

HBLB Business and Law Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. What term refers to pre-execution changes made to contract documents?**
 - A. Change orders**
 - B. Modifications**
 - C. Addenda**
 - D. All of the above**
- 2. Who may file verified statements of lien?**
 - A. Only subcontractors**
 - B. Only suppliers of materials**
 - C. Only mechanics**
 - D. Subcontractors and suppliers of materials**
- 3. What is typically included in a project's overall budget?**
 - A. Labor costs**
 - B. Material costs**
 - C. Overhead costs**
 - D. All of the above**
- 4. Which Federal Form do employers have new employees complete to determine the correct federal income tax withholding?**
 - A. W-2**
 - B. W-4**
 - C. 1040**
 - D. 1065**
- 5. A guarantee that a contractor will pay certain subcontractors, laborers, and material suppliers associated with the project is known as a _____.**
 - A. bid bond**
 - B. performance bond**
 - C. payment bond**
 - D. maintenance bond**

- 6. If an applicant fails the examination on the first attempt, what is the next step?**
- A. The applicant must reapply and take the examination as many times as necessary**
 - B. The applicant must take the examination over when it is next offered**
 - C. The applicant must wait six months to retake the exam**
 - D. The applicant must take a builder's license seminar**
- 7. Can a corporation be the sole owner of a property?**
- A. Yes**
 - B. No**
 - C. Only if it's a public corporation**
 - D. Only if it's a non-profit**
- 8. What additional cost must builders consider alongside the base cost of materials?**
- A. Delivery cost**
 - B. Material inspection**
 - C. Storage**
 - D. All of the above**
- 9. To obtain a Residential Home Builders' License, what must Mr. Write do?**
- A. Take and pass the test for residential builders**
 - B. Submit an application with the required fee**
 - C. Nothing, because the licenses are essentially the same thing**
 - D. Both a and b**
- 10. What OSHA form is the annual summary of a company's injuries and illnesses that is required to be posted between February 1st and April 30th?**
- A. Form 200**
 - B. Form 300**
 - C. Form 300A**
 - D. Form 301**

Answers

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

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Explanations

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1. What term refers to pre-execution changes made to contract documents?

- A. Change orders**
- B. Modifications**
- C. Addenda**
- D. All of the above**

The term that refers specifically to pre-execution changes made to contract documents is "addenda." Addenda are typically used to clarify, modify, or supplement the original terms prior to the execution of a contract. They are common during the bidding process in construction and other project-based contracts, allowing parties to address questions, provide additional information, or adjust terms before finalizing the agreement. Change orders and modifications, while related to contract adjustments, usually occur after the contract has been executed. Change orders typically refer to changes in the terms of the agreement after the contract has been signed, especially in construction projects, while modifications can refer to both pre- and post-execution changes but often denote adjustments made after the contract's initial signing. Thus, "addenda" is the most appropriate term for changes made specifically before execution, making it the correct choice in this context.

2. Who may file verified statements of lien?

- A. Only subcontractors**
- B. Only suppliers of materials**
- C. Only mechanics**
- D. Subcontractors and suppliers of materials**

The correct answer states that subcontractors and suppliers of materials may file verified statements of lien. This is accurate because both roles play essential parts in construction projects and have a legal right to secure payment for work done or materials supplied. Subcontractors are typically hired to perform specific aspects of a construction job and, if they have not been paid for their services, they can file a lien to protect their financial interest in the property where the work was performed. Similarly, suppliers of materials provide necessary items for construction projects, and they also have the right to file a lien if they do not receive compensation for the materials provided. By allowing both subcontractors and suppliers to file verified statements of lien, the law aims to ensure that those who contribute to the construction project have a means to seek payment and protect their rights. This inclusivity reflects the collaborative nature of construction, where multiple parties contribute to the completion of a project. This option acknowledges the broader scope of individuals who can claim such rights, in contrast to other choices which limit the ability to file a lien to only one type of contributor.

