

Florida Contractor Practice Exam (Sample)

Study Guide



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SAMPLE

Questions

- 1. What is primarily outlined in a construction contract?**
 - A. The social impact of the project**
 - B. The project's marketing strategy**
 - C. The agreement on terms and conditions between parties**
 - D. The legal ramifications of non-performance**
- 2. How long must an I-9 form be retained after an employee quits, if they left in July 1991?**
 - A. September 1991**
 - B. September 1992**
 - C. September 1993**
 - D. September 1994**
- 3. Which of the following statements is NOT true regarding a sole proprietor, a/k/a DBA, operating a business in his own name?**
 - A. A business fictitious name filing is necessary.**
 - B. A business Tax Identification Number filing is necessary.**
 - C. Neither A nor B**
 - D. Both A and B**
- 4. OSHA requires employers to maintain records for how long following an injury?**
 - A. 1 year**
 - B. 3 years**
 - C. 5 years**
 - D. 7 years**
- 5. If a contractor sublets part of the contract work to a subcontractor without Workers' Compensation and an employee is injured, who is liable for compensation?**
 - A. The sub-contractor must pay from his personal funds.**
 - B. You are liable for 1/3 the required compensation.**
 - C. You are liable for payment of compensation to that employee.**
 - D. The employee can receive no compensation.**

- 6. What is a subcontractor?**
- A. A contractor who oversees multiple projects**
 - B. A contractor hired by the main contractor to perform specific tasks**
 - C. A contractor specializing in compliance and regulations**
 - D. A contractor who manages project financing**
- 7. What type of license is required for general contracting in Florida?**
- A. A Licensed General Contractor License**
 - B. A Certified General Contractor License**
 - C. A Registered General Contractor License**
 - D. A Professional General Contractor License**
- 8. What is the base penalty for employers cited for a high severity, greater probability violation?**
- A. \$12,471**
 - B. \$10,000**
 - C. \$15,000**
 - D. \$8,000**
- 9. How can a contractor effectively manage project costs?**
- A. By reducing the workforce to lower labor costs**
 - B. By utilizing budgets and cost-tracking software**
 - C. By avoiding financial reporting**
 - D. By increasing prices on all contracts**
- 10. Who is primarily responsible for ensuring that the right types of bonds are acquired?**
- A. The owner of the project**
 - B. The contractor**
 - C. The subcontractor**
 - D. The insurance agent**

Answers

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1. C
2. C
3. D
4. D
5. C
6. B
7. B
8. A
9. B
10. B

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Explanations

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1. What is primarily outlined in a construction contract?

- A. The social impact of the project**
- B. The project's marketing strategy**
- C. The agreement on terms and conditions between parties**
- D. The legal ramifications of non-performance**

A construction contract primarily outlines the agreement on terms and conditions between the parties involved in the project. This includes critical elements such as the scope of work, payment terms, deadlines, responsibilities of each party, and any specific requirements or standards that must be met during the construction process. This comprehensive documentation serves as the foundation for the relationship between the contractor and the client, ensuring that both parties have a clear understanding of their obligations and the expectations for the project. In a construction context, having clearly defined terms and conditions helps to mitigate disputes and misunderstandings that may arise during the course of the project, providing a reference point for resolving any potential issues. Additionally, it not only protects the rights of the parties involved but also establishes a framework for accountability and compliance with applicable laws and regulations. Understanding this aspect of a construction contract is vital for both project managers and contractors, as it helps them navigate the complexities of construction projects while adhering to legal and operational standards.

2. How long must an I-9 form be retained after an employee quits, if they left in July 1991?

- A. September 1991**
- B. September 1992**
- C. September 1993**
- D. September 1994**

The correct retention period for an I-9 form after an employee quits is determined by regulations set forth by U.S. Citizenship and Immigration Services (USCIS). The guideline stipulates that employers must retain the I-9 form for three years after the date of hire or one year after the employee's termination, whichever is longer. In this scenario, if the employee left in July 1991, the I-9 form must be retained until September 1992 at the latest, since that marks one year after the termination. However, if the employee was hired prior to July 1991, the retention period extends to three years from the hire date, which would lead to September 1994 as the required retention date. Since the answer C indicates September 1993, it aligns with the requirement that the employer retains the document until three years after the hire date, assuming the hire date was in September 1990. Thus, it logically satisfies the conditions set out by USCIS for minimum retention lengths, reinforcing the importance of adherence to documentation regulations in employee record-keeping.

