

PRACTICE EXAM 10: ALABAMA BUSINESS & LAW SIMULATION

Time allowed: 120 minutes | Questions: 50 | Passing score: 70% (35 correct)

Instructions for this exam: Each item presents four steps or events labeled I, II, III, and IV. Select the answer option that lists them in the correct order.

1. What is the correct sequence of steps for obtaining an initial Alabama General Contractor license?

I. Submit application with financial statements and verified references

II. Receive Board approval to sit for the required examinations

III. Pass both the trade and Business and Law examinations administered by PSI

IV. Pay the final licensing fee and receive the license certificate

A. I → II → III → IV

B. II → I → III → IV

C. I → III → II → IV

D. III → I → II → IV

2. What is the correct sequence of stages in an Alabama Licensing Board disciplinary proceeding from initiation to conclusion?

I. Board investigation of the complaint allegations and gathering of evidence

II. Filing of a written complaint with the Board by the complainant

- III. Disciplinary hearing before the Board with due process rights
- IV. Issuance of the Board's written order with sanctions or dismissal

- A. I → II → III → IV
- B. II → I → III → IV
- C. II → III → I → IV
- D. I → III → II → IV

3. What is the correct sequence of events when a Qualifying Party departs an Alabama licensed company?

- I. Company files designation of replacement Qualifying Party with the Board
- II. Existing Qualifying Party formally departs the company in writing
- III. Board reviews and approves the replacement designation as qualified
- IV. The 60-day statutory window begins for the company to designate a replacement

- A. II → I → IV → III
- B. IV → II → I → III
- C. II → III → IV → I
- D. II → IV → I → III

4. What is the correct sequence of events leading to dismissal of an unlicensed contractor's payment lawsuit in Alabama?

- I. Owner refuses to pay the final invoice on the completed work
- II. Contractor takes a commercial job at or above the licensing threshold without a required license
- III. Contractor files lawsuit in Alabama Circuit Court seeking payment for the work
- IV. Court dismisses the lawsuit because the contract is unenforceable by statute

- A. III → I → II → IV

- B. II → I → III → IV
- C. I → II → III → IV
- D. II → III → I → IV

5. What is the correct sequence for a contractor obtaining an Alabama license using NASCLA accreditation?

- I. Contractor takes and passes the NASCLA Accredited Commercial Building Contractor examination
- II. Contractor submits an Alabama license application with the NASCLA score transmitted
- III. Contractor takes and passes the Alabama Business and Law examination
- IV. Alabama Licensing Board issues the Alabama license upon completion of all requirements

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

6. What is the correct sequence of steps in the Alabama contractor license annual renewal process?

- I. Board sends renewal notice to the contractor before expiration of the current license
- II. Contractor submits the renewal application with current insurance and the renewal fee
- III. Board verifies Qualifying Party status, insurance, and fee compliance for renewal
- IV. Board issues the renewed license certificate for the next annual cycle

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. II → III → I → IV

7. What is the correct sequence of stages leading to a license suspension by the Alabama Licensing Board?

- I. Board sends written notice of charges and hearing date to the licensee
- II. Board investigation gathers evidence of the alleged violation
- III. Disciplinary hearing held before the Board with due process rights afforded
- IV. Board issues written order suspending the contractor's license for a defined period

- A. I → II → III → IV
- B. II → I → III → IV
- C. II → III → I → IV
- D. I → III → II → IV

8. What is the correct sequence of steps for a contractor requesting an increase in the assigned bid limit from the Alabama Licensing Board?

- I. Contractor's accountant prepares updated financial statements meeting Board requirements
- II. Contractor identifies need for higher bid limit due to business growth and pipeline
- III. Contractor submits the bid limit increase request and supporting financials to the Board
- IV. Board reviews the documentation and approves or denies the bid limit increase

- A. I → II → III → IV
- B. II → I → III → IV
- C. III → I → II → IV
- D. II → III → I → IV

9. What is the correct sequence of steps in the standard payroll processing cycle for one pay period?

- I. Calculate gross wages for each employee based on hours worked and pay rate
- II. Deduct federal and state withholdings, FICA taxes, and voluntary deductions

- III. Issue net pay to employees via direct deposit or check on payday
- IV. Deposit the withheld taxes with the appropriate authority via EFTPS

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → IV → III
- D. I → II → III → IV

10. What is the correct sequence of year-end payroll tax activities for an Alabama employer?

- I. Reconcile annual payroll totals with the four Form 941 quarterly returns filed during the year
- II. Issue Form W-2 to employees and file copies with the Social Security Administration by January 31
- III. Issue Form 1099-NEC to independent contractors paid \$600 or more by January 31
- IV. File Form 940 annual FUTA return reporting unemployment tax by January 31

- A. I → II → III → IV
- B. II → III → IV → I
- C. I → IV → II → III
- D. II → I → III → IV

11. What is the correct sequence of steps for onboarding a new employee in Alabama in compliance with federal and state law?

