

# Certified Federal Contract Manager (CFCM) Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Table of Contents

<b>Copyright</b> .....	<b>1</b>
<b>Table of Contents</b> .....	<b>2</b>
<b>Introduction</b> .....	<b>3</b>
<b>How to Use This Guide</b> .....	<b>4</b>
<b>Questions</b> .....	<b>5</b>
<b>Answers</b> .....	<b>8</b>
<b>Explanations</b> .....	<b>10</b>
<b>Next Steps</b> .....	<b>16</b>

# 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

- 1. Which role does the fiscal and accounting officer have in the bulk funding process?**
  - A. To provide individual purchase authorizations**
  - B. To ensure compliance with FAR standards**
  - C. To authorize the contracting officer to obligate funds against a lump sum**
  - D. To audit the funds allocated to the agency**
- 2. For how long must contractors retain all records pertaining to a government contract?**
  - A. One year from the contract termination**
  - B. Three years from the date of final payment, unless otherwise specified**
  - C. Five years from the initiation of the contract**
  - D. Indefinitely**
- 3. How may contract delivery or performance schedules typically be expressed?**
  - A. By specific milestones to be met**
  - B. In terms of project phases**
  - C. By the specific number of days from the contract date**
  - D. Using percentages of completion**
- 4. Under what condition can a contract normally be terminated for convenience?**
  - A. When the cost exceeds \$10,000**
  - B. When the price of the undelivered balance is less than \$5,000**
  - C. When the contract performance is delayed**
  - D. When both parties agree**
- 5. Which of the following is NOT considered a type of contract under the FAR?**
  - A. Fixed-price contract**
  - B. Cost-reimbursement contract**
  - C. Time and materials contract**
  - D. Informal agreement**

- 6. Which clause typically outlines the requirements for subcontracts in a contract?**
- A. The changes clause**
  - B. The subcontractors clause**
  - C. The termination clause**
  - D. The liability clause**
- 7. What is true about quotes in the context of procurement?**
- A. A quote is considered a binding contract.**
  - B. A quote is not an offer.**
  - C. A quote must include detailed pricing information.**
  - D. A quote is identical to a purchase order.**
- 8. What is the maximum contract value for which a contracting officer's certification can approve justification for other than full and open competition?**
- A. \$500,000**
  - B. \$700,000**
  - C. \$1,000,000**
  - D. \$1,500,000**
- 9. What is the primary restriction regarding pre-award debriefings?**
- A. They may disclose pricing information**
  - B. They shall not disclose the number of offerors**
  - C. They must include the reasons for the award decision**
  - D. They can only be conducted by the contracting officer**
- 10. Which is a requirement for bidders responding to an invitation for bids?**
- A. Bidders may choose to ignore minor terms and conditions.**
  - B. Bidders must comply with all material aspects of the invitation.**
  - C. Bidders can submit bids in any format.**
  - D. Bidders must be large businesses to qualify.**



## **Answers**

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

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## **Explanations**

1. Which role does the fiscal and accounting officer have in the bulk funding process?
- A. To provide individual purchase authorizations
  - B. To ensure compliance with FAR standards
  - C. To authorize the contracting officer to obligate funds against a lump sum**
  - D. To audit the funds allocated to the agency

In the context of the bulk funding process, the fiscal and accounting officer plays a crucial role in the financial management of government contracts. Specifically, this officer is responsible for authorizing the contracting officer to obligate funds against a lump sum. This authorization is essential because it allows for the effective allocation and use of funds in accordance with budgetary requirements and regulatory frameworks. The fiscal and accounting officer ensures that the funds are available and properly earmarked for specific contract actions, which helps to maintain fiscal responsibility and alignment with overall financial management practices within the agency. By granting this authorization, the officer facilitates the contracting officer's ability to execute contracts without delay, ensuring that the organization can meet its operational and procurement needs smoothly. This role is vital in maintaining the integrity of the funding process, ensuring that funds are used effectively and in compliance with established financial controls.

