

Oregon Construction Contractors (CCB) Practice Test (Sample)

Study Guide



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SAMPLE

Questions

- 1. Which of the following is necessary for sealing deck penetrations properly?**
 - A. Using adhesive tape**
 - B. Applying waterproof paint**
 - C. Sealing compounds**
 - D. Natural oils**
- 2. What is the minimum number of employees an employer must have for the Oregon Family and Medical Act (OFLA) to apply?**
 - A. 10**
 - B. 20**
 - C. 25**
 - D. 50**
- 3. What is the term for a non-breaching party's duty to minimize damages resulting from a breach?**
 - A. Liquidation**
 - B. Mitigation**
 - C. Consideration**
 - D. Certainty**
- 4. When is a construction contract enforceable?**
 - A. Only when written**
 - B. Only with legal capacity**
 - C. When filed with the government**
 - D. When all parties agree verbally**
- 5. Contracts with residential property owners for what amount must be in writing?**
 - A. \$1,000**
 - B. \$2,000**
 - C. \$5,000**
 - D. \$10,000**

- 6. How do prompt billing and collections affect cash flow?**
- A. They hinder cash flow**
 - B. They have no effect**
 - C. They improve cash flow**
 - D. Only if payments are received early**
- 7. What does creating a valid lien require from the contractor?**
- A. A verbal agreement with subcontractors**
 - B. Extensive paperwork including legal documents**
 - C. A simple form submitted to local authorities**
 - D. Only a notary's approval**
- 8. What term describes anyone who has an ownership interest in land or improvements?**
- A. Tenant**
 - B. Owner**
 - C. Contractor**
 - D. Agent**
- 9. If a contractor does not have proper licensing, what can result from this?**
- A. Legal enforcement actions**
 - B. Delayed project completion**
 - C. Increased project costs**
 - D. More disputes**
- 10. Which material is recommended for use in coastal areas due to its resistance to corrosion?**
- A. Copper**
 - B. Uncoated aluminum**
 - C. Steel**
 - D. Regular aluminum**

Answers

SAMPLE

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

SAMPLE

Explanations

1. Which of the following is necessary for sealing deck penetrations properly?

- A. Using adhesive tape**
- B. Applying waterproof paint**
- C. Sealing compounds**
- D. Natural oils**

Sealing deck penetrations properly is crucial to prevent water intrusion and damage to the structure. Sealing compounds are specifically designed to fill gaps and create a water-tight seal around penetrations such as pipes, vents, and fasteners. These compounds can be silicone, polyurethane, or other materials tailored for outdoor use, providing flexibility and durability against the elements. The other options, while they may have their uses, do not fulfill the specific requirement for sealing penetrations effectively. Adhesive tape might provide a temporary solution, but it is not durable enough or designed to withstand weather conditions over time. Waterproof paint can help protect surfaces but is not effective for sealing where penetrations occur, as it does not fill voids or gaps. Natural oils are generally used for wood preservation and do not provide a water-tight seal necessary for penetrations. Thus, sealing compounds are the most appropriate and effective choice for this purpose.

2. What is the minimum number of employees an employer must have for the Oregon Family and Medical Act (OFLA) to apply?

- A. 10**
- B. 20**
- C. 25**
- D. 50**

The correct answer is based on the requirement that the Oregon Family and Medical Leave Act (OFLA) applies to employers who have at least 25 employees. This legislation is aimed at providing employees with certain rights to take leave for family and medical reasons without the risk of losing their jobs. The threshold of 25 employees is significant because it targets businesses of a certain size that can afford to implement these provisions and have a larger workforce needing access to such benefits. Employers with fewer than 25 employees are not required to comply with OFLA, making it crucial for businesses to understand the size of their staff when evaluating whether they need to adhere to this law. This focus on employee count helps ensure that support is available in workplaces that are more likely to have multiple employees who may need to exercise their rights under the act.