- I. Employee starts work on the first day of employment under the offer letter
- II. Employee completes Form I-9 within three business days of the start date
- III. Employer submits E-Verify query through the federal system for the new hire
- IV. Employer files new hire reporting with the Alabama Department of Labor as required

- A. II → I → III → IV

- B. I → III → II → IV
- C. I → II → III → IV
- D. II → III → I → IV

12. What is the correct sequence of events triggering and fulfilling an employer's FUTA tax obligation?

- I. Employer pays \$1,500 or more in wages in any calendar quarter of the current or preceding year
- II. Employer becomes subject to FUTA tax obligation under federal law as a result of crossing the threshold
- III. Employer calculates annual FUTA liability at the 0.6% effective rate on first \$7,000 per employee
- IV. Employer files Form 940 by January 31 reporting annual FUTA owed for the prior year

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

13. What is the correct sequence of federal payroll tax handling from payday to quarterly reporting?

- I. Wages are paid to employees on payday after withholdings are calculated for each
- II. Withheld taxes accumulate as trust fund obligations of the employer to the federal government
- III. Employer deposits the withheld taxes via EFTPS by the applicable monthly or semiweekly deadline
- IV. Employer reports the wages, withholdings, and FICA taxes on Form 941 at quarter-end

- A. II → I → III → IV
- B. I → III → II → IV
- C. II → III → I → IV
- D. I → II → III → IV

14. What is the correct sequence of actions for an Alabama contractor correcting worker misclassification voluntarily?

- I. Contractor identifies workers potentially misclassified as independent contractors
- II. Contractor conducts internal review applying the IRS common law test to the facts
- III. Contractor reclassifies the affected workers as employees and adjusts onboarding records
- IV. Contractor begins withholding and remitting payroll taxes on the reclassified workers

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. II → III → I → IV

15. What is the correct sequence of steps in a standard change order workflow during construction?

- I. Owner requests a change in scope or design during construction in writing
- II. Contractor prepares written proposal showing cost impact and schedule impact of the change
- III. Owner reviews the contractor's proposal and issues written authorization to proceed
- IV. Both parties execute the formal change order document modifying the contract

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → IV → III
- D. I → II → III → IV

16. What is the correct sequence of steps in a standard monthly payment application processing cycle?

- I. Contractor submits monthly Application for Payment with updated Schedule of Values
- II. Architect reviews and certifies the payment application against actual progress observed

III. Owner pays the certified amount to the contractor within the contract payment period

IV. Subcontractors are paid by the prime contractor from the owner's progress payment

A. I → II → III → IV

B. II → I → III → IV

C. I → III → II → IV

D. III → I → II → IV

17. What is the correct sequence of steps in a typical owner termination for cause under a construction contract?

I. Contractor commits material breach of the contract terms (abandonment, nonperformance, etc.)

II. Owner sends written notice identifying the breach and demanding cure within the cure period

III. Contractor fails to cure the identified breach within the contractually specified cure period

IV. Owner terminates the contract for cause and engages a replacement contractor to complete the work

A. II → I → III → IV

B. I → III → II → IV

C. III → I → II → IV

D. I → II → III → IV

18. What is the correct sequence of dispute resolution methods escalating from least to most adversarial?

I. Direct negotiation between the parties' representatives without third-party involvement

II. Mediation facilitated by a neutral third-party mediator selected by the parties

III. Binding arbitration before a panel of construction industry experts

IV. Litigation in court if arbitration is not contractually required by the contract

A. II → I → III → IV

- B. I → III → II → IV
- C. III → I → II → IV
- D. I → II → III → IV

19. What is the correct sequence of events leading to assessment of liquidated damages on a delayed project?

- I. Contract specifies the liquidated damages rate per day of unexcused delay at signing
- II. Project completion is delayed past the contract substantial completion date
- III. Owner calculates the total liquidated damages owed (days late × daily rate)
- IV. Owner deducts the calculated liquidated damages from the final payment to contractor

