirements rather than merely documenting violations weekly.

DOMAIN 8: CONTRACT MANAGEMENT (Questions 35–40)

35. D — The order of precedence clause establishes that specifications (ranked #3) govern over drawings (ranked #4) when conflicts exist. The specifications requiring ceramic tile control over the drawings showing vinyl tile. However, the contractor should still notify the architect of the discrepancy through an RFI before proceeding with the higherranked specification.

36. B — The acceleration clause creates cost risk because compressing the schedule increases overtime, crew costs, expediting charges, and reduces productivity. The contractor must ensure the clause includes a change order mechanism for recovering acceleration costs. Without cost recovery provisions, the contractor absorbs potentially significant expenses from owner-directed acceleration.

37. A — A contractor who discovers a patent defect during bidding but fails to notify the architect may have difficulty recovering additional costs caused by the defect. The duty to disclose known defects means that bidding without disclosure may constitute assumption of the risk. The contractor should have submitted a prebid RFI identifying the defect.

38. C — The consent of surety to final payment confirms that the surety company does not object to releasing the final payment and that the bond obligations remain in effect. It protects the owner by ensuring the surety has been notified of the final payment milestone and confirms continued bond coverage through the warranty period.

39. D — The wrongfully terminated contractor may recover payment for completed work, lost profit on the uncompleted portion, demobilization costs, and other damages. The legal objective is to place the contractor in the financial position it would have occupied had the contract been fully performed — making the contractor whole for the wrongful termination.

40. B — Beginning work without a written NTP creates multiple risks: the early work period may be excluded from the contract time calculation, insurance and bond coverage may not be active, and the contractor may have difficulty recovering costs for preNTP work. The contractor should insist on written NTP or written confirmation that the verbal direction constitutes the NTP.

DOMAIN 9: BUSINESS ORGANIZATION (Questions 41–42)

41. A — The operating agreement requires majority vote for decisions exceeding \$500,000. Two of three members constitute a majority, so their decision controls. The dissenting member must accept the majority decision unless the operating agreement specifically requires unanimous consent for certain highvalue or highrisk decisions.

42. C — Partnership dissolution requires winding up all affairs: completing existing contracts, collecting receivables, paying all creditors, distributing remaining assets per the partnership agreement, filing dissolution documents with the Secretary of State, and canceling all licenses and registrations. Simply stopping operations without formal dissolution leaves partners exposed to continuing liabilities.

DOMAIN 10: RISK MANAGEMENT (Questions 43–46)

43. D — Coldweather concrete placement requires ACI 306 procedures: heating water and aggregates to maintain concrete temperature above 50°F, protecting freshly placed concrete from freezing with insulated blankets or heated enclosures, extending curing time, and monitoring concrete temperature. Concrete that freezes before gaining adequate strength may suffer permanent strength loss of 50% or more.

44. B — Alabama's 811 OneCall law requires 48 hours' advance notice before excavating. After utilities are marked, the contractor must handdig within the tolerance zone (typically 18 inches on each side of the marked location) and exercise reasonable care near marked facilities. Failure to call 811 creates liability for any resulting utility damage.

45. A — Technology risk mitigation includes backup systems, redundant data storage, offline access to critical documents, manual fallback procedures, current cybersecurity protections, and employee training on alternative workflows. Complete dependence on technology without backup procedures creates vulnerability to system failures, cyberattacks, and connectivity losses.

46. C — Nearmiss reports identify hazards before they cause actual injuries. Research consistently shows that for every serious injury, hundreds of nearmisses with similar root causes occur. Analyzing nearmiss patterns reveals systemic risks that can be corrected proactively, making nearmiss data a leading indicator of future injury risk.

DOMAIN 11: SAFETY, RECORDKEEPING, AND ENVIRONMENTAL (Questions 47–50)

47. D — A construction fire prevention plan must identify potential fire hazards (hot work, flammable storage, temporary heating, electrical), establish handling and storage procedures for flammable materials, define hot work permit requirements, specify fire extinguisher

locations, set housekeeping standards, and designate responsible personnel. Fire is a significant construction site hazard requiring proactive prevention.

48. B — Hot work (cutting, welding, burning) requires a hot work permit before operations begin. The permit verifies the area has been inspected for combustibles, fire extinguishing equipment is present, a fire watch has been established, and appropriate precautions are implemented. The fire watch must continue for at least 30 minutes after hot work ceases.

49. A — The SWPPP spill prevention section must identify potential spill sources, establish containment measures, define response procedures, identify responsible personnel, maintain response equipment, and establish reporting thresholds. This comprehensive approach prevents accidental releases from reaching waterways and ensures rapid response when spills occur.

50. C — Discovery of human remains requires immediate cessation of all work in the area, site security to prevent disturbance, and notification of local law enforcement and the Alabama Historical Commission. Alabama law provides specific procedures for the treatment and disposition of discovered human remains. Continuing to excavate may constitute a criminal offense.