

Nevada Contractor Management Survey (CMS) 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

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- 1. Why is financial stability assessed in the CMS?**
 - A. To ensure contractors can bid on larger projects**
 - B. To determine the contractor's ability to complete projects without financial strain**
 - C. To provide loans to contractors**
 - D. To compare contractors' profits**

- 2. What role does safety expectation alignment play in CMS evaluations?**
 - A. It has no significant impact on project success**
 - B. It confuses contractors**
 - C. It enhances the safety culture and reduces risks**
 - D. It creates discrepancies between contractors and stakeholders**

- 3. Does the NSCB license allow work on the repairing or constructing of mobile homes?**
 - A. Yes, if work is under \$1,000**
 - B. No. You need a Manufactured Housing license**
 - C. Yes, if you are a NV General**
 - D. Yes, if work is under \$500**

- 4. How long must contractors maintain contracts, documents, receipts, and disbursements for inspection?**
 - A. 2 years**
 - B. 3 years**
 - C. 4 years**
 - D. 5 years**

- 5. A written construction contract change order should include a description of the modification to be made, any change in contract time, and what else?**
 - A. The change in the contract dollar amount**
 - B. The owner's approval signature**
 - C. Alterations to the project scope**
 - D. The completion date**

- 6. What document is likely necessary for contractors to submit as part of the CMS?**
- A. Personal identification**
 - B. Financial statements**
 - C. Licensing documentation**
 - D. All of the above**
- 7. Which of the following categories are evaluated in the CMS?**
- A. Worker satisfaction, project completion rates, safety compliance**
 - B. Project management, safety practices, and financial stability**
 - C. Environmental impact, labor relations, community feedback**
 - D. Contractor experience, insurance coverage, and operational costs**
- 8. What is the importance of performance benchmarks in the CMS?**
- A. They help in marketing services**
 - B. They provide a standard for evaluating contractor performance**
 - C. They are used for regulatory compliance**
 - D. They only apply to large projects**
- 9. What is a critical financial metric monitored by the CMS?**
- A. Revenue growth**
 - B. Market share**
 - C. Profit margin**
 - D. Asset turnover**
- 10. How often can an employer with a Federal Payroll Tax liability of \$1000 pay taxes?**
- A. Monthly**
 - B. Quarterly**
 - C. Annually**
 - D. Biannually**

Answers

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

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Explanations

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1. Why is financial stability assessed in the CMS?

- A. To ensure contractors can bid on larger projects
- B. To determine the contractor's ability to complete projects without financial strain**
- C. To provide loans to contractors
- D. To compare contractors' profits

The assessment of financial stability in the Contractor Management Survey (CMS) is crucial for determining a contractor's ability to complete projects without experiencing financial strain. This evaluation helps ensure that the contractor has the necessary financial resources to meet project demands, cover operational costs, and manage any unexpected expenses that may arise during the course of a project. By understanding a contractor's financial health, stakeholders can gauge the likelihood of timely project completion and minimize the risk of disruptions that could occur if the contractor faces financial difficulties. This analysis is significant because a financially unstable contractor may struggle to fulfill contractual obligations, which can lead to delays, lower quality of work, or even project abandonment. Therefore, evaluating financial stability is integral to maintaining the integrity and success of construction projects.

2. What role does safety expectation alignment play in CMS evaluations?

- A. It has no significant impact on project success
- B. It confuses contractors
- C. It enhances the safety culture and reduces risks**
- D. It creates discrepancies between contractors and stakeholders

Safety expectation alignment plays a crucial role in CMS evaluations by enhancing the safety culture within a project and reducing associated risks. When all parties involved in a construction project, including contractors, stakeholders, and workers, share a common understanding of safety expectations, it leads to a more cohesive work environment. This alignment fosters better communication and ensures that everyone is on the same page regarding safety protocols and practices. As a result, a well-defined set of safety expectations helps in minimizing accidents and injuries, as all workers are informed and vigilant about potential risks. A strong safety culture not only protects the well-being of individuals on-site but also contributes to the overall efficiency and effectiveness of the project. When safety is prioritized and understood, it leads to a more productive workforce and can ultimately influence the successful completion of the project, adhering to timelines and budgets. In contrast to the correct answer, the other options imply negative outcomes or misunderstandings regarding safety expectations, which do not align well with the established benefits of having a clear and shared understanding of safety protocols.