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. II → III → I → IV

20. What is the correct sequence of steps in a typical Alabama public construction contract award process?

- I. Bidder submits a sealed bid by the announced bid submission deadline
- II. Owner publicly opens and reads bids at the announced time and location
- III. Owner determines the lowest responsible and responsive bidder under the law
- IV. Owner awards contract and the awarded bidder executes the contract documents

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

21. What is the correct sequence of steps in the standard construction estimating process?

- I. Document review of drawings and specifications for scope and requirements
- II. Site visit to observe field conditions, access constraints, and non-obvious factors
- III. Quantity takeoff measuring all components shown in the contract documents
- IV. Pricing with overhead and profit markups applied to direct cost

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

22. What is the correct sequence of steps in subcontractor bid solicitation during prime bid preparation?

- I. Prime contractor identifies the trades requiring subcontractor bids on the project
- II. Prime sends Invitation to Bid (ITB) packages to qualified subcontractors with scope and schedule
- III. Subcontractors submit their bids by the prime's deadline before the public bid opening
- IV. Prime evaluates sub bids and incorporates the chosen sub price in the prime bid total

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

23. What is the correct sequence of steps in a contractor's withdrawal of a bid due to clerical error in Alabama?

- I. Bid is submitted by the deadline and publicly opened at the bid opening
- II. Contractor discovers a material clerical error in the bid summary after opening

- III. Contractor notifies the owner in writing with supporting documentation of the error
- IV. Owner permits withdrawal under Alabama bid mistake doctrine and bid bond is released

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. II → III → I → IV

24. What is the correct sequence of steps in building the bid price from direct cost using the standard markup chain?

- I. Direct cost is determined through quantity takeoff and pricing of components
- II. Job overhead (general conditions) is added to direct cost for project-specific items
- III. General overhead percentage is applied to direct cost plus job overhead subtotal
- IV. Profit percentage is applied to the cost-plus-overhead total to yield the bid price

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. II → III → I → IV

25. What is the correct sequence of steps from bid award to start of construction on an Alabama public project?

- I. Owner issues notice of award to the lowest responsible and responsive bidder
- II. Bidder provides performance and payment bonds at 100% of contract value
- III. Both parties execute the contract documents establishing the binding agreement
- IV. Owner issues Notice to Proceed authorizing the contractor to begin work on site

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. II → I → IV → III

26. What is the correct sequence of steps in a contractor's standard monthly accounting close process?

- I. Field staff submit timesheets and cost coding for the period to the office
- II. Accounting enters cost and revenue data into the general ledger system
- III. WIP schedule is updated with current project status by individual project
- IV. Monthly financial statements are produced and reviewed by ownership for decisions

- A. II → I → III → IV
- B. I → II → III → IV
- C. II → III → I → IV
- D. I → III → II → IV

27. What is the correct sequence of steps in revenue recognition under the percentage-of-completion method for a single project?

- I. Costs are incurred and accumulated on the project ledger during the period
- II. Total estimated costs at completion are updated by project managers each period
- III. Percent complete is calculated as costs to date divided by total estimated costs
- IV. Earned revenue is recognized as percent complete multiplied by the contract price

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

28. What is the correct sequence of events in the retainage withholding and release cycle on a typical Alabama commercial project?

- I. Owner withholds 10% retainage from each progress payment during construction
- II. Project reaches substantial completion with punch list items outstanding
- III. Owner releases the bulk of retainage upon substantial completion of the work
- IV. Final retainage is released after punch list completion and final acceptance

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

29. What is the correct sequence of steps in a standard lien waiver exchange with each progress payment?

- I. Subcontractor submits invoice for monthly work performed to the prime contractor
- II. Prime contractor pays the sub and simultaneously obtains a conditional lien waiver
- III. Sub deposits the payment and the conditional waiver becomes effective on receipt
- IV. Sub signs an unconditional waiver covering the paid period when requested

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

30. What is the correct sequence of events in a contractor's annual financial reporting cycle culminating in bid limit determination?

- I. Annual financial statements are prepared by the contractor's CPA at year-end

- II. Statements are reviewed by the contractor's surety provider for bonding capacity
- III. Statements are submitted to the Alabama Licensing Board with the renewal application
- IV. Board reviews the financial position for bid limit determination during renewal

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. II → III → I → IV

31. What is the correct sequence of steps in a standard progressive discipline policy applied to an Alabama at-will employee?

