

PRACTICE EXAM 19 QUESTION (1 -50)

For each item, compare Quantity A and Quantity B and select the correct relationship.

A. Quantity A is greater · B. Quantity B is greater · C. The two quantities are equal · D. Cannot be determined from the information given

1. Quantity A: The maximum number of stories a Residential–Light Commercial license covers.

Quantity B: The number of license classifications for which the Business and Law exam is required.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

2. Quantity A: The General Contractor Limited Tier aggregate limit, in millions of dollars.

Quantity B: The General Contractor Limited Tier per-project cap, in millions of dollars.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

3. Quantity A: The number of years allowed to pass both exams in the eligibility window.

Quantity B: The number of years in one full Georgia license renewal cycle.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

4. Quantity A: The length of the late-renewal grace period after a license expires, in months.
Quantity B: The number of months in one biennial renewal cycle.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

5. Quantity A: The contract price of a home built by a Residential–Basic licensee.
Quantity B: The contract price of a home built by a Residential–Light Commercial licensee.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

6. Quantity A: The overhead cost on the contractor's Job 1.
Quantity B: The overhead cost on the contractor's Job 2.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

7. Quantity A: The selling price giving a 20% margin on a \$1,000 cost.

Quantity B: The selling price from a 20% markup on a \$1,000 cost.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

8. Quantity A: A 10% markup applied to a \$2,000 cost (the resulting price).

Quantity B: \$2,000 plus \$200.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

9. Quantity A: The waste factor a contractor adds to a drywall takeoff.

Quantity B: The waste factor a contractor adds to a concrete takeoff.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

10. Quantity A: The quantity ordered for 1,000 blocks with a 10% waste factor.

Quantity B: 1,000 blocks ordered with no waste factor.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

11. Quantity A: The profit included in a contractor's bid on Project X.

Quantity B: The profit included in a contractor's bid on Project Y.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

12. Quantity A: A base bid of \$80,000 plus a \$5,000 add alternate and a \$5,000 deduct alternate.

Quantity B: The original base bid of \$80,000.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

13. Quantity A: Owner's equity when assets are \$100,000 and liabilities are \$40,000.

Quantity B: \$60,000.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

14. Quantity A: The net profit margin of Company X.

Quantity B: The net profit margin of Company Y.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

15. Quantity A: The number of owners required to form a general partnership.

Quantity B: The number of owners in a single-member LLC.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

16. Quantity A: The number of times a C corporation's distributed profit can be taxed.

Quantity B: The number of times a pass-through entity's profit is taxed at the entity level.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

17. Quantity A: Liabilities when assets are \$150,000 and owner's equity is \$90,000.

Quantity B: \$60,000.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

18. Quantity A: Working capital when current assets are \$80,000 and current liabilities are \$50,000.
Quantity B: \$30,000.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

19. Quantity A: The number of sides of the accounting equation on which owner's equity appears.
Quantity B: The number of components on the right side of $\text{assets} = \text{liabilities} + \text{owner's equity}$.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

20. Quantity A: The employee's FICA rate, as a percent.
Quantity B: The combined employee-and-employer FICA rate, as a percent.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

21. Quantity A: The employer's FICA share on \$1,000 of wages.

Quantity B: The employee's FICA share on \$1,000 of wages.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

22. Quantity A: The sales tax a contractor pays on materials for Job A.

Quantity B: The use tax a contractor owes on out-of-state materials for Job B.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

23. Quantity A: The number of estimated tax payments a pass-through owner makes per year.

Quantity B: The number of quarters in a year.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

24. Quantity A: The sales tax rate a contractor charges the homeowner on finished real-property work.

Quantity B: The sales tax rate a contractor pays at purchase as the consumer of materials.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

25. Quantity A: The gross weekly pay of Worker 1.
Quantity B: The gross weekly pay of Worker 2.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

26. Quantity A: The overtime multiplier under the FLSA.
Quantity B: $3 \div 2$.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

27. Quantity A: The number of employees Company X currently has.
Quantity B: The Georgia workers' compensation employee threshold.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