3. What is typically included in a project's overall budget?

- A. Labor costs**
- B. Material costs**
- C. Overhead costs**
- D. All of the above**

The overall budget of a project generally encompasses a comprehensive range of expenses necessary for completion, which includes labor costs, material costs, and overhead costs. Labor costs refer to the wages or salaries of the workforce needed for the project, including any benefits and payroll taxes. Material costs involve expenses related to raw materials, supplies, and equipment required to execute the project. Overhead costs are indirect costs that support the project but aren't tied directly to any specific task, such as utilities, administrative expenses, and office supplies. Including all of these components ensures that the budget provides a realistic view of the financial resources required to successfully complete the project, allowing for better planning and resource allocation. By accounting for labor, material, and overhead costs collectively, project managers can mitigate the risk of budget overruns and ensure financial accountability throughout the project's lifecycle.

4. Which Federal Form do employers have new employees complete to determine the correct federal income tax withholding?

- A. W-2**
- B. W-4**
- C. 1040**
- D. 1065**

Employers require new employees to complete the W-4 form to determine the appropriate federal income tax withholding from their paychecks. The W-4 allows employees to provide crucial information such as their filing status, number of dependents, and any additional withholding amounts they may request. By evaluating this information, employers can accurately calculate how much federal income tax to withhold from the employee's earnings, ensuring compliance with tax regulations and preventing under-withholding or over-withholding. In contrast, the W-2 form is utilized by employers to report employees' annual wages and the taxes withheld from them, rather than for determining withholding at the start of employment. The 1040 form is an individual income tax return that taxpayers use to report their income and calculate their tax liability, unrelated to the withholding process. The 1065 form is used for partnerships to report income, deductions, and other financial information rather than individual employee withholding. Therefore, the W-4 is specifically designed for the task of determining federal income tax withholding for new employees.

5. A guarantee that a contractor will pay certain subcontractors, laborers, and material suppliers associated with the project is known as a _____.

- A. bid bond
- B. performance bond
- C. payment bond**
- D. maintenance bond

The correct answer is payment bond, which is a type of surety bond that ensures the contractor will pay subcontractors, laborers, and material suppliers involved in a construction project. This is important because it protects these parties from the risk of non-payment, thereby ensuring that they receive compensation for their work and materials provided. The payment bond provides a financial guarantee that ultimately supports the smooth functioning of the project by ensuring that those providing labor and materials are paid in a timely manner. In the context of construction projects, a payment bond is crucial to avoiding lien claims and financial disputes. This bond specifically focuses on the payment obligations rather than the completion of the project, which differentiates it from other types of bonds. The bid bond, a different type of bond, is intended to ensure that a contractor who wins a bid will enter into a contract and perform the work at the quoted price. Performance bonds guarantee that the contractor will complete the project according to the terms of the contract. Maintenance bonds are meant to cover any issues that arise after project completion, ensuring that the construction work is maintained for a specific period. Thus, the payment bond stands out as the appropriate tool to ensure payment is made specifically for labor and materials, solidifying relationships and trust among all parties

6. If an applicant fails the examination on the first attempt, what is the next step?

- A. The applicant must reapply and take the examination as many times as necessary**
- B. The applicant must take the examination over when it is next offered
- C. The applicant must wait six months to retake the exam
- D. The applicant must take a builder's license seminar

The correct answer outlines the procedure that allows applicants to continue pursuing their goals after an unsuccessful attempt. If an applicant fails the examination on the first attempt, they can reapply and take the examination repeatedly until they achieve a passing score. This approach provides flexibility and encourages the applicant to keep working toward obtaining the necessary qualifications without imposing restrictive requirements on the number of attempts. Other options might suggest specific waiting periods or conditions that could hinder an applicant's ability to take the exam again. For instance, requiring the applicant to wait six months or mandating attendance at a seminar may not align with the policies in place, which emphasize accessibility and the right to reattempt the examination as needed. Thus, the ability to reapply and take the exam as many times as necessary conveys an understanding of the challenges individuals may face while pursuing licensure and empowers them to continue their journey without excessive barriers.