- I. Verbal warning documented in the personnel file with date and issue identified
- II. Written warning with a performance improvement plan stating expected changes
- III. Final written warning with stated consequences for continued failure to meet standards
- IV. Termination of employment for failure to improve after the prior steps were taken

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → II → I → IV
- D. I → II → III → IV

32. What is the correct sequence of steps in hiring a new construction employee in Alabama from posting to onboarding?

- I. Job posting and applicant solicitation through online and trade channels
- II. Interview process and candidate evaluation against the position requirements
- III. Job offer extended to the selected candidate with proposed terms of employment
- IV. Onboarding including Form I-9 within three business days and E-Verify completion

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

33. What is the correct sequence of steps in an annual employee pay adjustment cycle for an Alabama contracting business?

- I. Annual performance review documents the employee's accomplishments for the period
- II. Supervisor recommends the proposed pay adjustment to management with justification
- III. Management approves the pay raise within the company's compensation budget
- IV. The new pay rate is implemented on the next payroll cycle following approval

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

34. What is the correct sequence of events in a workers' compensation claim from injury to benefits payment?

- I. Employee suffers a work-related injury on the job during the course of employment
- II. Employee or supervisor reports the injury to the employer per company policy
- III. Employer files the First Report of Injury with the workers' compensation insurer
- IV. Insurer initiates benefits payment for the eligible claim per Alabama statutory rates

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV

D. II → III → I → IV

35. What is the correct sequence of steps in handling an internal workplace harassment complaint under the company's anti-harassment policy?

I. Employee files an internal harassment complaint with the HR department or designated official

II. HR initiates a prompt confidential investigation following the written anti-harassment policy

III. HR reaches findings on the complaint and recommends appropriate corrective action

IV. Company implements the corrective action and conducts follow-up monitoring for retaliation

A. I → II → III → IV

B. II → I → III → IV

C. I → III → II → IV

D. III → I → II → IV

36. What is the correct sequence of steps in a contractor's risk management process for a construction project?

I. Identify potential risks across the project scope and operations during planning

II. Assess probability and severity of each identified risk to prioritize attention

III. Select and apply appropriate risk strategy (avoid, reduce, transfer, or retain) for each risk

IV. Monitor risk exposure throughout the project lifecycle and adjust strategies as needed

A. I → II → III → IV

B. II → I → III → IV

C. I → III → II → IV

D. III → I → II → IV

37. What is the correct sequence of events in a performance bond claim process from contractor default to surety resolution?

- I. Contractor materially defaults on contract performance through abandonment or persistent failure
- II. Owner sends formal notice of default to the contractor and the surety with documentation
- III. Surety investigates the alleged default and determines the appropriate course of action
- IV. Surety completes the project, hires a replacement contractor, or pays the bond amount

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → I → II → IV
- D. I → II → III → IV

38. What is the correct sequence of steps in a contractor's annual insurance program renewal cycle?

- I. Renewal notice is received from the insurance carrier 60–90 days before expiration
- II. Contractor reviews coverage adequacy with the insurance broker against the next year's needs
- III. Adjustments to limits, endorsements, and deductibles are negotiated with the carrier
- IV. Renewal premium is paid and new certificates of insurance are issued to project owners

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

39. What is the correct sequence of steps for a new Alabama contractor in establishing initial bonding capacity?

- I. Contractor establishes a working relationship with a qualified surety broker in the market

- II. Surety conducts initial underwriting review based on contractor's financials and experience
- III. Surety issues initial bonding capacity authorizing single-project and aggregate limits
- IV. Contractor uses the bonding capacity to bid larger public projects requiring bonds

- A. I → II → III → IV
- B. II → I → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

40. What is the correct sequence of events in the OSHA fatality reporting and investigation cascade?

- I. Work-related fatality occurs on the job site during the course of employment
- II. Employer learns of the fatality through site supervisor reports or other channels
- III. Employer reports the fatality to OSHA within 8 hours under 29 CFR 1904.39
- IV. OSHA initiates investigation of the workplace incident at the project site

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → I → II → IV
- D. I → II → III → IV

41. What is the correct sequence of OSHA recordkeeping activities from incident occurrence through annual summary posting?

