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Solar Contractor C46 Exam Preparation Course
Diablo Valley College
AET 150F-8561
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Practice Business Law Quiz October 10, 2009

1. You put depreciation on
 - a. On a P&L
 - b. On accounts receivable
 - c. Balance sheet
 - d. All of the above

2. If you are in a bad spot and need to convert some of your assets into cash to pay your bills, this is called?
 - a. Illegal for a contractor
 - b. Liquidity
 - c. Balance sheet
 - d. Fluidity

3. Supervisor safety training meetings with management should be?
 - a. Once a week
 - b. Once every 2 weeks
 - c. Once a month
 - d. Once a quarter

4. How can someone do contracting work without a contractor's license?
 - a. If the job is small (under \$500)
 - b. They cannot do work without a contractor's license
 - c. If they are a subcontractor
 - d. If their spouse died and their spouse was a contractor

5. If a material supplier goes on strike, the contractor should:
 - a. Find a new supplier
 - b. Contact the owner right away
 - c. Find other materials that are just as good or better
 - d. Work around that area if possible and continue when the supplier opens

6. State taxes that are not paid on time, have an interest penalty of:
 - a. 13%
 - b. 20%
 - c. 10%
 - d. 10% plus \$1000

7. A notice to owner is to?
 - a. Let the owner know his property may be liened
 - b. Let the owner know her property will be worked on
 - c. Protect the owner from a lawsuit
 - d. Protect the contractor from a lawsuit

8. Who is responsible for finding out if a subcontractor is licensed?
 - a. The subcontractor
 - b. The prime contractor
 - c. The state
 - d. The workers compensation insurance company claims adjuster

9. This is how to choose and insurance policy:
 - a. Contact an agent you have done business with in the past
 - b. Ask other contractors who they use
 - c. Check what the insurance covers & the cost of the insurance
 - d. Use the internet

10. Why do contractors go out of business?
 - a. Poor scheduling (taking on too much at once)
 - b. Not keeping good records and using job money from one job for another
 - c. Bad estimation
 - d. All of the above

11. Who can not file a mechanics lien?
 - a. Subcontractors
 - b. Prime contractors
 - c. Unlicensed contractors who do work under \$500
 - d. Material suppliers

12. Which is overhead?
 - a. Office rent
 - b. Labor
 - c. Materials
 - d. Office expenses

13. For a job, direct costs are \$100,000. Overhead is 10% & the profit is 5%. What is the gross selling price?
 - a. \$117,647
 - b. \$115,000
 - c. \$105,100
 - d. \$120,000

14. If an employee works 48 hours one week and their pay rate is \$12 per hour, how much is their total gross wages for that week?
 - a. \$480
 - b. \$624
 - c. \$680
 - d. \$576

15. This shows a company's finances at a particular point in time:
 - a. Balance sheet
 - b. Quick ratio
 - c. Current ratio
 - d. Liquidity