2. For how long must contractors retain all records pertaining to a government contract?
- A. One year from the contract termination
  - B. Three years from the date of final payment, unless otherwise specified**
  - C. Five years from the initiation of the contract
  - D. Indefinitely

The correct response reflects the standard federal requirements regarding the retention of records related to government contracts. Contractors are typically required to keep all pertinent records for a minimum of three years from the date of final payment. This retention period is important as it allows for various potential audits, reviews, and disputes that may arise after the contract is closed. Records that may need to be retained include, but are not limited to, invoices, contracts, proposals, and financial records associated with the fulfillment of the government contract. This time frame ensures that all necessary documents are accessible for compliance verification and to address any issues that might surface post-payment. While other options suggest different time frames or stipulations, only the specified three-year duration from final payment aligns with the Generally Accepted Government Auditing Standards and guidelines set forth by the Federal Acquisition Regulation (FAR). This understanding is vital for contractors to manage their documentation practices effectively and to meet federal regulatory expectations.

### 3. How may contract delivery or performance schedules typically be expressed?

- A. By specific milestones to be met
- B. In terms of project phases
- C. By the specific number of days from the contract date**
- D. Using percentages of completion

Contract delivery or performance schedules are often expressed in terms of specific timeframes, and one common way to articulate this is by indicating the specific number of days from the contract date. This format allows for a clear, quantifiable understanding of when deliveries are due, making it easier for both parties to track progress and adhere to deadlines. Expressing schedules in terms of days provides a straightforward metric that both contractors and federal agencies can easily reference. It sets precise expectations regarding timelines, which is crucial for project management and accountability. While other methods, such as milestones, project phases, or percentages of completion, can also communicate aspects of delivery schedules, they may not provide the same straightforward clarity regarding exact timing that a specific number of days does. Using days allows for a uniform measure that facilitates straightforward calculations and can be integrated seamlessly across various stages of the contract lifecycle, thereby promoting efficiency and clarity in contract management.

### 4. Under what condition can a contract normally be terminated for convenience?

- A. When the cost exceeds \$10,000
- B. When the price of the undelivered balance is less than \$5,000**
- C. When the contract performance is delayed
- D. When both parties agree

A contract can typically be terminated for convenience under certain conditions outlined in government contracting regulations. Termination for convenience allows the government to terminate a contract when it's in its best interest, for reasons other than the fault of the contractor. The reason that the scenario involving the price of the undelivered balance being less than a specified threshold is relevant revolves around efficiency and cost-benefit analysis. Contracts that have low undelivered balances may not warrant further investment of resources or effort to continue the contract when cancelling might result in a better allocation of funds. In contrast, options focusing on costs exceeding a certain amount or delays in performance do not inherently justify a termination for convenience, as these situations typically pertain to breach or performance issues that fall under different termination provisions. Similarly, while mutual agreement between both parties can facilitate termination, it is not a standard condition under which termination for convenience is executed according to federal guidelines. The focus is on the government's discretion to terminate based on its interests, rather than a price point or mutual consent. Therefore, the threshold for the undelivered balance provides a practical consideration for allowing the government to terminate contracts that may be no longer feasible or efficient to maintain, aligning with the principles governing contract management.

**5. Which of the following is NOT considered a type of contract under the FAR?**

- A. Fixed-price contract**
- B. Cost-reimbursement contract**
- C. Time and materials contract**
- D. Informal agreement**

The selection of "D" as the answer identifies that informal agreements do not constitute a recognized contract type under the Federal Acquisition Regulation (FAR). The FAR categorizes contracts into defined types, each having specific characteristics and purposes, while informal agreements lack the formalities and binding nature typical of contracts. In contrast, fixed-price contracts are agreements where the price is set and not subject to change regardless of the contractor's costs. Cost-reimbursement contracts allow for costs incurred to be paid, with certain limitations or caps, fostering flexibility for various projects. Time and materials contracts involve the reimbursement for labor at pre-agreed hourly rates along with material costs, making them suitable for projects where scope cannot be clearly defined in advance. Overall, the terminal classification of contracts under the FAR aligns with regulatory frameworks, underscoring that informal agreements do not fit within this established regulatory structure. This reinforces the importance of formal contract types in federal contracting practices.

**6. Which clause typically outlines the requirements for subcontracts in a contract?**

- A. The changes clause**
- B. The subcontractors clause**
- C. The termination clause**
- D. The liability clause**

The clause that typically outlines the requirements for subcontracts in a contract is the subcontractors clause. This clause details the conditions under which a contractor may enter into subcontracts, including requirements for obtaining prior approval from the government, ensuring compliance with applicable laws, and maintaining accountability for the performance of subcontractors. Including a subcontractors clause helps to ensure that the prime contractor remains responsible for the overall execution of the contract, despite delegating certain tasks to subcontractors. This is particularly important in federal contracts, where adherence to specific regulations and standards is crucial. Understanding the function of a subcontractors clause is essential for contract managers, as it impacts the overall contract management process and ensures that all parties are aware of their rights and obligations regarding subcontracting arrangements.