28. Quantity A: The Georgia workers' compensation employee threshold.

Quantity B: The number of Form I-9s required per single new hire.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

29. Quantity A: The federal minimum wage, in dollars per hour.

Quantity B: Georgia's state statutory minimum wage, in dollars per hour.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

30. Quantity A: The total float on Activity P.

Quantity B: The total float on Activity Q.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

31. Quantity A: The number of business days to serve the owner a lien copy after filing.

Quantity B: $4 \div 2$.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

32. Quantity A: The number of days a lien waiver takes to become conclusive after signing.
Quantity B: The number of days to file a Georgia claim of lien after last furnishing.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

33. Quantity A: The number of days to commence a lien action to enforce a lien.
Quantity B: The number of days to file the claim of lien after last furnishing.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

34. Quantity A: The number of business days to serve the owner after filing a lien.
Quantity B: The number of days a lower-tier party has to send a Notice to Contractor.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

35. Quantity A: The retainage percentage held on Project M.

Quantity B: The retainage percentage held on Project N.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

36. Quantity A: The dollar amount of liquidated damages on Contract 1.

Quantity B: The dollar amount of liquidated damages on Contract 2.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

37. Quantity A: The number of elements required for a valid contract.

Quantity B: The number of parties needed to make an offer.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

38. Quantity A: The number of late days on Project R.

Quantity B: The number of late days on Project S.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

39. Quantity A: Liquidated damages at \$200 per day for 10 days.
Quantity B: \$2,000.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

40. Quantity A: Liquidated damages at \$300 per day for 6 chargeable days.
Quantity B: Liquidated damages at \$300 per day for 4 chargeable days.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

41. Quantity A: The number of neutrals who impose a binding decision in mediation.
Quantity B: The number of neutrals who impose a binding decision in arbitration.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

42. Quantity A: A bond premium at 1.5% of a \$100,000 contract.

Quantity B: A bond premium at 1.5% of a \$200,000 contract.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

43. Quantity A: The number of parties involved in a surety bond.

Quantity B: The number of parties involved in an insurance policy.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

44. Quantity A: A 1% bond premium on a \$300,000 contract.

Quantity B: A 1.5% bond premium on a \$300,000 contract.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

45. Quantity A: The amount a contractor reimburses a surety after the surety pays nothing on a job with no default.

Quantity B: The amount a contractor reimburses a surety after the surety pays \$20,000 on a default.

- A. Quantity A is greater

- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

46. Quantity A: The OSHA construction fall-protection trigger height, in feet.
Quantity B: 3×2 .

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

47. Quantity A: The hours within which an in-patient hospitalization must be reported to OSHA.
Quantity B: The hours within which a workplace fatality must be reported to OSHA.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

48. Quantity A: The hours within which an amputation must be reported to OSHA.
Quantity B: The hours within which an in-patient hospitalization must be reported to OSHA.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

49. Quantity A: The acreage threshold that triggers an NPDES stormwater permit.

Quantity B: The acreage a contractor will disturb on a four-acre subdivision.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

50. Quantity A: The construction fall-protection trigger height, in feet.

Quantity B: The general-industry fall-protection trigger height, in feet.

- A. Quantity A is greater
- B. Quantity B is greater
- C. The two quantities are equal
- D. Cannot be determined from the information given

Practice Exam 19: Answer Key and Explanations

1. B — Light Commercial covers up to 3 stories, while the Business and Law exam is required for all four license classifications. Since 4 exceeds 3, Quantity B is greater. The exam applies across every classification, not a subset.

2. A — The Limited Tier aggregate is \$1.5 million and the per-project cap is \$0.5 million, so Quantity A is greater. The aggregate ceiling sits above any single project's cap. Both limits constrain a Limited Tier contractor's open work.

3. B — The exam window is one year, while the renewal cycle is two years (biennial), so Quantity B is greater. The eligibility period is shorter than a full license term. Both intervals matter for staying licensed.

4. B — The late-renewal grace period is about 6 months, while a biennial cycle is 24 months, so Quantity B is greater. The grace window is a small fraction of the license term. Acting within it avoids reinstatement.

