

# Florida Contractors Manual Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

- 1. A Contractor has been paid \$71,837.00 on a \$1,400,325.00 contract total cost. Assuming a 10% retainage, what is the percentage of completion of this project?**
  - A. 0.57%**
  - B. 5.7%**
  - C. 0.51%**
  - D. 5.1%**
- 2. If a builder's risk insurance policy covers 80% of a property's value and the total insured amount is \$120,000 on a property worth \$200,000, what amount will the insurance company pay for a fire loss of \$20,000?**
  - A. \$20,000**
  - B. \$15,000**
  - C. \$12,000**
  - D. \$19,000**
- 3. For a non-exempt employee with a regular hourly rate of \$10.00, what is the rate of pay if they work 50 hours and earn a fixed \$100 bonus?**
  - A. \$7.50**
  - B. \$10.00**
  - C. \$11.00**
  - D. \$12.00**
- 4. What constitutes a "substantial completion" in a construction project in Florida?**
  - A. All inspections have been passed**
  - B. When the work is sufficiently complete, allowing the owner to occupy or utilize the space**
  - C. All payments have been made to contractors**
  - D. Final touches are being completed**
- 5. What is the safe working load for a 3/8" nylon rope?**
  - A. 360 lbs.**
  - B. 410 lbs.**
  - C. 490 lbs.**
  - D. 540 lbs.**

- 6. What is the role of the local building department in Florida?**
- A. To guide contractors in business management**
  - B. To enforce building codes and issue permits for construction**
  - C. To provide financial assistance to contractors**
  - D. To promote new construction technologies**
- 7. How long should records of employment taxes be kept for IRS review?**
- A. 4 years**
  - B. 3 years**
  - C. 7 years**
  - D. No need to keep them**
- 8. What is the maximum bond amount for a SBA guaranty program?**
- A. \$2,000,000**
  - B. \$1,500,000**
  - C. \$1,250,000**
  - D. \$1,000,000**
- 9. Which construction professionals are typically required to carry workers' compensation insurance in Florida?**
- A. Only general contractors**
  - B. Most contractors and subcontractors**
  - C. Only subcontractors**
  - D. All construction workers regardless of their role**
- 10. Which of the following is a true statement concerning Workers Compensation coverage?**
- A. Employees can agree to pay a portion of the Workers Compensation premiums, if agreed to in writing.**
  - B. An employer will be obligated to rehire an employee, if the employer has 40 employees.**
  - C. Employers who understate payroll to the carrier can be penalized 15% plus the additional premium.**
  - D. An employer who fails to provide the required Workers Compensation may be fined 1.5 times the amount that should have been paid or \$1,000, whichever is greater.**



## **Answers**

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

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## **Explanations**

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**1. A Contractor has been paid \$71,837.00 on a \$1,400,325.00 contract total cost. Assuming a 10% retainage, what is the percentage of completion of this project?**

**A. 0.57%**

**B. 5.7%**

**C. 0.51%**

**D. 5.1%**

To determine the percentage of completion of a project when given the total cost and the amount paid so far, you can use the formula: 
$$\text{Percentage of Completion} = \left( \frac{\text{Amount Paid}}{\text{Total Contract Cost} - \text{Retainage}} \right) \times 100$$
 In this scenario, the total contract cost is \$1,400,325.00, and the contractor has been paid \$71,837.00. The retainage is 10% of the total contract cost, which is calculated as: 
$$\text{Retainage} = 0.10 \times 1,400,325.00 = 140,032.50$$
 Subtracting the retainage from the total contract cost gives: 
$$\text{Total Contract Cost} - \text{Retainage} = 1,400,325.00 - 140,032.50 = 1,260,292.50$$
 Now, apply the amounts into the percentage of completion formula: 
$$\text{Percentage of Completion} = \left( \frac{71,837.00}{1,260,292.50} \right) \times 100 = 5.7\%$$

**2. If a builder's risk insurance policy covers 80% of a property's value and the total insured amount is \$120,000 on a property worth \$200,000, what amount will the insurance company pay for a fire loss of \$20,000?**

**A. \$20,000**

**B. \$15,000**

**C. \$12,000**

**D. \$19,000**

In this scenario, the key aspect to focus on is the principle of co-insurance, which often applies to property insurance policies. The builder's risk policy covers 80% of the property's value, which in this case amounts to \$160,000 (80% of the \$200,000 property value). However, the total insured amount is only \$120,000. When a loss occurs, the insurance company will pay out based on the ratio of the amount of insurance carried to the amount of insurance that should have been carried according to the co-insurance requirement. Since the full coverage required would be \$160,000 but only \$120,000 is insured, this creates a situation of underinsurance. To find out how much the insurance company will cover for the fire loss of \$20,000, we calculate it as follows: 1. Determine the ratio of the insured amount to the required amount: 
$$\frac{\$120,000 \text{ (actual coverage)}}{\$160,000 \text{ (required coverage)}} = 0.75 \text{ or } 75\%$$
 2. Multiply the loss amount by this ratio: 
$$\$20,000 \text{ (loss)} \times 0.75 \text{ (coverage ratio)} = \$15,000$$
 Therefore, the insurance company will pay \$15,000 for the fire loss.

