



Getting Ready for the Exam

I. ACCOUNTING AND REPORTING (30%)

- A. Accounting standards and guidelines
- B. Basic methods of accounting
- C. Receivables
- D. Costs in excess and billings in excess
- E. Construction equipment
- F. Subcontractor payables
- G. Capitalized interest
- H. Financial statements
- I. Project management

II. INCOME RECOGNITION METHODS (20%)

- A. Financial reporting
- B. Percentage-of-completion accounting method
- C. Contract revenues
- D. Contract costs
- E. Accounting for the effects of change in estimates
- F. Completed-contract accounting method
- G. Independent construction audit

III. BUDGETING AND PLANNING (10%)

- A. Strategic planning
- B. Strategic cost management
- C. Capital budgeting
- D. Cash management

IV. RISK MANAGEMENT (13%)

- A. Risk management responsibilities
- B. Construction-related insurance
- C. Surety

V. TAXES (7%)

- A. Accounting methods unique to the construction industry
- B. Tax filing

VI. HUMAN RESOURCES (5%)

- A. Compensation
- B. Employee benefit plans
- C. Accounting/finance department administration

VII. LEGAL (10%)

- A. Preparation and review of contracts
- B. Subcontracts
- C. Applicable laws
- D. Warranties
- E. Alternatives to litigation

VIII. INFORMATION TECHNOLOGY (3%)

- A. Applications for construction management

IX. JOINT VENTURES (2%)

- A. Forms of joint ventures
- B. Accounting and financial reporting for joint ventures

Please note that the questions from each content area will be mixed throughout the exam. The questions will NOT be grouped by content area on the exam.

Sample Questions

SAMPLE 1

Which of the following is an example of qualifying assets that warrant capitalization of interest?

- A. Inventories manufactured on a repetitive basis
- B. Assets acquired with gifts and grants
- C. Investments accounted for using the equity method
- D. Assets constructed and intended for sale or lease

SAMPLE 2

A contractor is awarded a contract by a school district. The contract requires a guarantee that the contractor will perform the terms and conditions of the contract and that the project will be built according to the plans and specifications.

Which type of bond will enable the contractor to provide the required guarantee?