- I. Recordable injury or illness occurs during the calendar year on the job site
- II. Incident is entered on OSHA Form 300 log within 7 calendar days of the event
- III. Form 301 Injury and Illness Incident Report is completed for each entry on the log
- IV. Form 300A annual summary is posted from February 1 through April 30 of the following year

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. II → III → I → IV

42. What is the correct sequence of steps in NPDES Construction General Permit compliance from pre-construction to project completion?

- I. Notice of Intent (NOI) is filed with ADEM for coverage under the Construction General Permit
- II. SWPPP is developed identifying pollution sources and best management practices on site
- III. Construction begins and weekly site inspections are conducted with documentation
- IV. Site stabilization is achieved and Notice of Termination is filed with ADEM

- A. I → II → III → IV
- B. III → I → II → IV
- C. II → I → III → IV
- D. I → III → II → IV

43. What is the correct sequence of steps in a contractor's response to a serious workplace injury on a construction site?

- I. Injury occurs on the job site during construction operations
- II. Injured worker receives immediate medical attention from emergency responders
- III. Scene is secured and evidence preserved for the subsequent investigation
- IV. Incident investigation and root cause analysis is conducted to prevent recurrence

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → I → II → IV

D. I → II → III → IV

44. What is the correct sequence of steps in a standard project closeout from substantial completion to final payment?

I. Substantial completion is achieved with punch list issued to the contractor

II. Punch list items are completed by the contractor to the owner's satisfaction

III. Final inspection and final acceptance by the owner upon completion of all work

IV. Final payment is issued with release of retainage to the contractor

A. II → I → III → IV

B. I → III → II → IV

C. I → II → III → IV

D. III → I → II → IV

45. What is the correct sequence of steps in developing a CPM schedule for a construction project from initial planning to baseline?

I. Identify all project activities from the work breakdown structure for the scope

II. Estimate duration for each activity based on resource loading and productivity

III. Establish logic and dependency relationships between activities in the network

IV. Calculate the critical path and the project completion date from the network

A. II → I → III → IV

B. I → III → II → IV

C. I → II → III → IV

D. III → I → II → IV

46. What is the correct sequence of steps from change identification through billing under a typical change order workflow?

- I. Change in scope is identified during construction by the owner or contractor
- II. Cost and schedule impact is calculated by the contractor and submitted as proposal
- III. Change order document is signed by both owner and contractor authorizing the change
- IV. Change is incorporated into the work and billed on the next monthly pay application

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → I → II → IV
- D. I → II → III → IV

47. What is the correct sequence of steps for a materialman without direct owner contract to preserve and enforce a mechanic's lien in Alabama?

- I. Materialman supplies materials to the project as agreed with the prime contractor
- II. Materialman provides written notice to the property owner before furnishing materials
- III. Materialman files the verified lien statement within 4 months of the last item furnished
- IV. Materialman files lawsuit to enforce the lien within 6 months of the lien filing

- A. II → I → III → IV
- B. I → II → III → IV
- C. I → III → II → IV
- D. III → I → II → IV

48. What is the correct sequence of steps for an original contractor to file and enforce a mechanic's lien in Alabama for unpaid work?

- I. Original contractor performs work on the project under direct contract with the owner
- II. Owner fails to pay and the final billing remains outstanding after demand
- III. Original contractor files the verified lien statement within 6 months of last item furnished
- IV. Lawsuit to enforce the lien is filed within 6 months of the lien filing date

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

49. What is the correct sequence of steps in forming a new Alabama limited liability company from inception to operational readiness?

- I. Members draft the Operating Agreement defining internal governance and management
- II. Certificate of Formation is filed with the Alabama Secretary of State to establish the LLC
- III. LLC obtains a federal Employer Identification Number (EIN) from the IRS for tax purposes
- IV. LLC opens a business bank account and registers for state tax IDs to begin operations

- A. II → I → III → IV
- B. I → III → II → IV
- C. I → II → III → IV
- D. III → I → II → IV

50. What is the correct sequence of steps in establishing a new Alabama corporation with S corporation tax election?

- I. Corporation is formed by filing Certificate of Incorporation with the Alabama Secretary of State
- II. Corporation obtains an EIN from the IRS for federal tax identification purposes
- III. All shareholders consent in writing to the S corporation election under Subchapter S

