

CONTRACTORS BUSINESS & FINANCIAL MANAGEMENT EXAMINATION CONTENT INFORMATION

Revised October 2009

The Business and Financial Management Examination is composed of 120 questions (Service Pool candidates will have 60 questions). It will be administered in one session via computer in the calm atmosphere of one of our convenient testing centers at a time of your choosing.

You should be prepared to respond to examination questions on any of the content areas listed. Questions asked and content areas tested on previous examinations should not be assumed to be the only possible questions to be asked or content areas to be tested on this examination.

The percentage of questions shown for each content area may vary by as much as plus or minus three (3) percent. Please refer to the Candidate Information Brochure and the Reference List for additional information.

Content Area A **11%** **Establishing the Contracting Business**

1. Determining the Business Organizational Structure

knowledge of business structure laws and regulations
knowledge of fiduciary responsibilities of officers and directors
knowledge of open vs. closed corporations
knowledge of organizational charts and chain of responsibilities
knowledge of state and local licensure requirements
knowledge of tax advantages and/or liabilities for various business structures

2. Develop the Business Plan

knowledge of accounting practices
knowledge of local marketplace
knowledge of scope of contractor license

3. Establish Relationships with Other Professionals

knowledge of accountant specialization
knowledge of attorney specialization
knowledge of insurance types and limitations

knowledge of underwriting requirements for bonding

4. Acquire Fixed Assets

knowledge advantages/disadvantages of business location
knowledge of advantages/disadvantages of lease vs. purchase

5. Obtain Insurance

knowledge of accounting practices
knowledge of advantages/disadvantages of various types of insurance
knowledge of coverages and limitations of insurance

Content Area B **26%** **Managing Administrative Duties**

1. Develop the Business

knowledge of availability of staffing for business operation
knowledge of income sources
knowledge of markets and market share

2. Determine Outsourced Services

3. Determine Business Overhead

knowledge of FICA
knowledge of advertising costs (business cards, dues, printing, etc.)
knowledge of communication costs (cell phones, land lines, etc.)
knowledge of cost of sales (travel expenses)
knowledge of federal unemployment (FUTA)
knowledge of general liability rates
knowledge of lease expenses
knowledge of loan financing expenses (interest, etc.)
knowledge of Medicare rates
knowledge of rent costs
knowledge of state unemployment (SUTA)
knowledge of utility costs
knowledge of worker's compensation

4. Preparing Bids/Proposals

knowledge of accounting principles
knowledge of AIA documents

knowledge of business projections/goals current status
knowledge of company overhead
knowledge of contract documents
knowledge of contract law
knowledge of cost of financing projects
knowledge of costs associated with growth
knowledge of general conditions costs of projects
knowledge of how to review contracts
knowledge of how to write offer
knowledge of insurances associated with labor rates
knowledge of labor productivity
knowledge of statute of frauds
knowledge of taxes associated with labor rates
knowledge of components of valid contract

5. Purchase Materials/Supplies

knowledge of depreciative costs
knowledge of fundamentals of Uniform Commercial Code
knowledge of inventory system operation (FIFO, etc.)
knowledge of invoice approval systems
knowledge of negotiating skills
knowledge of purchasing systems
knowledge of receiving systems
knowledge of state sales tax laws
knowledge of statute of frauds
knowledge of vendors in area

6. Prepare Invoices/Draw Requests

knowledge of basic math skills
knowledge of calculation of percentage of work completed
knowledge of contract/subcontract documents
knowledge of how to prepare invoices/draw requests
knowledge of lien laws

7. Develop a Safety Program

knowledge of drug testing regulations
knowledge of MSDS sheets
knowledge of OSHA regulations

8. Maintain Insurance

knowledge of general terms and definitions used in policies
knowledge of insurance policies
knowledge of limits of insurance
knowledge of various types of insurance
knowledge of various types of risk

9. Managing Contracts

knowledge of contract law
knowledge of contract scope
knowledge of job completion schedules
knowledge of lien laws
knowledge of mediation and arbitration processes
knowledge of local building code requirements
knowledge of tort law
knowledge of risk management

Content Area C

10%

Managing Trade Operations

1. Schedule Trade Operations

knowledge of critical path method (CPM)
knowledge of delivery times
knowledge of manufacturing times
knowledge of requests for information (RFI)
knowledge of sequencing trades
knowledge of submittals/approval/fabrication process

2. Maintain OSHA/Safety Records

knowledge of document/record retainage requirements
knowledge penalties for non-compliance with OSHA

3. Purchase/Order Materials & Supplies

knowledge of accounting skills
knowledge of basic math skills
knowledge of job schedules
knowledge of negotiation skills
knowledge of organizational skills
knowledge of plan reading skills
knowledge of quality control
knowledge of quantity take-offs
knowledge of terms and abbreviations on invoices
knowledge of types of building materials

4. Leasing/Purchasing Equipment

knowledge of cost of operation of equipment
knowledge of depreciation
knowledge of equipment operation
knowledge of forecasted use of purchased equipment
knowledge of interest costs for financing
knowledge of maintenance
knowledge of salvage resale values

knowledge of support equipment required for equipment
knowledge of tax credits associated with purchases
knowledge of training needs for equipment
knowledge of transportation costs for equipment

5. Manage Material/Tool/Equipment Inventory

knowledge of equipment maintenance procedures
knowledge of inventory methods

Content Area D 32%
Conducting Accounting Functions

1. Manage Accounts Receivable

knowledge of accounting principles
knowledge of basic math skills
knowledge of computer skills
knowledge of lien laws

2. Manage Accounts Payable

knowledge of accounting principles
knowledge of basic math skills
knowledge of computer skills
knowledge of how to calculate discounts
knowledge of lien laws

3. Manage Cash Flow

knowledge of accounting
knowledge of banking
knowledge of basic math skills
knowledge of financial ratios

4. File Tax Forms & Returns

knowledge of accounting principles
knowledge of basic math
knowledge of federal tax laws
knowledge of property tax laws
knowledge of record keeping requirements
knowledge of sales tax laws
knowledge of state tax laws

5. Track Job Costs

knowledge of accounting principles
knowledge of basic math

6. Calculate Employee Payroll

knowledge of accounting
knowledge of state & federal tax laws
knowledge of basic math
knowledge of employment laws
knowledge of employment/labor laws

knowledge of hierarchy of garnishments

Content Area E 6%
Managing Human Resources

1. Hire New Employees

knowledge of employment laws
knowledge of discrimination laws
knowledge of interviewing skills
knowledge of required forms for new hires
knowledge of background checks

2. Develop Human Resource Policies & Procedures

knowledge of employment/labor laws
knowledge of OSHA
knowledge of chain of custody (drug tests)
knowledge of insurance regulations

3. Evaluate Employees

knowledge of employment/labor laws

Content Area F 15%
Complying with Government Regulations

1. Comply with Federal Laws & Regulations

knowledge of FEMA (immigration components)
knowledge of OSHA
knowledge of tax laws
knowledge of National Pollution Discharge Elimination System (NPDES)
knowledge of environmental laws

2. Comply with State Laws & Regulations

knowledge of Chapter 455 F.S.(Business & Professional Regulation)
knowledge of Chapter 713 F.S. (Liens)
knowledge of 61G4 F.A.C.
knowledge of Worker's Compensation Laws/DOR Sales/Use Tax
knowledge of Chapter 489, Part 1 F.S (Construction Contracting)
knowledge of required continuing education
knowledge of CEU credit records
knowledge of license holder responsibilities