3. Does the NSCB license allow work on the repairing or constructing of mobile homes?

A. Yes, if work is under \$1,000

B. No. You need a Manufactured Housing license

C. Yes, if you are a NV General

D. Yes, if work is under \$500

The Nevada State Contractor's Board (NSCB) regulates contractor licenses, and specific requirements apply when it comes to working on mobile homes. The correct response, which states that a Manufactured Housing license is required, is accurate because mobile homes are classified distinctly from standard residential and commercial construction. To ensure safety and compliance with regulations specific to mobile homes, contractors must possess a specialized license. This regulation helps maintain quality standards and protects consumers involved with the buying, selling, or repairing of mobile homes. The other choices imply that work done under certain dollar thresholds or by general contractors might not require a specialized license, which overlooks the fact that working on mobile homes inherently requires knowledge of unique building codes and safety standards. Thus, all work on mobile homes, regardless of cost, necessitates the proper licensing to ensure that contractors are qualified to handle the specific characteristics associated with manufactured housing.

4. How long must contractors maintain contracts, documents, receipts, and disbursements for inspection?

A. 2 years

B. 3 years

C. 4 years

D. 5 years

The requirement for contractors to maintain contracts, documents, receipts, and disbursements for inspection for a period of three years is based on regulatory guidelines that aim to ensure transparency and accountability in the construction industry. This timeframe allows for adequate review and audit processes, ensuring that all financial transactions, contractual obligations, and operational decisions are preserved for potential inspection by regulatory bodies or stakeholders. Maintaining records for this duration not only helps in compliance with legal requirements but also provides a safeguard for contractors against disputes and claims that may arise after the completion of a project. It ensures that all relevant paperwork is readily available for reference if questions about the execution of the contract or financial matters come up in the future, thereby streamlining any necessary dispute resolution processes. While contractors may have varying practices in retaining documents beyond this minimum duration, adhering to the three-year requirement is crucial for meeting regulatory standards and supporting overall business integrity in the construction sector.

5. A written construction contract change order should include a description of the modification to be made, any change in contract time, and what else?

A. The change in the contract dollar amount

B. The owner's approval signature

C. Alterations to the project scope

D. The completion date

In a written construction contract change order, it is essential to include details about the change in the contract dollar amount. This is crucial for several reasons. First, it ensures that all parties involved have a clear understanding of the financial implications associated with the change, which helps to prevent disputes later on. Accurate documentation of any increase or decrease in cost maintains financial transparency and accountability throughout the project. Including the change in the dollar amount allows the contractor to secure payment adjustments based on the agreed modifications, ensuring that the work performed aligns with the payment structure outlined in the original contract. This aspect of the change order is vital to ensure that the project remains financially viable for both the contractor and the owner. While other elements, such as the owner's approval signature and project scope alterations, are also important, they primarily serve to authorize and clarify the change rather than detail the financial aspects. The completion date may be relevant to timing but does not inherently communicate financial adjustments linked to the change order. Thus, specifying the change in contract dollar amount is a fundamental component of any effective change order in construction contracts.

6. What document is likely necessary for contractors to submit as part of the CMS?

A. Personal identification

B. Financial statements

C. Licensing documentation

D. All of the above

In the context of the Nevada Contractor Management Survey (CMS), it is essential for contractors to submit a variety of documents to ensure compliance with regulations and demonstrate their qualifications. Each of the listed document types serves a specific purpose in this assessment process. Personal identification is crucial for verifying the contractor's identity and ensuring that they are who they claim to be. This helps to establish trust and accountability within the construction industry. Financial statements are important because they provide insight into the contractor's financial health and stability. By reviewing these statements, the CMS can assess whether a contractor has the financial capability to undertake and complete projects, which is key to mitigating risks associated with contractor insolvency. Licensing documentation is also critical as it confirms that the contractor has obtained the necessary licenses to operate legally within the state. This ensures adherence to local laws and standards, which is vital for both safety and regulatory compliance. Because all these documents contribute significant information regarding the contractor's identity, financial status, and legality of operation, it is necessary for contractors to submit all of the above as part of the CMS. This holistic approach helps in making informed decisions about contractor qualifications and ultimately enhances the integrity of the contracting process in Nevada.