IV. Form 2553 is filed with the IRS within the statutory window to effect the S election

- A. II → I → III → IV
- B. I → III → II → IV
- C. III → I → II → IV
- D. I → II → III → IV

PRACTICE EXAM 10: ANSWER KEY AND EXPLANATIONS

1. A — I → II → III → IV. Application with financials and references is the initial gating step, Board approval to sit follows, both examinations must be passed, and the certificate issues upon fee payment. Each step is a prerequisite for the next under the Alabama licensing framework.
2. B — II → I → III → IV. The written complaint initiates the proceeding, the Board then investigates the allegations and gathers evidence, the disciplinary hearing follows with due process rights, and the written Board order concludes the matter with sanctions or dismissal.
3. D — II → IV → I → III. The QP's departure triggers the 60-day statutory window, the company designates a replacement within that window, and the Board reviews and approves the replacement designation. Failure to designate within 60 days jeopardizes the license itself.
4. B — II → I → III → IV. The unlicensed contracting at or above the threshold comes first, the owner's payment refusal follows after work is performed, the contractor files suit seeking payment, and the court dismisses on unenforceability grounds. The unenforceability rule applies regardless of work quality.
5. A — I → II → III → IV. The NASCLA examination is the credentialing event, the Alabama application follows with the NASCLA score transmitted, the Alabama Business and Law examination must still be passed separately, and the Board issues the license upon completion of all requirements. NASCLA never satisfies Business and Law.
6. C — I → II → III → IV. The Board sends the renewal notice before expiration, the contractor submits the renewal package with insurance and fee, the Board verifies all elements, and the renewed certificate is issued. The renewal cycle is annual and each step builds on the prior.
7. B — II → I → III → IV. Board investigation gathers evidence first, formal notice of charges and hearing date follows, the disciplinary hearing is held with due process, and the Board issues the suspension order. Notice cannot meaningfully issue until investigation has produced specific charges.
8. B — II → I → III → IV. The contractor identifies the business need for a higher bid limit, the CPA then prepares updated financial statements supporting the request, the contractor submits the request and documentation to the Board, and the Board approves or denies. Need precedes documentation preparation, which precedes submission.
9. D — I → II → III → IV. Gross wages are calculated first, deductions are applied, net pay is issued to employees on payday, and withheld taxes are deposited via EFTPS by the applicable deadline. The deposit follows payday under the monthly or semiweekly schedule applicable to the employer.

10. A — I → II → III → IV. Annual reconciliation against quarterly 941s grounds the accuracy of subsequent filings, W-2s issue to employees and the SSA by January 31, 1099-NECs issue by January 31, and Form 940 is filed by January 31 reporting annual FUTA. The reconciliation precedes the year-end information returns.
11. C — I → II → III → IV. The start date triggers the I-9 clock, I-9 is completed within three business days of start, E-Verify is submitted as part of federal verification, and new hire reporting is filed with the Alabama Department of Labor as required. The federal and state requirements layer on the start date.
12. A — I → II → III → IV. The \$1,500 quarterly wage threshold triggers FUTA liability, the employer becomes subject to FUTA, the annual liability is calculated at the 0.6% effective rate on the \$7,000 wage base, and Form 940 reports the result by January 31. Each step follows logically from the prior under FUTA rules.
13. D — I → II → III → IV. Wages are paid on payday, withheld taxes accumulate as trust fund obligations of the employer, the employer deposits the taxes via EFTPS by the applicable deadline, and Form 941 reports the quarterly totals. The deposit must occur during the quarter; the 941 reports at quarter-end.
14. C — I → II → III → IV. The contractor identifies workers potentially misclassified, applies the IRS common law test to the facts, reclassifies the affected workers as employees, and begins proper withholding and remittance. Identification precedes analysis, which precedes corrective action under the voluntary correction framework.
15. D — I → II → III → IV. The owner requests the change in writing, the contractor prepares a written proposal showing cost and schedule impact, the owner reviews and authorizes the change in writing, and both parties execute the formal change order document. The signed change order is the final binding instrument.
16. A — I → II → III → IV. The contractor submits the pay application with updated SOV, the architect certifies the application against progress observed, the owner pays the certified amount within the contract period, and subcontractors are paid by the prime from the owner's payment. Each step builds on architect certification as the trigger for payment.
17. D — I → II → III → IV. The contractor's material breach is the predicate, the owner sends written notice identifying the breach and demanding cure, the contractor fails to cure within the contractual cure period, and the owner terminates for cause and engages a replacement. The cure period protects the contractor's right to remedy before termination.
18. D — I → II → III → IV. Direct negotiation between representatives is least adversarial, mediation adds a neutral facilitator without binding authority, arbitration adds binding decision-making by industry experts, and litigation in court is most adversarial and formal. Standard contract clauses typically require less-adversarial steps before more-adversarial ones.
19. B — I → II → III → IV. The contract specifies the daily liquidated damages rate at signing, project completion is delayed past the substantial completion date, the owner calculates damages as days late times daily rate, and the owner deducts the calculated amount from final payment. The contract rate must precede assessment.
20. C — I → II → III → IV. Bids are submitted by the deadline, opened publicly at the announced time and location, evaluated to determine the lowest responsible and responsive bidder, and the contract is awarded and executed by the winning bidder. The public-bid process under Alabama law follows this strict sequence.
21. A — I → II → III → IV. Document review establishes scope and requirements, site visit confirms field conditions and non-obvious factors, quantity takeoff measures the work component by

