

FLORIDA GENERAL CONTRACTOR PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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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

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- 1. Which type of accounting method records revenues and expenses when they are incurred, regardless of when cash is exchanged?**
 - A. Cash Basis
 - B. Accrual Basis
 - C. Modified Cash Basis
 - D. Hybrid Accounting
- 2. Who is generally responsible for obtaining permits on a construction site?**
 - A. The property owner
 - B. The general contractor
 - C. The subcontractors
 - D. A designated project manager
- 3. What is the work efficiency ratio if a construction crew's actual working hours are 160 and the industry standard hours are 152?**
 - A. 95%
 - B. 105%
 - C. 110%
 - D. 115%
- 4. Who should review a proposed short-term project schedule according to the contractors manual?**
 - A. The project manager only
 - B. The contractor and subcontractors
 - C. The contractor alone
 - D. The contractor and the financial advisor
- 5. The current ratio of a company is too low. Which of the following options should be considered to raise the current ratio?**
 - A. Increase long-term debt
 - B. Sell short-term investments
 - C. Collect accounts receivable faster
 - D. Invest in fixed assets

- 6. Which of the following is considered a fixed overhead expense?**
- A. Variable labor costs
 - B. Utilities
 - C. Rent for office space
 - D. Materials supply costs
- 7. According to the Fair Labor Standards Act (FLSA), sales and purchase records must be kept for how many years?**
- A. 2
 - B. 3
 - C. 4
 - D. 5
- 8. Compensation payable to an employee with permanent total disability is what percentage of the average weekly wage during such disability?**
- A. 50%
 - B. 66.67%
 - C. 75%
 - D. 100%
- 9. When is the best time for construction companies to control costs?**
- A. At the beginning of a project
 - B. During the final stages of construction
 - C. After project completion
 - D. Throughout the entire project lifecycle
- 10. Which form is used to deposit federal and FICA taxes with a local bank?**
- A. Form 1040
 - B. Form W-2
 - C. Form 941
 - D. Form 1099

Answers

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

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Explanations

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1. Which type of accounting method records revenues and expenses when they are incurred, regardless of when cash is exchanged?

- A. Cash Basis
- B. Accrual Basis**
- C. Modified Cash Basis
- D. Hybrid Accounting

The accrual basis of accounting is recognized for recording revenues and expenses when they are incurred, regardless of when cash transactions occur. This method aligns income and expenses with the period in which they are earned or incurred, which provides a more accurate representation of an entity's financial performance and position. By utilizing the accrual basis, businesses can better match revenues to the expenses incurred in generating those revenues during the same accounting period. This practice allows stakeholders to assess the company's financial health without being misled by timing differences created by cash transactions. In contrast, the cash basis method records transactions when cash changes hands, which can lead to a distortion of financial performance over time, particularly for businesses that have significant credit transactions. The modified cash basis and hybrid accounting can mix elements of both cash and accrual methods, but they do not consistently allocate revenues and expenses as the accrual basis does. Thus, the accrual basis is the most appropriate answer for this question.

2. Who is generally responsible for obtaining permits on a construction site?

- A. The property owner
- B. The general contractor**
- C. The subcontractors
- D. A designated project manager

The general contractor is primarily responsible for obtaining permits on a construction site. This responsibility is crucial as it ensures that the project adheres to local building codes, zoning laws, and safety regulations. The general contractor coordinates the various aspects of the construction process and is typically the party most familiar with the specific requirements for permits in that jurisdiction. By managing the permits, the general contractor not only facilitates compliance with legal standards but also prevents potential delays that could arise from issues related to permitting. Though the property owner, subcontractors, or a designated project manager might play roles in the construction process, it is the general contractor who usually takes on the responsibility of navigating the permitting process on behalf of the entire project team.

3. What is the work efficiency ratio if a construction crew's actual working hours are 160 and the industry standard hours are 152?

- A. 95%
- B. 105%**
- C. 110%
- D. 115%

To determine the work efficiency ratio, you calculate it by taking the actual working hours and dividing them by the industry standard hours, then multiplying by 100 to express it as a percentage. In this case, the actual working hours are 160, and the standard hours are 152. The formula for calculating the work efficiency ratio is: $\text{Work Efficiency Ratio} = (\text{Actual Working Hours} / \text{Industry Standard Hours}) \times 100$. Plugging in the values gives you: $\text{Work Efficiency Ratio} = (160 / 152) \times 100$. This equals approximately 105.26%, which is usually rounded to 105%. A work efficiency ratio greater than 100% indicates that the crew is operating more efficiently than the industry standard, providing reassurance that productivity is meeting or exceeding expectations. Therefore, recognizing that the actual output exceeds the set standards is crucial for understanding how effectively a construction crew is working.

4. Who should review a proposed short-term project schedule according to the contractors manual?

- A. The project manager only
- B. The contractor and subcontractors**
- C. The contractor alone
- D. The contractor and the financial advisor

The recommended practice for reviewing a proposed short-term project schedule involves collaboration between the contractor and the subcontractors. This approach is vital for several reasons. Firstly, the contractor often has a broad overview of the project logistics, timelines, and resource allocation, but subcontractors bring specialized knowledge regarding their specific tasks, potential challenges, and realistic timeframes for completion. By involving both parties, the review process becomes more comprehensive, ensuring that the schedule reflects all necessary inputs and considerations. Additionally, the collaboration helps to identify any potential conflicts or overlaps in schedules early on, which can prevent misunderstandings and enhance communication throughout the project. This proactive strategy aids in efficient project management and contributes to a smoother workflow, ultimately leading to timely completion. Involving just the project manager, the contractor alone, or including only the financial advisor would not provide the same level of insight and coordination that comes from engaging with the subcontractors, who play a critical role in the execution of the proposed timeline.