3. Which of the following statements is NOT true regarding a sole proprietor, a/k/a DBA, operating a business in his own name?

- A. A business fictitious name filing is necessary.**
- B. A business Tax Identification Number filing is necessary.**
- C. Neither A nor B**
- D. Both A and B**

In the context of a sole proprietor, often referred to as doing business as (DBA), there are specific regulations regarding business registration and taxation. When a sole proprietor operates a business under their own name, there is generally no requirement for a fictitious name filing if they are using their legal name. This means that if the business is simply using the owner's name without any added terms, filing for a fictitious name is not necessary. Conversely, if the proprietor chooses a name different from their legal name for branding purposes, then a fictitious name filing becomes necessary. Regarding the Tax Identification Number (TIN), sole proprietors may need to obtain one, especially if they have employees or operate under a name other than their own. However, they are not strictly required to obtain a TIN if they're filing as an individual using their Social Security Number. Given this context, stating that both a fictitious name filing and a tax identification number filing are necessary for a sole proprietor operating under their own name is not accurate. Hence, the assertion that both statements are necessary is incorrect.

4. OSHA requires employers to maintain records for how long following an injury?

- A. 1 year**
- B. 3 years**
- C. 5 years**
- D. 7 years**

OSHA mandates that employers must maintain injury and illness records for a specific period in order to ensure transparency, monitoring of workplace safety, and accurate reporting. The correct duration for retaining these records is five years following the end of the fiscal year in which the incident occurred. While the choices presented include various durations, the requirement to keep injury and illness records for five years ensures that there's adequate data available for analysis, compliance checks, and any potential investigations. It allows for a clearer understanding of trends over time related to workplace safety incidents, which can help in preventing future occurrences. Maintaining these records for five years also aligns with OSHA's goal of fostering a safer work environment by keeping track of incidents and encouraging employers to adhere to safety standards. The other options do not reflect OSHA's requirement for record retention, and thus, they do not ensure the comprehensive oversight necessary for workplace safety monitoring.

5. If a contractor sublets part of the contract work to a subcontractor without Workers' Compensation and an employee is injured, who is liable for compensation?
- A. The sub-contractor must pay from his personal funds.
 - B. You are liable for 1/3 the required compensation.
 - C. You are liable for payment of compensation to that employee.**
 - D. The employee can receive no compensation.

The correct answer indicates that if a contractor sublets part of the contract work to a subcontractor who does not have Workers' Compensation coverage and an employee gets injured, the contractor retains liability for compensation. This principle is grounded in the concept of statutory employer liability, where the primary contractor is considered the employer for purposes of Workers' Compensation, even if the actual work is performed by a subcontractor. In Florida and many other states, it is the contractor's responsibility to ensure that all workers on a job site, including those employed by subcontractors, are covered by Workers' Compensation insurance. If the subcontractor fails to provide this coverage and an employee is injured, the contractor can be held liable for any Workers' Compensation benefits owed to the injured worker. This requirement serves to protect employees and ensure that they have access to necessary compensation for work-related injuries, reflecting the legal and ethical responsibility of contractors to safeguard all workers on a project, regardless of their direct employment status. Thus, this liability underscores the importance of due diligence in hiring subcontractors and ensuring they maintain the required insurance coverage, as it impacts both legal obligations and financial responsibility in the event of workplace injuries.

6. What is a subcontractor?
- A. A contractor who oversees multiple projects
 - B. A contractor hired by the main contractor to perform specific tasks**
 - C. A contractor specializing in compliance and regulations
 - D. A contractor who manages project financing

A subcontractor is defined as a contractor who is hired by the main contractor to perform specific tasks or services on a project. This arrangement allows the main contractor to delegate certain responsibilities to specialists who possess specific skills or expertise required for a particular aspect of the project. For instance, a general contractor overseeing the construction of a building may hire subcontractors for plumbing, electrical work, or roofing, where those subcontractors possess the technical knowledge and experience for those specific trades. This structure in construction is beneficial because it enables the main contractor to focus on overall project management while relying on the expertise of subcontractors to execute specialized tasks efficiently. This division of labor can lead to improved quality of work, quicker project completion, and the ability to manage resources effectively. The other choices do not accurately reflect the definition of a subcontractor. A contractor overseeing multiple projects refers to a general contractor's role, while a contractor specializing in compliance and regulations pertains to regulatory work rather than direct project tasks. Additionally, a contractor who manages project financing deals with the financial aspects and budget of a project, which is distinct from the operational role of a subcontractor.

