

ar-residential-builder Practice Questions

Free community edition B | Arkansas Contractors Licencing Board | 8 questions

QUESTION 1 MULTIPLE CHOICE

Under Arkansas mechanics' and materialmen's lien law, which of the following actions are generally required to preserve a subcontractor's lien rights on a residential project? (Choose two.)

- ☒ **A** Serve a written notice of lien on the property owner (and sometimes the lender) within the statutory time period after the last labor or material was furnished
- ☒ **B** File the lien with the county recorder's office in the county where the property is located within the statutory time period
- ☐ **C** Obtain a signed confession of judgment from the general contractor before performing any work
- ☐ **D** Notify the Arkansas Contractors Licensing Board within 24 hours of beginning the work

ANSWER A B

QUESTION 2 SINGLE CHOICE

Under Arkansas Mechanics' and Materialmen's Lien Law, a subcontractor who is not paid on a residential project must generally perfect a lien by filing a Notice of Intent to Lien within how many days after the last labor or material was furnished?

- ☐ **A** 30 days
- ☐ **B** 60 days
- ☒ **C** 120 days
- ☐ **D** 1 year

ANSWER C

QUESTION 3 SINGLE CHOICE

Which of the following is the most appropriate first action for a Residential Builder who discovers an underground utility line strike on a residential excavation site?

- ☐ A Continue digging carefully to expose the full extent of the damage
- ☒ B Stop work immediately, evacuate workers from the immediate area, and notify the utility operator and 811
- ☐ C Cover the damaged line with sand and finish the remaining excavation
- ☐ D Have the homeowner sign a release before continuing work

ANSWER B

QUESTION 4 SINGLE CHOICE

Under Arkansas mechanics' lien law, a subcontractor or supplier who is not paid on a residential project generally must file a lien within what timeframe after the work is performed or materials furnished?

- ☐ A 30 days
- ☒ B 120 days
- ☐ C 6 months
- ☐ D 1 year

ANSWER B

QUESTION 5 SINGLE CHOICE

Under Arkansas law applicable to residential construction contracts, a written contract between a licensed residential builder and a homeowner is generally required to include which of the following?

- ☐ **A** An arbitration clause waiving the homeowner's right to file a mechanics' lien
- ☒ **B** The builder's license number, the scope of work, the price, payment schedule, and starting/completion dates
- ☐ **C** Only the total contract price and the builder's signature
- ☐ **D** A guarantee that the builder will perform all work personally, without subcontractors

ANSWER B

QUESTION 6 SINGLE CHOICE

In Arkansas, a residential builder with employees typically must carry which type of insurance to cover job-site injuries?

- ☐ **A** General liability insurance only
- ☒ **B** Workers' compensation insurance
- ☐ **C** Professional liability insurance
- ☐ **D** Builder's risk insurance only

ANSWER B

QUESTION 7 MULTIPLE CHOICE

Which of the following are general ongoing obligations of a licensed Arkansas residential builder under Contractors Licensing Board rules? (Choose two.)

- ☐ **A** Maintaining the required workers' compensation and general liability insurance while the license is active
- ☐ **B** Renewing the license before it expires and paying the required renewal fee
- ☐ **C** Personally supervising every subcontractor's work on every job at all times
- ☐ **D** Notifying the Board of certain changes, such as the qualifying agent leaving the company or a change of business address

ANSWER **A · D**

QUESTION 8 MULTIPLE CHOICE

Which of the following are recommended practices for managing subcontractor payments and lien risk on a residential project? (Choose two.)

- ☐ **A** Obtain a conditional lien waiver with each progress payment
- ☐ **B** Pay subcontractors only after the homeowner has paid, with no written agreement
- ☐ **C** Require subcontractors to provide proof of insurance before mobilization
- ☐ **D** Allow subcontractors to waive lien rights as a condition of initial bidding

ANSWER **A · C**