

**Certified Graduate Remodeler
Professional Remodeler Experience Profile (PREP)
Sample Questions**

MARKETING AND SALES

1. When marketing design/build projects, which of these are advantages for the customer?
 - A. It reduces the potential for conflict between the builder and designer.
 - B. The budget and scope of work are constantly being refined to meet the customer's needs.
 - C. The customer only has to deal with one company to resolve design and construction problems.
 - D. All of the above

2. Which of these is **LEAST** likely to be considered when developing a design/build marketing plan?
 - A. The company's pricing strategy
 - B. Customer demographics
 - C. Computer hardware and software dedicated to marketing
 - D. A promotional and advertising campaign

3. Which of these questions is **LEAST** likely to be addressed in a marketing plan?
 - A. What trade shows should a remodeler exhibit at?
 - B. What is my projected lead to sales conversion rate?
 - C. Who should attend trade shows?
 - D. What trade and other organizations should a remodeler join to meet prospective buyers?

Business Administration

Income Statements

	Cash Method	Accrual Method
Revenue	\$40,000	\$50,000
Costs	\$20,000	\$30,000
Gross Profit		

Question 4 refers to the Income Statements above.

4. Which of these has the lowest percent of gross profit based on the above chart?
 - A. Accrual method
 - B. Cash method
 - C. Both accrual and cash methods
 - D. Neither accrual nor cash methods

5. Which of these statements is correct using the cash method?
- A. Costs are equal to the paid and unpaid expenses.
 - B. No revenue should be recorded until money is received from the customer.
 - C. Remodelers get accounting information on a timely basis.
 - D. Management reports are accurately prepared.

Questions 6 and 7 refer to the table below.

6. Which of these is **NOT** a duty that should be assigned to a material and equipment coordinator?
- A. Making certain that all time sheets are filled out on a daily basis and turned in by Thursday evening
 - B. Making sure that all returns are taken to the proper suppliers in a timely manner and that proper credit to the job is recorded
 - C. Placing reusable materials in a safe place
 - D. Scheduling delivery of all supplies to the job sites
7. Which remodeler has the lowest gross profit percent?
- A. Remodeler A
 - B. Remodeler B
 - C. Remodeler C
 - D. Remodeler D

	Remodeler A	Remodeler B	Remodeler C	Remodeler D
Selling Price	\$9,000	\$12,500	\$13,500	\$90,000
Job Costs	\$6,000	\$9,000	\$10,000	\$70,000
Mark-Up %				
Mark-Up Dollars				
Gross Profit %				

8. Which of these is **LEAST** likely to be a duty of a salesperson?
- A. Participating in the pre-construction conference prior to the start of the project
 - B. During construction, determining the status of the project and maintaining Communications with the customer
 - C. Preparing a list of decisions which the customer must make prior to the start of the project
 - D. Making certain that the customer's property is adequately protected from theft during the project

DESIGN, ESTIMATING AND JOB COSTING

9. Which of the following are **LEAST** likely to be included in a contract with a subcontractor?
- A. The company that is responsible for clean-up and trash removal
 - B. The names of the trades persons performing the work
 - C. The payment schedule for the subcontractor
 - D. Allowance and description of materials

10. Which statement is TRUE?
- A. Cost plus contracts require that the project be completed at or below a guaranteed fixed price.
 - B. Costs plus contracts reimburse the remodeler for direct, indirect, and overhead costs plus a fixed profit.
 - C. Cost plus contracts generally require a detailed quantity estimate.
 - D. Cost plus contracts provide the greatest percentage of profit to a contractor.

PROJECT: SUNROOM ADDITION					
LINE ITEM COST WORK SHEET			THERMO & MOISTURE PROTECTION		
CHECKED:			QUANTITY		
WK ST	Description	Quant ity	Units	\$/Units	Total
	5/8" wall sheathing, insulated			0.28	
	Insulation R-13			0.49	
	Insulation R-30			0.88	
	15# asphalt coated felt			8.4	
	Roof shingles			144	
	½"x8" beveled siding			3.08	
	5" gutters	24'		4.16	
	Downspouts			2.66	
	Elbows			5.55	
	Aluminum flashing			3.57	
TOTAL THERMO & MOISTURE PROTECTION					

Question 11 refers to the table above

11. Which of these is the total estimated cost for 5" gutters only?
- A. \$149.76
 - B. \$ 99.84
 - C. \$ 63.84
 - D. \$ 49.92
12. Which of these statements in a contract's scope of work is **LEAST** likely to protect a remodeler from assuming excessive risk?
- A. The project includes the installation of new shingles on the addition and does not extend to the repair or replacement of any other part of the roof.
 - B. The project includes replacing carpet in a downstairs bedroom.
 - C. The project includes replacing the ceiling in the downstairs bedroom due to a leak in the upstairs bathroom.
 - D. The project includes removing and replacing a sliding glass door.

