

PREP

Candidate Information Guide

1. What is the name of the assessment?
 - The Professional Remodeler Experience Profile (PREP). It is the first step towards the Certified Graduate Remodelor (CGR) designation. This assessment is available through traditional paper and pencil offerings and through our network of Computer Based Testing Centers (CBT).
2. What is the purpose of the CGR program?
 - Designed to emphasize business management skills as the key to a professional remodeling operation, the CGR designation requires that graduates meet prescribed standards of business practice, have proven track records of successful project management, complete a comprehensive education curriculum and pledge to uphold the program's rigorous code of ethics.
3. What organization awards the designation?
 - The CGR Board of Governors operates the program under the auspices of the Remodelers™ Council of the National Association of Home Builders (NAHB).
4. What are the eligibility requirements for the CGR designation?
 - Candidate must be engaged in or an employee of a firm engaged in the remodeling business. (Remodeling is defined here as licensed and/or insured contractor/remodeler; actively own, operate and/or supervise a remodeling business; and holds a current and valid workers' compensations certificate). Applicants other than owners or general managers must submit a letter of sponsorship from their current employer explaining in detail they the applicant should be considered for the CGR designation.
 - Five years of remodeling industry experience.
 - NAHB members and nonmembers.

- Completion of the required courses as determined by the results of the PREP.

5. When is the PREP scheduled and where can it be taken?

- The computer-based administration of PREP is available at more than 600 testing locations across the nation administered by LaserGrade. PREP can be administered within 5 working days of contacting LaserGrade at 1-800-211-2753 or www.lasergrade.com.
- LaserGrade national call center is prepared to accept candidate telephone calls from 6 am to 5 pm Pacific Time, and 6 am to 2 pm on Saturday.
- The paper and pencil version of PREP is scheduled at local Home Builders Associations and at regional and national trade shows across the country.
- A complete list of currently scheduled PREP offerings can be found at www.NAHB.org. Click on the education tab and search by keyword “PREP”.

6. What does it cost to take the PREP?

- PREP is available for \$195.00 per candidate.
- For the computer-based version of PREP, candidate payment is only accepted by credit card, (Visa®, Discover®, and American Express®.)
- PREP fee will be collected when you contact LaserGrade to schedule PREP.
- Payment methods for the paper and pencil version of the PREP are determined by the local course host, but usually include both check and credit card. Please contact the registration person listed for the scheduled PREP for complete details.

7. What is the fee for retaking the PREP?

- PREP re-testing is available at \$195.00 per candidate.
- Computer-based candidates may retake PREP on demand at the convenience of the candidate.
- Paper and pencil candidates must register to retake the PREP with a local course host, and are limited to scheduled versions of the PREP.

8. What about refunds?

- There are no refunds for the computer-based PREP. If you are unable to attend for any reason, you will be credited for another PREP.
- The refund policy for paper and pencil sessions of the PREP is determined by the local course host.

9. How do I reschedule a computer-based PREP?

- Call LaserGrade at 1-800-211-2753 to reschedule PREP.

10. What computer skills do I need to take the exam?

- No specific computer skills are required other than very basic keyboard skills for the computer-based version of the PREP.
- No computer skills are required for the paper and pencil version of the PREP.

11. What should I take to the LaserGrade assessment center or other scheduled PREP location?

- A non-programmable and non-print calculator
- An architect's scale
- Scratch paper and pencil (optional)
- Drivers license and second form of identification (required)

12. What should I expect on the day the PREP is administered?

- A proctor at the assessment center will verify your eligibility against your PREP registration information.
- PREP is a three-hour 130 multiple-choice assessment.

13. What is covered on the PREP?

- Marketing and Sales
 - Marketing and Sales
 - Customer Service
- Business Administration

- Profile of Remodeling Business
- Bookkeeping and Accounting
- Company Finance
- Financial Management
- Office and Field Personnel
- Design, Estimating and Job Cost
 - Estimating and Pricing
 - Job Cost
 - Design
- Contracts, Liability and Risk Management
 - Contracts and Liability
 - Risk Management
- Project Management
 - Management Structure
 - Communications and Agreements
 - Planning and Scheduling
 - OSHA, Safety and Security

14. How will PREP be scored?

- NAHB has contracted with Wasdyke Associates LLC to score the computer-based PREP based on the criteria established by the CGR Board of Governors and approved by the Remodelors Council Board of Trustees. The paper and pencil test will be scored by the University of Housing.
- You will not be penalized for guessing and are encouraged to answer all questions to the best of your ability.
- Your results are derived from the number of questions you answer correctly and will indicate a 0, 1, or 2 which is the number of courses required to complete the CGR designation requirements for that subject area.
- Your scores include statistical adjustments to equalize the difficulty of passing all forms of the PREP.

15. What happens if I perform poorly on some parts of PREP?

- You may be required to take from one (1) to eight (8) CGR approved courses.

- Your results report will indicate which courses and how many are required in a given subject area.