5. D — No contract prices are given for either home, so the two cannot be compared. Either could be larger depending on the specific projects. The comparison is indeterminate without figures.

- 6. D** — No overhead figures are stated for either job, so neither can be shown greater. The amounts depend on each job's costs. The relationship cannot be determined.
- 7. A** — A 20% margin on price is $\$1,000 \div 0.80 = \$1,250$, while a 20% markup on cost is $\$1,000 \times 1.20 = \$1,200$, so Quantity A is greater. Margin always exceeds the same markup percentage. The distinction protects pricing.
- 8. C** — A 10% markup on \$2,000 is \$2,200, which equals \$2,000 plus \$200, so the quantities are equal. Both compute the same marked-up price. The two expressions describe the identical result.
- 9. D** — No waste-factor percentages are given for either material, so neither can be shown larger. Waste factors vary by material and job. The comparison is indeterminate.
- 10. A** — Adding 10% waste gives 1,100 blocks, while no waste leaves 1,000, so Quantity A is greater. The waste allowance increases the order. Ordering with waste prevents a shortage.
- 11. D** — No profit figures are stated for either project, so neither can be shown greater. Profit depends on each bid. The relationship cannot be determined.
- 12. C** — A \$5,000 add and a \$5,000 deduct cancel, leaving \$80,000, which equals the base bid, so the quantities are equal. The offsetting alternates net to zero. The adjusted bid matches the original.
- 13. C** — Equity is assets minus liabilities: $\$100,000 - \$40,000 = \$60,000$, which equals Quantity B, so they are equal. The accounting equation yields exactly \$60,000. Both quantities are the same.
- 14. D** — No revenue or profit figures are given for either company, so their margins cannot be compared. Each margin depends on its own data. The relationship is indeterminate.
- 15. A** — A general partnership needs at least 2 owners, while a single-member LLC has 1, so Quantity A is greater. A partnership requires co-owners by definition. The LLC can operate with one.
- 16. A** — A C corporation's distributed profit can be taxed twice, while a pass-through entity is taxed 0 times at the entity level, so Quantity A is greater. Pass-through income is taxed only to owners. The difference defines double taxation.
- 17. C** — Liabilities equal assets minus equity: $\$150,000 - \$90,000 = \$60,000$, which equals Quantity B, so they are equal. The accounting equation gives exactly \$60,000. Both quantities match.
- 18. C** — Working capital is current assets minus current liabilities: $\$80,000 - \$50,000 = \$30,000$, equal to Quantity B, so they are equal. The computation yields \$30,000. The two are the same.
- 19. B** — Owner's equity appears on 1 side of the equation, while the right side has 2 components (liabilities and owner's equity), so Quantity B is greater. The right side combines two items. Two exceeds one.
- 20. B** — The employee FICA rate is 7.65%, while the combined rate is 15.3%, so Quantity B is greater. The employer match doubles the single share. The combined figure is twice the employee's.

