

AMBER BOOK PRACTICE MANAGEMENT (PCM) PRACTICE TEST (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Six Sigma is best described as a program that:**
 - A. Is exclusively used for manufacturing with no service applications.
 - B. Focuses only on cost reduction without process improvement.
 - C. Six Sigma is best described as a program that standardizes results and eliminates variation and can be third-party certified.
 - D. Requires no training or certification.
- 2. Which asset is excluded by the quick ratio that is included in the current ratio?**
 - A. Inventory
 - B. Cash
 - C. Accounts receivable
 - D. Prepaid expenses
- 3. Public sector projects will almost always use which options?**
 - A. Stipulated lump sum
 - B. Percentage of construction cost
 - C. Both A and B
 - D. All of the above
- 4. Name a common cause of construction delays for which the owner or architect is at fault.**
 - A. Unexpectedly bad weather
 - B. Change orders caused by the owner or architect
 - C. Contractor behind schedule because they are building too slow
 - D. Late procurement of materials
- 5. Cash basis accounting is used to calculate taxes.**
 - A. Not used
 - B. Both
 - C. Accrual basis
 - D. Cash basis

- 6. In base Design-Bid-Build contracts, which pair correctly matches the AIA document to the party?**
- A. B101 - Owner-Architect; A101 - Owner-Contractor
 - B. B101 - Owner-Contractor; A101 - Owner-Architect
 - C. B101 - Owner-Engineer; A101 - Owner-Contractor
 - D. B101 - Owner-Architect; A101 - Owner-Contractor
- 7. Break-even rate is always equal to Overhead rate plus 1.0.**
- A. Overhead rate - 0.5
 - B. Overhead rate + 0.5
 - C. Overhead rate + 1.0
 - D. Overhead rate
- 8. Which statement best defines equity?**
- A. The current liabilities of the firm.
 - B. The total value of non-tangible assets.
 - C. The net worth of the business if it were sold today.
 - D. The annual gross revenue.
- 9. Which statement describes supplemental services provided by the architect?**
- A. Supplemental services are extras defined upfront and priced in the contract, such as hiring a landscape architect.
 - B. Supplemental services are extra requirements arising during construction and billed hourly.
 - C. Supplemental services are included in the base fee with no extra charge.
 - D. Supplemental services are illegal without owner consent.
- 10. Direct expenses in architectural project accounting are best described as what?**
- A. Paying the employee's hours directly spent on the project.
 - B. Paying the office manager and conference travel not tied to a specific project.
 - C. Paying for the plotter and architect's travel to the construction site charged to the client.
 - D. Profit.

Answers

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1. C
2. A
3. C
4. B
5. D
6. D
7. C
8. C
9. A
10. A

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Explanations

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1. Six Sigma is best described as a program that:

- A. Is exclusively used for manufacturing with no service applications.
- B. Focuses only on cost reduction without process improvement.
- C. Six Sigma is best described as a program that standardizes results and eliminates variation and can be third-party certified.**
- D. Requires no training or certification.

Six Sigma is a data-driven program focused on making processes predictable by reducing variation and defects. It uses a structured approach, typically DMAIC (Define-Measure-Analyze-Improve-Control), to define problems, measure how a process currently performs, identify root causes of variation, implement improvements, and put controls in place to maintain gains. Although it began in manufacturing, its methods apply to service processes as well, helping standardize results across different contexts. Certification and training paths (such as Green Belt and Black Belt) are common, with many organizations and independent bodies offering third-party certification. So the description that captures these elements—standardizing results, eliminating variation, and the possibility of third-party certification—best describes Six Sigma.

2. Which asset is excluded by the quick ratio that is included in the current ratio?

- A. Inventory**
- B. Cash
- C. Accounts receivable
- D. Prepaid expenses

The essential idea is liquidity: the current ratio uses all current assets, while the quick ratio uses only the most liquid assets. Inventory sits in the current ratio because it can be turned into cash, but not as quickly as cash, marketable securities, or accounts receivable. The quick ratio excludes inventory for this reason, focusing only on assets that are readily convertible to cash in the near term. Therefore, the asset that is included in the current ratio but excluded by the quick ratio is inventory. (Cash and accounts receivable are included in both ratios, while prepaid expenses are generally not counted in the quick ratio.)

3. Public sector projects will almost always use which options?

- A. Stipulated lump sum
- B. Percentage of construction cost
- C. Both A and B**
- D. All of the above

Public sector projects use contract approaches that fit different levels of scope definition and risk. A stipulated lump-sum (fixed-price) arrangement works well when the project scope is clear and well-defined, because it gives the owner price certainty and a straightforward bidding process. A contract based on a percentage of construction cost (cost-based fee) is used when the scope is less certain or there are many unknowns; it allows for flexibility and more accurate handling of costs as the project evolves, though it requires strong cost oversight. Because public projects may be procured under either scenario depending on the specifics, both types are commonly employed.