3. What is the term for a non-breaching party's duty to minimize damages resulting from a breach?

- A. Liquidation**
- B. Mitigation**
- C. Consideration**
- D. Certainty**

The term for a non-breaching party's duty to minimize damages resulting from a breach is "mitigation." This legal principle requires that when one party suffers a loss due to the breach of a contract by another party, they have an obligation to take reasonable steps to reduce or limit that loss. This means that the injured party cannot simply sit back and allow damages to accumulate without trying to lessen the impact. Mitigation helps to ensure fairness in contractual relationships, as it encourages parties to actively seek alternatives or remedies that might reduce their losses. For example, if a contractor fails to deliver materials on time, the other party should attempt to find substitute materials rather than incurring full damages from the delay. Understanding the duty to mitigate is crucial in contract law, as a party that fails to mitigate their damages may find it difficult to recover the full amount of their claimed losses in any subsequent legal action. The other options do not pertain to this specific duty. Liquidation refers to the process of converting assets into cash or the winding down of a business. Consideration is a fundamental concept in contract law that refers to something of value exchanged between parties. Certainty pertains to the clarity and definiteness of contract terms. Each of these concepts serves different roles

4. When is a construction contract enforceable?

- A. Only when written**
- B. Only with legal capacity**
- C. When filed with the government**
- D. When all parties agree verbally**

A construction contract is enforceable when all parties involved have legal capacity, meaning they are mentally competent and of legal age to enter into a contract. This ensures that all parties understand the terms and consequences of the agreement, thus providing a framework for fair and legal obligations. While having a written contract can often strengthen enforceability and clarity, it is not an absolute requirement in all situations. Some contracts can be enforceable even if they are verbal, as long as the terms can be proven and all parties involved have agreed to them; however, this makes it less clear and potentially more difficult to enforce due to the risks of misunderstandings. Filing a contract with the government is not a requirement for enforceability in most cases. Additionally, a contract agreed to verbally can still be enforceable if it meets the necessary criteria, but it may lead to complications when disputes arise, making the clarity of a written agreement often preferable. Legal capacity is thus crucial in ensuring that a construction contract is enforceable, since it confirms that all parties have the ability to understand and participate in the agreement responsibly.

5. Contracts with residential property owners for what amount must be in writing?

- A. \$1,000
- B. \$2,000**
- C. \$5,000
- D. \$10,000

In Oregon, contracts with residential property owners for work that exceeds a specific threshold must be documented in writing to ensure clarity and protect both parties involved. The correct amount that necessitates a written contract is \$2,000. This rule is intended to prevent disputes and miscommunications regarding the terms of the agreement, which can include payment, scope of work, and other important details. The requirement for a written contract helps ensure that all parties have a clear understanding of their obligations and the expectations for the work to be performed. When a contract exceeds this amount, having it in writing becomes crucial for legal enforceability and helps to provide protection for both the contractor and the homeowner in case of any disagreements or misunderstandings. In contrast, agreements below this amount may not have the same formal requirement, leaving more room for verbal agreements which can lead to complications without clear documentation.

6. How do prompt billing and collections affect cash flow?

- A. They hinder cash flow
- B. They have no effect
- C. They improve cash flow**
- D. Only if payments are received early

Prompt billing and collections are critical components of effective cash flow management in the construction industry. When a contractor issues invoices in a timely manner and ensures that collections are pursued actively, it leads to faster payments from clients. This accelerates the inflow of cash, which can then be reinvested into ongoing projects, used for payroll, or directed towards other operational expenses. Improving cash flow through timely billing and collections means that there is less chance of cash shortages that can occur when payments are delayed or when invoices are sent out late. By maintaining a regular and disciplined billing cycle, contractors can predict their financial position more accurately and plan their operations accordingly. This proactive approach allows businesses to maintain liquidity, meet financial obligations, and seize new project opportunities without the stress of cash flow issues. In contrast, hindering cash flow or having no effect could lead to unstable financial conditions where the contractor might struggle to cover expenses or pay workers on time. Delayed payments, inadequate billing practices, or failing to follow up on overdue accounts can create significant gaps in cash flow and disrupt business operations. Therefore, prompt billing and collections unequivocally contribute to the improvement of cash flow, fostering a healthier financial environment for contractors.