16. How soon will I receive my results?

- If you take the computer-based version of PREP, you will receive your results on-site immediately after you complete the assessment. For paper and pencil versions of the assessment please allow four to six weeks for processing.
- PREP scores are confidential; therefore, they will not be given over the phone or fax. If you have signed the program waiver, we will be able to release your results to your local builders association for use in scheduling and planning only.

17. What if I think there was an error in my assessment?

- If you feel there was an error in your score, you may request to have your assessment re-scored. Your request:
 1. Must be in writing to NAHB University of Housing, CGR Program, 1201 15th Street, NW, Washington, DC 20005.
 2. Must be made within six months of your assessment date.
 3. Must be accompanied by a \$25 fee, payable to Wasdyke Associates LLC.
 4. Wasdyke Associates LLC will inform you of your re-scored results within approximately two to four weeks from receipt of request from NAHB University of Housing to Wasdyke Associates.

18. Can I be disqualified during the exam?

- You may be disqualified from taking or continuing in the PREP assessment, or from receiving assessment results, if the NAHB Remodelors™ Council or Wasdyke Associates LLC determines through either proctor observation or statistical analysis that you were engaged in collaborative, disruptive or other unacceptable behavior before, during or following the administration of the PREP assessment.

19. How do I renew my CGR designation?

- Pay a \$50 renewal fee annually.
- You are required to complete a continuing education requirement every three years after your initial CGR graduation date.
- Complete 12 hours of continuing education as outlined below:
Earn a minimum of six hours by successfully completing or teaching one full-day NAHB University of Housing course; The remaining six hours may come from: any local, state or national trade shows (e.g. International Builders' Show, Remodelers' Show); any other professional designation successfully earned (e.g. CAPS); manufacturer product training (e.g. facility tours, fabrication process demonstrations, product demonstrations, sponsored education on business or installation techniques); business-related college courses completed with a grade of "C" or better (courses in business offered by college or university or a community college are accepted; one college course is equated to 6 hours of continuing education per three-year certification period.)

20. How do I arrange for special accommodations for PREP?

- LaserGrade facilities accommodate those in wheel chairs and are ADA (American with Disabilities Act) accessible.
- The LaserGrade system is for sighted, and persons who have the ability to use one-good hand.
- Contact the local PREP host for special accommodations for all other scheduled PREPs.

Taking the PREP

The following strategies may help you take the PREP:

1. Read the directions carefully and follow them as precisely as you can.
2. Plan your time effectively. Work steadily during the profile. Do not let a question on which you are uncertain of the answer take up too much of your time.
3. Read the question carefully. This tells you what is being asked.
4. Read the question a second time to be clear about what the question is asking.
5. Read all four-answer choices completely. One will be correct (the answer) and the other three are incorrect (the distractors). Incorrect

- answers usually contain common errors that may seem reasonable to a PREP candidate who does not fully understand the concept that is being assessed in the question.
6. Carefully evaluate the answer choices for key words and phrases. Be sure to note words such as NOT, EXCEPT and LEAST that may give critical clues to help you answer the question. If the question uses one of these words, the question is telling you that three of the answers are yes and the correct answer, or key, is the no response.
 7. Read each answer choice twice. As you read each answer the second time, think to yourself whether it definitely does not answer what is being asked (a definite no), appears to answer what is being asked (a probable yes), or may answer what is being asked (a possible yes).
 8. If you identified more than one answer you think might be correct, evaluate each of these to select the one that is the best answer to the question in the stem. Look critically at the choices for clues.
 9. Be careful not to read elements or to make assumptions that are not in the stem and answer choices. A common reason candidate's select a wrong answer is that they assume something that is not indicated in the question.

Using the Sample PREP Questions to Help You Prepare for PREP

It is recommend that you take the sample questions in this booklet or on the website so that you get a better understanding of the types of questions asked and a general feeling of what the PREP is like. Be sure to read each question carefully so that you know exactly what is being asked. Each question has only one best answer.

The following steps are recommended for getting ready to take the PREP.

1. Study the content topical areas that are covered in the PREP.
2. Take the sample questions to become familiar with each question type and content covered.
3. Score the questions and find out how well you did in each of the five subject areas.
4. Look carefully at the areas in the sample PREP in which you scored well and areas where you scored lowest. Then identify any areas in the PREP in which you think you need more study to perform well. Your answers to these two questions will give you a self-needs assessment:
 - Where did I score poorly on the PREP?

- Which content areas do I need to prepare for most?

Certified Graduate Remodelor™
Professional Remodeler Experience Profile
PREP©

Sample Questions

(20 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.

	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 %				

Question 6 refers to the table above

6. Which remodeler has the lowest gross profit percent?
 - A. Remodeler A
 - B. Remodeler B
 - C. Remodeler C
 - D. Remodeler D

7. 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

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	Quantity	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	
	1/2"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?
- CGR had a better cash flow balance at the end of two months than at the end of the first month.
 - CGR was in the best position to start new projects during the first month.
 - CGR had the poorest cash flow balance at the end of the second month.
 - 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?
- Three-quarters of the working distance of the ladder
 - Half of the working distance of the ladder
 - One-fourth of the working distance of the ladder
 - One-eighth of the length of the ladder

You have reached the end of this sample PREP.

PREP Sample Answers

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