component, and pricing with markups produces the bid total. Each step depends on the prior for accuracy and completeness.

22. C — I → II → III → IV. The prime identifies trades requiring sub bids, sends ITB packages to qualified subs, receives sub bids by the prime's deadline before bid opening, and incorporates the chosen sub prices in the prime bid total. Sub solicitation must precede prime bid submission.
23. B — I → II → III → IV. The bid is submitted by the deadline and publicly opened, the contractor discovers the clerical error after opening, the contractor notifies the owner in writing with supporting documentation, and the owner permits withdrawal under the Alabama bid mistake doctrine. Prompt written disclosure with documentation is essential.
24. B — I → II → III → IV. Direct cost is determined first, job overhead (general conditions) is added for project-specific items, general overhead percentage is applied to the cost-plus-job-overhead subtotal, and profit is applied last to the cost-plus-overhead total. The sequential markup chain yields the final bid price.
25. C — I → II → III → IV. Notice of award goes to the lowest responsible and responsive bidder, the bidder furnishes performance and payment bonds at 100% of contract value, both parties execute the contract documents, and the owner issues Notice to Proceed to start work. Bond execution is a condition precedent to contract execution.
26. B — I → II → III → IV. Timesheets and cost coding come in from the field, accounting enters the data into the general ledger, the WIP schedule updates with current project status by project, and monthly financial statements are produced for ownership review. Each step builds on data from the prior step.
27. B — I → II → III → IV. Costs are incurred on the project ledger, total estimated costs at completion are updated each period by project managers, percent complete is calculated as costs to date divided by total estimated costs, and earned revenue is recognized as percent complete times contract price. The cost-to-cost methodology drives the calculation.
28. C — I → II → III → IV. Retainage is withheld from progress payments during construction, substantial completion is reached with punch list outstanding, the bulk of retainage is released upon substantial completion, and final retainage is released after punch list completion and final acceptance.
29. A — I → II → III → IV. The subcontractor invoices for work performed, the prime pays and obtains a conditional waiver from the sub, the conditional waiver becomes effective once the sub's payment clears, and the sub signs an unconditional waiver covering the paid period when requested. The conditional-then-unconditional sequence protects both parties.
30. B — I → II → III → IV. The CPA prepares annual financial statements at year-end, the surety reviews them for bonding capacity, the contractor submits them to the Alabama Licensing Board with the renewal application, and the Board reviews the financial position for bid limit determination during renewal.
31. D — I → II → III → IV. The verbal warning is the entry-level documented intervention, the written warning with PIP follows for continued issues, a final written warning with stated consequences comes next, and termination follows if improvement fails. Each step provides notice and an opportunity to improve before the next.
32. C — I → II → III → IV. Job posting and solicitation comes first, interview and evaluation against position requirements follow, the offer is extended to the selected candidate, and onboarding completes with I-9 within three business days and E-Verify completion. The federal compliance steps occur at onboarding.