CONTRACTS, LIABILITY AND RISK MANAGEMENT

13. Which of these breaches of contract is most likely after a contractor deviated from plans and specifications by relocating pilings for a beach house so that fewer would be needed?
 - A. Breach of contract
 - B. Negligence
 - C. Breach of implied warranty
 - D. Breach of expressed warranty

14. Which of these best describes the contractual relationship between a remodeler and the customer?
 - A. The customer contracts exclusively with the remodeler to design and build the structure and to supervise subcontractors.
 - B. The architect acts as the customer's agent to produce the design and general contract documents and administers the customer-contractor contract.
 - C. The customer contracts with a general contractor to supervise all work.
 - D. The remodeler is subcontracted by the architect to build the project.

15. Which statement is TRUE?
 - A. Courts are responsible for providing guidelines for writing construction contracts.
 - B. Courts assess damages for nonperformance of contracts.
 - C. Specific terms, conditions and requirements in a contract are more likely to be challenged in a court of law than general terms.
 - D. The court does not rely upon a contractor's behavior and previous oral agreements in settling disputes.

16. Which of these accurately describes clauses that try to eliminate or limit one party's liability where the party would be liable without such a clause?
 - A. Indemnity clause
 - B. Hold-harmless clause
 - C. No-damage-for-delay clause
 - D. All of the above

17. Which of these financial strategies is used to cover the retainage held under some contracts?
 - A. Increasing prices by the percent of retention
 - B. Borrowing the funds from a financial institution to replace the retainage
 - C. Funding the retainage out of working capital
 - D. All of the above

PROJECT MANAGEMENT

18. If an employee of CGR Remodelers finds a hazardous condition on the job site, OSHA requires that the employee take which of the following steps?

- A. Immediately report the condition to the lead carpenter or site supervisor.
- B. Discuss the condition with fellow employees.
- C. Take responsibility to remove the condition from the job site.
- D. Call or write to OSHA to describe the condition.

CGR Remodelers Cashflow Analysis

ACTIVITIES/PROJECTS	Month 1				Month 2			
	Wk-1	Wk-2	Wk-3	Wk-4	Wk-5	Wk-6	Wk-7	Wk-8
Project 1 Expenses	-2500	-2500	-1500	-1800	-1800	-3500	-2500	
Project 2 Expenses			-3900	-400	-8500	-9500	-9500	-3500
ANTICIPATED WEEK EXPENSES	-2500	-2500	-5400	-2200	-10300	-13000	-1200	-3500
Anticipated Income		10000		12000		28000		35000
Cumulative Week Expenses	-2500	-5000	-10400	-12600	-22900	-35900	-47900	-51400
Cumulative Week Income		10000	10000	12000	12000	40000	40000	75000
Net Cash Flow	2500	-5000	400	400	10900	-4100	7900	-23600

19. Which statement is TRUE based on information in the above cash-flow analysis?
- A. CGR had a better cash-flow balance at the end of two months than at the end of the first month.
 - B. CGR was in the best position to start new projects during the first month.
 - C. CGR had the poorest cash-flow balance at the end of the second month.
 - D. CGR had the best cash-flow balance at the end of week seven.
20. How far should the base of an extension ladder be from the base of the structure?
- A. Three-quarters of the working distance of the ladder
 - B. Half of the working distance of the ladder
 - C. One-quarter of the working distance of the ladder
 - D. One-eighth of the length of the ladder

SEE NEXT PAGE FOR ANSWERS

PREP Sample Answers

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|-----|---|-----|---|
| 1. | D | 11. | B |
| 2. | A | 12. | C |
| 3. | C | 13. | A |
| 4. | A | 14. | A |
| 5. | B | 15. | B |
| 6. | A | 16. | D |
| 7. | A | 17. | D |
| 8. | D | 18. | A |
| 9. | B | 19. | A |
| 10. | B | 20. | B |