7. Which of the following categories are evaluated in the CMS?

- A. Worker satisfaction, project completion rates, safety compliance**
- B. Project management, safety practices, and financial stability**
- C. Environmental impact, labor relations, community feedback**
- D. Contractor experience, insurance coverage, and operational costs**

The evaluation of project management, safety practices, and financial stability within the CMS is fundamental because these factors are pivotal in assessing a contractor's overall capability and reliability. Project management involves analyzing how effectively a contractor plans, executes, and completes projects, which is crucial for timely delivery and budget adherence. Safety practices are also a critical consideration, as they directly impact worker well-being and the overall safety record of a project. Additionally, financial stability is essential to ensure that a contractor can manage resources effectively and sustain their operations throughout a project duration. These categories collectively provide a comprehensive overview of a contractor's effectiveness and reliability, forming a robust foundation for contractor evaluation in the management survey context. The integration of these three elements helps ensure that the contractors selected for projects will fulfill their roles with competence and safety in mind, ultimately benefiting project outcomes and stakeholder interests.

8. What is the importance of performance benchmarks in the CMS?

- A. They help in marketing services**
- B. They provide a standard for evaluating contractor performance**
- C. They are used for regulatory compliance**
- D. They only apply to large projects**

Performance benchmarks in the Contractor Management Survey (CMS) serve the critical function of providing a standard for evaluating contractor performance. These benchmarks establish clear criteria against which various aspects of contractor work can be measured, enabling stakeholders to assess efficiency, quality, and adherence to timelines. By utilizing these benchmarks, contractors and clients can identify areas of strength and opportunities for improvement, ultimately fostering accountability and enhancing project outcomes. The other options do not encapsulate the primary role of performance benchmarks within the CMS framework. While marketing services can benefit from improved performance outcomes, it is not the fundamental purpose of benchmarks. Regulatory compliance is also important but typically involves different standards and requirements outside the scope of performance evaluation metrics. Lastly, the idea that benchmarks only apply to large projects is misleading; they are relevant across projects of all sizes to ensure consistent quality assessments.

9. What is a critical financial metric monitored by the CMS?

- A. Revenue growth
- B. Market share
- C. Profit margin**
- D. Asset turnover

Profit margin is a critical financial metric monitored by the Contractor Management Survey (CMS) because it provides insight into a company's profitability after accounting for all expenses. It indicates how much profit a company makes for every dollar of revenue generated. This metric is essential for contractors and management because it helps them assess operational efficiency and pricing strategies. Monitoring profit margin allows contractors to understand their cost structure, analyze pricing effectiveness, and benchmark against industry standards. A healthy profit margin is crucial for the sustainability of a business, as it ensures that the company can cover its expenses and invest in future growth. In comparison, while revenue growth, market share, and asset turnover are significant metrics, they do not directly reflect profitability. Revenue growth shows sales increases but does not account for costs, market share emphasizes competitive positioning without indicating financial health, and asset turnover focuses on efficiency in using assets rather than the bottom line. Hence, profit margin is the most direct measure of financial success for businesses overseen by the CMS.

10. How often can an employer with a Federal Payroll Tax liability of \$1000 pay taxes?

- A. Monthly
- B. Quarterly**
- C. Annually
- D. Biannually

Employers with a Federal Payroll Tax liability of \$1,000 are required to pay their payroll taxes quarterly. The IRS mandates that businesses with federal tax liabilities of this amount must make estimated tax payments every three months. This structure is designed to ensure that federal taxes are collected in a timely manner, helping the federal government maintain cash flow for various programs and this schedule aligns with the frequency at which most small businesses typically operate. In contrast, if an employer's liability had been lower than \$1,000 for the previous year, they might not be required to make payments at all or could be subject to different payment schedules. For larger liabilities, more frequent payments could be required, such as monthly payments for amounts exceeding certain thresholds. Therefore, the quarterly payment schedule is specifically tailored to those whose federal payroll tax obligations fall within specific parameters, emphasizing the need for compliance to avoid penalties or interest on late payments.

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://nevadacms.examzify.com>

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

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