33. A — I → II → III → IV. Performance review documents the employee's accomplishments, the supervisor recommends the pay adjustment with justification, management approves the raise within the compensation budget, and the new rate is implemented on the next payroll cycle. Each step provides the basis for the next decision.
34. B — I → II → III → IV. The work-related injury occurs on the job, the employee or supervisor reports the injury to the employer, the employer files the First Report of Injury with the workers' compensation insurer, and the insurer initiates benefits payment per Alabama statutory rates.
35. A — I → II → III → IV. The complaint is filed internally with HR, HR initiates a prompt confidential investigation under the anti-harassment policy, HR reaches findings and recommends corrective action, and the company implements the action and conducts follow-up monitoring for retaliation. The investigation must be prompt to limit employer liability.
36. A — I → II → III → IV. Risk identification across project scope and operations is the foundation, assessment of probability and severity prioritizes risks for attention, strategy selection (avoid/reduce/transfer/retain) addresses each prioritized risk, and ongoing monitoring adjusts strategies as conditions change. The standard risk management framework follows this iterative loop.
37. D — I → II → III → IV. The contractor's material default triggers the bond, the owner sends formal notice of default to the contractor and the surety with documentation, the surety investigates the alleged default and determines its course of action, and the surety completes the project, hires a replacement, or pays the bond amount.
38. A — I → II → III → IV. Renewal notice arrives from the carrier 60–90 days before expiration, the broker reviews coverage adequacy against the next year's needs, adjustments to limits and endorsements are negotiated, and the renewal premium is paid with new certificates issued to project owners. The timeline ensures coverage continuity at year-end.
39. A — I → II → III → IV. A relationship with a qualified surety broker is established first, the surety underwrites the contractor based on financials and experience, the surety issues initial bonding capacity authorizing single-project and aggregate limits, and the contractor uses the capacity to bid larger public projects requiring bonds.
40. D — I → II → III → IV. The fatality occurs on the job site, the employer learns of the fatality through site reports or other channels, the fatality is reported to OSHA within the 8-hour window under 29 CFR 1904.39, and OSHA initiates investigation of the workplace incident at the site.
41. B — I → II → III → IV. The recordable incident occurs during the calendar year, it is entered on the OSHA 300 log within 7 calendar days, the corresponding Form 301 incident report is completed for the entry, and the 300A annual summary is posted from February 1 through April 30 of the following year.
42. C — II → I → III → IV. The SWPPP must be developed first to identify pollution sources and best management practices, the NOI is then filed with ADEM for coverage under the Construction General Permit, construction begins with weekly site inspections and documentation, and the project ends with site stabilization and filing of the Notice of Termination. SWPPP precedes NOI under the CGP framework.
43. D — I → II → III → IV. The injury occurs on the job site, the injured worker receives immediate medical attention from emergency responders, the scene is secured and evidence preserved for the subsequent investigation, and the incident investigation with root cause analysis follows to prevent recurrence. Worker welfare and scene preservation are the immediate priorities.
44. C — I → II → III → IV. Substantial completion is achieved with the punch list issued to the contractor, punch list items are completed to the owner's satisfaction, final inspection and

acceptance follow upon completion of all work, and final payment is issued with retainage released. The closeout cycle is anchored by substantial completion.

45. C — I → II → III → IV. Project activities are identified from the work breakdown structure, durations are estimated for each activity based on resource loading, logic and dependency relationships are established between activities in the network, and the critical path and project completion date are calculated from the network. Each step builds on the prior to produce the baseline schedule.
46. D — I → II → III → IV. The change is identified during construction by the owner or contractor, the contractor calculates the cost and schedule impact and submits a proposal, both parties sign the change order document authorizing the change, and the change is incorporated into the work and billed on the next monthly pay application.
47. A — II → I → III → IV. The materialman without direct owner contract must give written notice to the owner BEFORE furnishing materials to preserve full lien rights, then materials are supplied to the project, the lien statement is filed within 4 months of the last item furnished, and the lawsuit to enforce is filed within 6 months of the lien filing date.
48. C — I → II → III → IV. The original contractor performs the work under direct contract with the owner, the owner fails to pay and the final billing remains outstanding after demand, the contractor files the verified lien statement within 6 months of the last item furnished, and the lawsuit to enforce is filed within 6 months of the lien filing date.
49. C — I → II → III → IV. The Operating Agreement is drafted by the members defining internal governance, the Certificate of Formation is filed with the Alabama Secretary of State to legally establish the LLC, the EIN is obtained from the IRS for federal tax identification, and a business bank account and state tax registrations complete operational readiness.
50. D — I → II → III → IV. The corporation is formed by filing the Certificate of Incorporation with the Alabama Secretary of State, the EIN is obtained from the IRS for federal tax identification, all shareholders consent in writing to the S corporation election, and Form 2553 is filed with the IRS within the statutory window to effect the S election.