7. What does creating a valid lien require from the contractor?

- A. A verbal agreement with subcontractors**
- B. Extensive paperwork including legal documents**
- C. A simple form submitted to local authorities**
- D. Only a notary's approval**

Creating a valid lien requires extensive paperwork because the process involves several legal steps and documentation to ensure the lien is enforceable. When a contractor files a lien, it serves as a legal claim against a property to secure payment for work completed or materials supplied. This typically necessitates the collection of relevant information, such as the owner's details, a description of the work performed, and the amount owed. In most jurisdictions, including Oregon, this process includes filing specific legal documents with the appropriate local authorities, which often comprise a lien statement or lien notice. Each jurisdiction has its own rules and regulations regarding how liens must be filed and what information must be included, making attention to detail and compliance with legal guidelines crucial. The other options do not adequately capture the complexity and legal requirements of establishing a valid lien. A verbal agreement does not provide the necessary legal standing for a lien. A simple form may not encompass the extensive detail required by law, and relying solely on a notary's approval does not fulfill the comprehensive documentation needed for a lien to be considered valid.

8. What term describes anyone who has an ownership interest in land or improvements?

- A. Tenant**
- B. Owner**
- C. Contractor**
- D. Agent**

The term that describes anyone who has an ownership interest in land or improvements is "Owner." An owner legally holds rights to the property, which includes the land and any buildings or structures on it. Ownership implies the ability to use, sell, lease, or otherwise control the property as the individual sees fit, subject to applicable laws and regulations. In contrast, a tenant is someone who has the right to occupy or use a property belonging to another person for a certain period, typically through a rental agreement, but does not have any ownership interest. A contractor is an individual or company engaged in the construction, repair, or renovation of buildings, but they do not have ownership of the property unless they also hold a stake in it. An agent acts on behalf of another party, typically managing transactions or legal matters, but again lacks ownership of the property itself.

9. If a contractor does not have proper licensing, what can result from this?

- A. Legal enforcement actions**
- B. Delayed project completion**
- C. Increased project costs**
- D. More disputes**

When a contractor operates without the proper licensing, it can lead to legal enforcement actions taken against them. This is because licensing is a regulatory requirement that ensures contractors meet specific standards of skill, experience, and financial responsibility. If a contractor is unlicensed, they may face penalties such as fines, orders to cease work, and potential legal action from the state or other authorities. This legal framework is put in place to protect both consumers and the integrity of the construction industry. While unlicensed work can also lead to delayed project completion, increased project costs, and more disputes, the immediate and direct consequence of lacking the proper licensing is typically legal enforcement actions. These actions are aimed at holding the contractor accountable for operating outside of legal requirements, which can have serious ramifications for their business.

10. Which material is recommended for use in coastal areas due to its resistance to corrosion?

- A. Copper**
- B. Uncoated aluminum**
- C. Steel**
- D. Regular aluminum**

Copper is recommended for use in coastal areas primarily due to its excellent resistance to corrosion, particularly in environments where saltwater exposure is prevalent. The properties of copper allow it to withstand the harsh conditions found in coastal regions, reducing the risk of deterioration compared to many other metals. Copper naturally forms a protective patina when exposed to the elements, which further safeguards it from corrosion. This makes it an ideal choice for various applications in coastal construction, such as roofing, gutters, and downspouts. Its long lifespan and minimal maintenance requirements further enhance its suitability for environments with high humidity and salt concentrations. Other materials, such as uncoated aluminum and regular aluminum, are more susceptible to corrosion in salty environments. Steel, unless specifically treated or galvanized, is also prone to rust and corrosion when exposed to moisture and salt. Thus, while copper may involve a higher initial investment, its durability and longevity in coastal applications support its recommendation as a preferred choice.