4. Name a common cause of construction delays for which the owner or architect is at fault.

- A. Unexpectedly bad weather
- B. Change orders caused by the owner or architect**
- C. Contractor behind schedule because they are building too slow
- D. Late procurement of materials

The key idea is that changes initiated by the owner or architect after construction has begun commonly cause delays. When the scope or design is altered, the team must produce new drawings and specifications, obtain approvals, possibly redo already completed work, and adjust schedules and sequencing of trades. This ripple effect pushes milestones and extends the project timeline, so owner- or architect-caused change orders are a frequent source of delay. Weather is an external factor beyond anyone's control, so it's not a fault of the owner or architect. If the contractor is behind, that reflects contractor performance, not owner/architect responsibility. Late material procurement can stem from various causes, not specifically owner or architect actions.

5. Cash basis accounting is used to calculate taxes.

- A. Not used
- B. Both
- C. Accrual basis
- D. Cash basis**

In tax accounting, the timing of income and deductions is determined by the method used. For most taxpayers, cash basis is used, meaning income is reported when cash or its equivalent is received and deductions are taken when cash is paid. This aligns tax liability with actual cash flow and keeps records simple for individuals and many small businesses. The accrual method, by contrast, records income when earned and expenses when incurred, regardless of cash movement, and is required for certain entities or situations (such as some large corporations or inventory scenarios) unless they qualify for the cash method. So the statement is true for the majority of taxpayers, making cash basis the best answer.

6. In base Design-Bid-Build contracts, which pair correctly matches the AIA document to the party?

- A. B101 - Owner-Architect; A101 - Owner-Contractor
- B. B101 - Owner-Contractor; A101 - Owner-Architect
- C. B101 - Owner-Engineer; A101 - Owner-Contractor
- D. B101 - Owner-Architect; A101 - Owner-Contractor**

Design-Bid-Build relies on separate contracts for design and construction. The agreement with the architect is the Owner-Architect Agreement, B101, which governs the architect's services from concept through construction administration. The agreement with the contractor is the Owner-Contractor Agreement, A101, which governs the construction work between the owner and the contractor. Since DBB keeps design and construction as distinct contracts, the correct pairing is B101 with the owner-architect and A101 with the owner-contractor. This setup reflects the process: first hire the architect to design, then hire a contractor to build after bidding, under separate agreements.

7. Break-even rate is always equal to Overhead rate plus 1.0.

- A. Overhead rate - 0.5
- B. Overhead rate + 0.5
- C. Overhead rate + 1.0**
- D. Overhead rate

In this context, the break-even rate must cover both the direct labor cost and the overhead that supports that work. To get it, multiply the base direct labor rate by (1 + overhead rate). That gives you a multiplier equal to overhead rate plus 1.0, which is why the break-even rate aligns with overhead rate plus 1.0. For example, if the direct labor rate is \$100 per hour and overhead is 40% (0.40), the break-even rate is $\$100 \times 1.40 = \140 per hour. The factor 1.40 is the overhead rate plus 1.0. The other options miss the proper relationship: subtracting or adding the wrong amount would not guarantee costs are fully covered, and using only the overhead rate ignores the direct labor cost.

8. Which statement best defines equity?

- A. The current liabilities of the firm.
- B. The total value of non-tangible assets.
- C. The net worth of the business if it were sold today.**
- D. The annual gross revenue.

Equity represents the owners' residual claim on the business—the net worth after all liabilities are paid. It equals assets minus liabilities and is essentially what the owners would receive if the company were sold today after settling debts. The other options miss this residual-interest idea: current liabilities are short-term obligations, not ownership; the total value of non-tangible assets only describes part of the asset base, not the owners' stake after liabilities; and annual gross revenue is income, not the owners' net worth.

9. Which statement describes supplemental services provided by the architect?

- A. Supplemental services are extras defined upfront and priced in the contract, such as hiring a landscape architect.**
- B. Supplemental services are extra requirements arising during construction and billed hourly.
- C. Supplemental services are included in the base fee with no extra charge.
- D. Supplemental services are illegal without owner consent.

Supplemental services cover tasks beyond the architect's basic scope and require separate compensation. They're defined and priced in the contract (often as addenda) so both owner and architect know what's included and what costs extra. An example is bringing in a landscape architect to handle site elements outside the architect's usual responsibilities. This upfront definition helps prevent disputes about scope and fees. Other formulations—such as extras billed hourly only when they arise during construction, or included in the base fee with no additional charge, or being illegal—don't align with how supplemental services are typically planned and paid for in practice.

10. Direct expenses in architectural project accounting are best described as what?

- A. Paying the employee's hours directly spent on the project.**
- B. Paying the office manager and conference travel not tied to a specific project.
- C. Paying for the plotter and architect's travel to the construction site charged to the client.
- D. Profit.

Direct expenses are costs you can trace to and bill for a specific project. The clearest example is the hours employees actually spend working on that project—the labor time directly tied to the project. Those wages are spent for that project alone and are charged straight to it. In contrast, costs like the office manager's salary or conference travel that aren't tied to a particular project support the firm as a whole and are treated as indirect or overhead, allocated across projects. A plotter is usually a shared piece of equipment used on multiple projects, so its expense is typically overhead rather than a direct project charge. Travel to a construction site could be direct if it's clearly for that project, but when paired with a shared asset like a plotter, the example leans toward indirect costs. Profit isn't an expense at all.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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