7. Can a corporation be the sole owner of a property?

- A. Yes**
- B. No**
- C. Only if it's a public corporation**
- D. Only if it's a non-profit**

A corporation can indeed be the sole owner of a property because corporations, as legal entities, have the capacity to own property in their own name. This ownership is a fundamental characteristic of a corporation, which is recognized as a separate legal entity from its owners (shareholders). When a corporation acquires property, it does so under its corporate name and can hold, control, and dispose of the property just like an individual would. This includes real estate, personal property, and other assets. The legal structure allows a corporation to own property independently of its shareholders, thus providing a clear distinction regarding ownership and liability. The other options suggest limitations on property ownership based on the type of corporation, but there is no legal basis for such constraints. Both public and non-profit corporations, like any other corporate structure, can also own property. Therefore, the correct response acknowledges the general principle that a corporation can solely own property.

8. What additional cost must builders consider alongside the base cost of materials?

- A. Delivery cost**
- B. Material inspection**
- C. Storage**
- D. All of the above**

When builders calculate the overall expenses associated with a construction project, it is essential to account for all costs that will impact their budget, beyond just the base cost of the materials. Delivery costs are significant as they encompass the transportation of materials from suppliers to the construction site, which can vary greatly depending on distance and logistics. Material inspection costs should also be factored in, as this ensures that the materials meet the required safety and quality standards, and it can involve additional labor and expertise. Lastly, storage fees may arise if there is a delay in the construction schedule or if materials must be stored securely on-site or off-site, adding another layer of expense. Therefore, considering all these aspects—delivery, inspection, and storage—is crucial for builders to create a realistic financial plan for their projects. This comprehensive approach prevents potential budget overruns and ensures that all necessary resources are accounted for in the overall construction budget. Hence, the consideration of all these additional costs is fundamental for successful project management.

9. To obtain a Residential Home Builders' License, what must Mr. Write do?

- A. Take and pass the test for residential builders**
- B. Submit an application with the required fee**
- C. Nothing, because the licenses are essentially the same thing**
- D. Both a and b**

To obtain a Residential Home Builders' License, Mr. Write must complete both the requirement of passing the test specifically designed for residential builders and submitting an application along with the required fee. The test ensures that applicants have the necessary knowledge and understanding of building codes, construction practices, and regulations that apply to residential construction, which is critical for ensuring quality and safety in home building. Simultaneously, the submission of an application with the required fee is a standard procedure that validates the application process and ensures that the appropriate governing body can assess all candidates equally. Therefore, fulfilling both requirements is essential for obtaining the license, making it clear that simply doing one or the other, or assuming that there is no need for any action, would not adequately meet the requirements set forth by licensing authorities.

10. What OSHA form is the annual summary of a company's injuries and illnesses that is required to be posted between February 1st and April 30th?

- A. Form 200**
- B. Form 300**
- C. Form 300A**
- D. Form 301**

The correct choice reflects the OSHA requirement for businesses to summarize and report their work-related injuries and illnesses each year. Form 300A is specifically designed as the annual summary that employers must complete to encapsulate the data from the OSHA Forms 300 and 301 for the entire calendar year. This summary form must be posted in a conspicuous place within the workplace from February 1st to April 30th, allowing employees easy access to this important information concerning workplace safety. In contrast, Form 200 is an older form that has been replaced and is no longer in use under the current OSHA recordkeeping regulations. Form 300 is utilized for logging individual incidents of work-related injuries and illnesses throughout the year but is not the summary form required for posting. Form 301 is a more detailed incident report for each specific case, detailing the circumstances of a work-related injury or illness, but it too is not intended for the annual summary that is to be posted for employees' awareness. Thus, Form 300A stands out as the correct answer, serving the specific purpose mandated by OSHA.

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://hblbbusinesslaw.examzify.com>

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