- 21. C** — Both the employer and employee FICA shares are 7.65% of \$1,000, or \$76.50 each, so the quantities are equal. The match mirrors the withholding. Each side pays the same amount.
- 22. D** — No dollar figures are given for either the sales tax or the use tax, so neither can be shown greater. Each depends on its job's purchases. The comparison is indeterminate.
- 23. C** — A pass-through owner makes 4 estimated payments per year, equal to the 4 quarters, so the quantities are equal. The payments align with the quarters. Both equal four.
- 24. B** — The contractor charges the homeowner 0% on finished real-property work, while paying a positive state rate at purchase, so Quantity B is greater. The contractor is the consumer, taxed at purchase. The owner is not billed sales tax on the work.
- 25. D** — No hours or wage rates are given for either worker, so their gross pay cannot be compared. Each depends on its own figures. The relationship is indeterminate.
- 26. C** — The FLSA overtime multiplier is 1.5, which equals $3 \div 2$, so the quantities are equal. Both express time-and-a-half. The two values are identical.
- 27. D** — The threshold is 3 employees, but Company X's headcount is not stated, so it cannot be compared. The company could be above or below 3. The relationship is indeterminate.
- 28. A** — The workers' compensation threshold is 3 employees, while a single new hire needs 1 Form I-9, so Quantity A is greater. Three exceeds one. The two figures are unrelated in purpose but clear in size.
- 29. A** — The federal minimum wage is \$7.25, while Georgia's statutory figure is \$5.15, so Quantity A is greater. The higher federal rate is what applies to covered workers. Federal exceeds the state figure.
- 30. D** — No float values are given for either activity, so neither can be shown larger. Float depends on the schedule. The comparison is indeterminate.
- 31. C** — The owner must be served within 2 business days, which equals $4 \div 2$, so the quantities are equal. Both equal two. The expressions describe the same number.
- 32. C** — A lien waiver becomes conclusive at 90 days, and a claim of lien must be filed within 90 days, so the quantities are equal. Both deadlines are 90 days. The figures match.
- 33. A** — A lien action must be commenced within 365 days, while the claim of lien is filed within 90 days, so Quantity A is greater. Enforcement has a longer window than filing. The two deadlines differ sharply.
- 34. B** — Service on the owner is within 2 business days, while a Notice to Contractor is sent within about 30 days, so Quantity B is greater. The notice window is far longer than the service window. Thirty exceeds two.

- 35. D** — No retainage percentages are given for either project, so neither can be shown larger. Retainage terms vary by contract. The comparison is indeterminate.
- 36. D** — No liquidated-damages amounts are stated for either contract, so they cannot be compared. Each depends on its own terms. The relationship is indeterminate.
- 37. A** — A valid contract requires 4 elements, while making an offer takes 1 party, so Quantity A is greater. Four exceeds one. The two figures describe different aspects of contracting.
- 38. D** — No late-day counts are given for either project, so neither can be shown greater. Each depends on its own schedule. The comparison is indeterminate.
- 39. C** — Liquidated damages of \$200 per day for 10 days total \$2,000, equal to Quantity B, so they are equal. The product matches the stated figure. Both equal \$2,000.
- 40. A** — Six chargeable days at \$300 is \$1,800, while four days is \$1,200, so Quantity A is greater. More chargeable days yield more damages. The larger day count produces the larger total.
- 41. B** — Mediation has 0 neutrals who impose a binding decision, while arbitration has 1, so Quantity B is greater. A mediator cannot bind the parties, but an arbitrator can. One exceeds zero.
- 42. B** — A 1.5% premium on \$100,000 is \$1,500, while on \$200,000 it is \$3,000, so Quantity B is greater. The larger contract yields the larger premium. The premium scales with contract size.
- 43. A** — A surety bond involves 3 parties, while an insurance policy involves 2, so Quantity A is greater. The bond adds the obligee beyond the two-party insurance model. Three exceeds two.
- 44. B** — A 1% premium on \$300,000 is \$3,000, while a 1.5% premium is \$4,500, so Quantity B is greater. The higher rate yields the higher premium. Both apply to the same contract.
- 45. B** — With no default the surety pays nothing, so reimbursement is \$0, while a \$20,000 payment requires \$20,000 reimbursement, so Quantity B is greater. Reimbursement follows what the surety paid. Twenty thousand exceeds zero.
- 46. C** — The construction fall-protection trigger is 6 feet, which equals 3×2 , so the quantities are equal. Both express six feet. The values are identical.
- 47. A** — A hospitalization is reported within 24 hours, while a fatality is reported within 8 hours, so Quantity A is greater. The fatality deadline is the shortest. Twenty-four exceeds eight.
- 48. C** — Both an amputation and an in-patient hospitalization must be reported within 24 hours, so the quantities are equal. They share the same deadline. Both equal 24 hours.
- 49. B** — The NPDES trigger is 1 acre, while the subdivision disturbs 4 acres, so Quantity B is greater. The disturbance well exceeds the threshold, requiring a permit. Four exceeds one.

50. A — Construction fall protection triggers at 6 feet, while general industry triggers at 4 feet, so Quantity A is greater. The construction threshold is higher. Six exceeds four.