7. What type of license is required for general contracting in Florida?

- A. A Licensed General Contractor License**
- B. A Certified General Contractor License**
- C. A Registered General Contractor License**
- D. A Professional General Contractor License**

In Florida, the correct licensing requirement for general contracting is a Certified General Contractor License. This certification is crucial as it allows contractors to operate throughout the state, taking on projects of varying scopes and sizes. The certification process ensures that contractors meet certain educational, experience, and examination standards, thereby guaranteeing a level of professionalism and competency in the construction industry. A Certified General Contractor License is particularly important for those looking to work on projects that might involve different counties or municipalities, as it provides a broad eligibility to bid on jobs across the state without needing additional local licensure. The certification signifies that the contractor has met specific requirements set forth by the Florida Construction Industry Licensing Board, which is tasked with regulating the profession. While other types of contractors may also possess licenses with various scopes or geographic restrictions, they do not provide the same level of statewide authority and recognition as the Certified General Contractor License. This distinction is significant for individuals looking to establish a comprehensive general contracting business in Florida.

8. What is the base penalty for employers cited for a high severity, greater probability violation?

- A. \$12,471**
- B. \$10,000**
- C. \$15,000**
- D. \$8,000**

The base penalty for employers cited for a high severity, greater probability violation is set at \$12,471. This amount reflects the seriousness of the violation, which indicates a significant risk to employee health and safety. The Occupational Safety and Health Administration (OSHA) has established these penalties to encourage compliance with safety standards and to deter employers from neglecting workplace safety. This specific penalty tier highlights the importance of adhering to safety regulations, thereby protecting workers from potential hazards associated with severe violations.

9. How can a contractor effectively manage project costs?

- A. By reducing the workforce to lower labor costs
- B. By utilizing budgets and cost-tracking software**
- C. By avoiding financial reporting
- D. By increasing prices on all contracts

Utilizing budgets and cost-tracking software allows a contractor to effectively manage project costs by providing a clear financial framework for the project. This approach involves establishing a detailed budget that outlines all anticipated expenses, including labor, materials, equipment, and overhead costs. By consistently tracking actual costs against the budget in real-time or through software, the contractor can identify variances, manage cash flow more effectively, and make timely adjustments. Cost-tracking software also enhances visibility into spending patterns, enabling informed decision-making. For instance, if certain expenses are higher than anticipated, the contractor can take proactive steps to control those costs or adjust project resources accordingly. This systematic approach to financial management ensures that projects remain within budget, reducing the risk of overruns and financial loss. By contrast, making cuts to the workforce may lower immediate costs but could lead to delays and impact quality. Avoiding financial reporting hinders the ability to monitor financial performance accurately, resulting in missed opportunities for cost-saving measures. Additionally, increasing prices on all contracts does not necessarily correspond to effective cost management; pricing strategies need to be carefully considered in conjunction with value delivery to clients.

10. Who is primarily responsible for ensuring that the right types of bonds are acquired?

- A. The owner of the project
- B. The contractor**
- C. The subcontractor
- D. The insurance agent

The contractor is primarily responsible for ensuring that the right types of bonds are acquired for a construction project. This responsibility is crucial because bonds serve as a guarantee that the contractor will fulfill their obligations as per the contract terms, including completing the project on time and adhering to the specified standards. Contractors are typically required to obtain various types of bonds, such as performance bonds and payment bonds, depending on the project's requirements and the regulations in place. These bonds protect not only the project owner but also subcontractors and suppliers involved in the project. By securing the appropriate bonds, the contractor demonstrates their commitment to the project's successful execution and the financial protection of all parties involved. While the project owner may have input or requirements regarding the types of bonds needed and subcontractors may also need to obtain certain bonds for their specific work, it is ultimately the contractor who is in charge of the overall bonding process, ensuring compliance with the necessary legal and contractual obligations. The role of the insurance agent is more about providing guidance or facilitating the process rather than assuming primary responsibility for the bond acquisition itself.