**3. For a non-exempt employee with a regular hourly rate of \$10.00, what is the rate of pay if they work 50 hours and earn a fixed \$100 bonus?**

- A. \$7.50
- B. \$10.00
- C. \$11.00
- D. \$12.00**

To determine the pay rate for a non-exempt employee who works 50 hours at an hourly rate of \$10.00 with a fixed \$100 bonus, it's essential to account for both the regular hours and any overtime worked. A non-exempt employee's regular working hours are typically 40 hours per week. When an employee works more than 40 hours, the extra hours are classified as overtime. In this case, the employee worked 50 hours, which means they worked 10 hours of overtime. Regular pay for the first 40 hours is calculated by multiplying the hourly rate by the number of hours worked:  $40 \text{ hours} \times \$10.00/\text{hour} = \$400.00$ . The overtime pay is typically calculated at 1.5 times the regular hourly rate. Thus, for the 10 hours of overtime:  $10 \text{ hours} \times (\$10.00/\text{hour} \times 1.5) = 10 \text{ hours} \times \$15.00/\text{hour} = \$150.00$ . Now, we add the regular pay, the overtime pay, and the fixed bonus:  $\text{Total pay} = \text{Regular pay} + \text{Overtime pay} + \text{Bonus}$ .  $\text{Total pay} = \$400.00 + \$150.00 + \$100.00 = \$650.00$ . To find the

**4. What constitutes a "substantial completion" in a construction project in Florida?**

- A. All inspections have been passed
- B. When the work is sufficiently complete, allowing the owner to occupy or utilize the space**
- C. All payments have been made to contractors
- D. Final touches are being completed

"Substantial completion" in a construction project in Florida is defined as the stage when the work is sufficiently complete to allow the owner to occupy or utilize the space for its intended purpose. This standard marks a significant milestone in the project timeline, indicating that the majority of the construction work has been finalized. Reaching the point of substantial completion allows the project to be turned over to the owner for use, even if minor finishes or touch-ups remain outstanding. This acknowledges that while not every detail may be finalized, the essential functions and operations for the intended use of the space are ready. Understanding this concept is crucial for contractors and owners alike, as it affects the scheduling of final payments, the start of warranty periods, and the responsibilities regarding insurance and potential liability. The essence of substantial completion lies in practical usability, rather than mere completion of all work or inspections.

**5. What is the safe working load for a 3/8" nylon rope?**

- A. 360 lbs.
- B. 410 lbs.
- C. 490 lbs.
- D. 540 lbs.**

The safe working load (SWL) for a 3/8" nylon rope is 540 lbs. This figure is established based on industry standards that take into consideration the rope's diameter, material properties, and the safety factors typically applied in lifting and rigging applications. Nylon rope is known for its strength and elasticity, which allows it to absorb shock loads to some extent, making it a popular choice in various applications, including construction, marine, and rescue operations. It is essential to always consult manufacturer specifications and guidelines, as they provide critical safety information to ensure that the rope is used within safe limits. When calculating or determining the SWL, it is important to adhere to appropriate safety practices to prevent accidents and injuries resulting from overloading the rope beyond its capacity. This figure is designed to provide a reliable safety margin, accounting for dynamic loads and other factors that could impact performance. By understanding and applying the safe working load, you can ensure safer work environments when using nylon ropes for any lifting or securing tasks.

**6. What is the role of the local building department in Florida?**

- A. To guide contractors in business management
- B. To enforce building codes and issue permits for construction**
- C. To provide financial assistance to contractors
- D. To promote new construction technologies

The local building department in Florida primarily serves to enforce building codes and issue permits for construction. This role is crucial because building codes are established to ensure the safety, health, and welfare of the public in the built environment. By enforcing these codes, the local building department ensures that all construction projects adhere to the set standards and regulations, which helps to prevent structural failures, hazards, and other issues that could arise from substandard construction practices. In addition to enforcing building codes, the issuance of permits is a critical function of the local building department. Permits are necessary for any construction or remodeling project to ensure that the work complies with local laws and regulations. This process also allows for inspections during various stages of construction, ensuring that safety measures are in place. The other options do not align with the primary responsibilities of a local building department. For instance, while they may provide guidance on certain issues, business management and financial assistance are not part of their core functions. Promoting new construction technologies is more the role of industry associations or technology firms than that of a local building department.