5. The current ratio of a company is too low. Which of the following options should be considered to raise the current ratio?

- A. Increase long-term debt
- B. Sell short-term investments
- C. Collect accounts receivable faster**
- D. Invest in fixed assets

To improve the current ratio, which is a measure of a company's short-term liquidity and is calculated by dividing current assets by current liabilities, focusing on enhancing the company's current assets is critical. When a company collects accounts receivable faster, it converts these receivables into cash more swiftly, thereby increasing the amount of cash available in current assets. As current assets increase while current liabilities remain constant, the current ratio improves. This approach effectively enhances liquidity without negatively impacting the company's operational capacity. In comparison, increasing long-term debt might not directly influence current assets or could even raise current liabilities, which may further lower the current ratio. Selling short-term investments could decrease current assets if those investments were liquid assets, which would also worsen the current ratio. Investing in fixed assets typically involves using cash or other current assets, which could deplete the current assets and reduce the current ratio. Therefore, accelerating the collection of accounts receivable is the most effective strategy for improving the current ratio.

6. Which of the following is considered a fixed overhead expense?

- A. Variable labor costs
- B. Utilities
- C. Rent for office space**
- D. Materials supply costs

A fixed overhead expense is a cost that does not fluctuate with the level of production or the volume of projects a contractor undertakes. These expenses are typically recurring and remain constant irrespective of the company's operational activity levels. Rent for office space fits this definition perfectly. It is a regular, fixed payment that does not change month over month, regardless of how many projects are being managed or completed. Office space rent is a standard overhead cost that businesses must account for, as it is necessary for maintaining operations and supporting the workforce. In contrast, the other options represent costs that are not fixed overhead expenses. Variable labor costs are directly tied to the amount of work being done and fluctuate based on the level of project activity. Utilities, while often consistent, can vary from month to month based on usage, making them semi-variable rather than fixed. Materials supply costs are also directly correlated with specific projects and can vary greatly depending on project requirements and scopes. Therefore, these do not align with the characteristics of fixed overhead expenses.

7. According to the Fair Labor Standards Act (FLSA), sales and purchase records must be kept for how many years?

- A. 2
- B. 3**
- C. 4
- D. 5

Under the Fair Labor Standards Act (FLSA), employers are required to maintain sales and purchase records for a period of three years. This duration is important as it allows for the proper tracing of payroll practices, ensuring compliance with minimum wage laws, overtime regulations, and child labor provisions. Keeping these records for three years supports employees in substantiating claims regarding wage disputes and enables regulatory bodies to audit practices effectively. Maintaining accurate documentation helps businesses remain accountable, fostering transparency in financial dealings while providing essential protections for workers.

8. Compensation payable to an employee with permanent total disability is what percentage of the average weekly wage during such disability?

- A. 50%
- B. 66.67%**
- C. 75%
- D. 100%

In Florida, compensation for an employee with permanent total disability is set at two-thirds of the average weekly wage, which translates to approximately 66.67%. This percentage is designed to provide financial support to individuals who are unable to work due to a disability that is expected to be permanent. The rationale behind this compensation structure is to strike a balance between providing adequate support for the injured worker while also reflecting the potential loss of income due to the inability to perform their previous job functions. The average weekly wage used for calculation is derived from the earnings of the employee before the disability occurred, and it plays a crucial role in determining the right compensation amount. This standard aims to ensure that workers can maintain a basic standard of living despite their unfortunate circumstances, emphasizing the importance of the support provided under the state's workers' compensation laws.

9. When is the best time for construction companies to control costs?

- A. At the beginning of a project
- B. During the final stages of construction
- C. After project completion
- D. Throughout the entire project lifecycle**

Controlling costs throughout the entire project lifecycle is crucial for construction companies due to several key reasons. This approach allows for proactive management of expenses from the initial planning stages, where budgets are established and resources allocated, through to procurement, construction, and project completion. At the beginning of a project, while setting a budget and planning may help set the stage for cost control, it is not sufficient if those controls are not continuously enforced. Regularly monitoring expenses throughout the entire duration of the project helps identify potential issues early, such as cost overruns or unexpected expenses, allowing for timely interventions. In the final stages of construction, while it may be important to manage costs, it is often too late to make significant changes that could impact the overall budget effectively. This period typically focuses on completing work rather than influencing cost structures. Once a project is completed, analysis of costs can provide valuable insights for future projects but does not help in managing costs for the current project at hand. This retrospective view might help prevent future issues but does not contribute to controlling costs in real-time. Therefore, a comprehensive approach to cost control throughout the project lifecycle ensures that construction companies can effectively manage their resources, make necessary adjustments, and minimize financial risks at every stage of the project.

10. Which form is used to deposit federal and FICA taxes with a local bank?

- A. Form 1040
- B. Form W-2
- C. Form 941**
- D. Form 1099

Form 941 is the appropriate form used for reporting and depositing federal income taxes and Federal Insurance Contributions Act (FICA) taxes. Employers must file Form 941 quarterly to report the wages paid to employees and the taxes withheld from their paychecks, including federal income tax, Social Security tax, and Medicare tax. This form is critical for employers as it ensures that they are compliant with federal tax laws and provides the IRS with information on the tax amounts they are remitting. The timely and accurate submission of Form 941 helps businesses avoid penalties and ensures that they contribute their share to federal programs through proper tax administration. In contrast, Form 1040 is an individual income tax return, Form W-2 is issued to report annual wages and tax withholding for employees, and Form 1099 is used to report various types of income other than wages, salaries, or tips. These forms serve different purposes and are not utilized specifically for the deposit of federal and FICA taxes with a local bank.

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.

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

<https://floridagencontractor.examzify.com>

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

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