**7. How long should records of employment taxes be kept for IRS review?**

- A. 4 years**
- B. 3 years**
- C. 7 years**
- D. No need to keep them**

The correct timeframe for retaining records of employment taxes for IRS review is four years. This duration is established based on the IRS's requirement that employers must keep all records related to employment taxes, such as payroll records, tax filings, and any supporting documentation for at least four years after the due date of the tax return or the date the tax was paid, whichever is later. This four-year retention period allows the IRS to audit and verify that employers have complied with tax laws and accurately reported and paid employment taxes. Keeping these records is crucial for establishing accountability and transparency in financial practices, as well as for protecting against potential discrepancies that may arise in tax assessments. Other options, such as three years or seven years, do not align with the established IRS guidelines specifically for employment taxes. Additionally, the notion that there is no need to retain these records fails to recognize the importance of compliance and documentation in tax matters.

**8. What is the maximum bond amount for a SBA guaranty program?**

- A. \$2,000,000**
- B. \$1,500,000**
- C. \$1,250,000**
- D. \$1,000,000**

The maximum bond amount for a Small Business Administration (SBA) guaranty program is indeed \$2,000,000. This figure is significant because it indicates the upper limit of financial backing that the SBA provides to small businesses seeking to secure bonds. The SBA's guaranty programs are designed to help small businesses obtain bonding which they may not otherwise qualify for, thus enabling them to pursue government or private contracts that require bonding. The \$2,000,000 limit allows businesses to take on larger projects and increases their competitiveness in the contracting market. This amount is established to support the growth and stability of small businesses, allowing them to access necessary resources while minimizing risk for the sureties involved in the bond process. Additionally, this bond amount is aligned with the SBA's mission to foster small business development and promote economic growth by expanding access to capital.

**9. Which construction professionals are typically required to carry workers' compensation insurance in Florida?**

- A. Only general contractors**
- B. Most contractors and subcontractors**
- C. Only subcontractors**
- D. All construction workers regardless of their role**

In Florida, most contractors and subcontractors are required to carry workers' compensation insurance to protect their employees in case of work-related injuries. This requirement is part of ensuring workplace safety and compliance with state laws. Workers' compensation provides medical benefits and wage loss compensation to employees who are injured on the job, helping to mitigate the risks associated with construction work. The requirement generally applies to contractors who have four or more employees, including both full-time and part-time staff. Additionally, subcontractors working on projects often fall under the same requirements, as they typically have employees as well. This system not only protects the workers but also ensures that businesses adhere to laws designed to promote safety within the construction industry. While general contractors do carry insurance, the requirement extends beyond them to include various types of contractors and subcontractors. This broad coverage is fundamental in maintaining a safe working environment and ensuring that all employees are protected, irrespective of their specific roles on the construction site.

**10. Which of the following is a true statement concerning Workers Compensation coverage?**

- A. Employees can agree to pay a portion of the Workers Compensation premiums, if agreed to in writing.**
- B. An employer will be obligated to rehire an employee, if the employer has 40 employees.**
- C. Employers who understate payroll to the carrier can be penalized 15% plus the additional premium.**
- D. An employer who fails to provide the required Workers Compensation may be fined 1.5 times the amount that should have been paid or \$1,000, whichever is greater.**

The accurate statement regarding Workers Compensation coverage is that an employer who fails to provide the required Workers Compensation may face a significant fine. Specifically, the fine is either 1.5 times the amount that should have been paid for coverage or \$1,000, whichever amount is greater. This penalty underscores the importance of compliance with Workers Compensation laws, which are designed to protect both employees and employers. Failing to secure this necessary coverage can result in financial repercussions that exceed typical premium costs. This encourages employers to maintain proper Workers Compensation insurance to safeguard against potential liabilities and fines. Other statements relate to various aspects of Workers Compensation but do not accurately reflect the laws and regulations governing this area. For instance, while there may be discussions about employee agreements regarding premium costs, such arrangements are generally not standard practice in the context of Workers Compensation. The obligation to rehire employees typically relates to other legal requirements and is not inherently tied to the number of employees an employer has. Moreover, while there can be penalties for misreporting payroll, the specific figure of 15% in fines is not a standard enforcement measure under the Workers Compensation regulations. Thus, the focus on penalties for lack of coverage provides a clearer understanding of the consequences endangering compliance.



## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://flcontractorsmanual.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**