**7. What is true about quotes in the context of procurement?**

- A. A quote is considered a binding contract.**
- B. A quote is not an offer.**
- C. A quote must include detailed pricing information.**
- D. A quote is identical to a purchase order.**

In procurement, it is important to understand that a quote is generally not considered a formal offer in the same sense as a legally binding contract. Instead, a quote serves as an invitation to negotiate and provides potential buyers with approximate pricing and terms for goods or services. This understanding differentiates quotes from binding contracts, which require acceptance of the terms to form a legal obligation. By viewing a quote as a preliminary tool for facilitating discussions, procurement professionals can engage in further negotiations or modifications before arriving at a final agreement. Thus, recognizing that a quote is not an offer emphasizes its role in the procurement process as a basis for initial pricing and potential terms rather than a commitment to fulfill an order as a binding contract would be.

**8. What is the maximum contract value for which a contracting officer's certification can approve justification for other than full and open competition?**

- A. \$500,000**
- B. \$700,000**
- C. \$1,000,000**
- D. \$1,500,000**

For contracting officers, the maximum contract value for which they can approve justification for other than full and open competition is guided by the Federal Acquisition Regulation (FAR). According to FAR Part 6, specifically in the context of the statutory limits, the correct figure is typically linked to the simplified acquisition threshold. As of the most recent updates prior to October 2023, contracts up to \$700,000 are generally eligible for such approvals. This threshold is significant because it allows contracting officers to facilitate quicker decisions on contracts when full and open competition may not be feasible, such as in instances where only one source is available or where urgent and compelling needs exist. This system is designed to provide flexibility and efficiency within the procurement process while still ensuring that there are safeguards to maintain fairness and competition where possible. Understanding this limit is crucial for federal contractors and acquisition professionals as it plays a role in strategic planning and compliance with federal regulations.

**9. What is the primary restriction regarding pre-award debriefings?**

- A. They may disclose pricing information**
- B. They shall not disclose the number of offerors**
- C. They must include the reasons for the award decision**
- D. They can only be conducted by the contracting officer**

The primary restriction regarding pre-award debriefings is that they shall not disclose the number of offerors. During the pre-award debriefing process, the contracting officer provides specific feedback to offerors about their proposals; however, they must maintain certain confidentiality standards. One critical aspect of these debriefings is ensuring that competitive information is protected. Disclosing the number of offerors could compromise the integrity of the procurement process by revealing sensitive information that could inform the strategies and approaches of other potential competitors. Thus, this restriction helps maintain fairness and confidentiality in the competitive bidding environment. The other aspects of pre-award debriefings, such as the permitted disclosure of pricing information or the requirement to include reasons for the award decision, may vary depending on the specific circumstances of the procurement and regulatory guidelines. Additionally, while contracting officers are typically responsible for conducting these debriefings, it's not solely limited to them in all contexts. Therefore, the focus on not disclosing the number of offerors stands out as a clear guideline to protect the competitive bidding process.

**10. Which is a requirement for bidders responding to an invitation for bids?**

- A. Bidders may choose to ignore minor terms and conditions.**
- B. Bidders must comply with all material aspects of the invitation.**
- C. Bidders can submit bids in any format.**
- D. Bidders must be large businesses to qualify.**

The requirement for bidders responding to an invitation for bids is that they must comply with all material aspects of the invitation. This ensures that bidders are meeting the essential criteria and conditions laid out in the invitation, which is crucial for creating a level playing field and ensuring fair competition. Material aspects include terms related to pricing, delivery schedules, and technical specifications that affect the overall execution of the contract. Compliance with these aspects is critical because any deviation could impact the integrity of the bidding process, leading to complications in the contract award and execution. This requirement emphasizes the importance of adherence to the specified guidelines, ensuring that all bidders present their proposals in a manner that is consistent with the government's needs and expectations. Choosing to ignore minor terms or submitting bids in any format would undermine the standardized bidding process and could result in rejected bids. Additionally, the size of the business is generally not a determining factor in eligibility unless specifically stated in the solicitation. Thus, the requirement for compliance with all material aspects is fundamental to the procurement process.



## 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](mailto:hello@examzify.com).**

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

**<https://certfederalcontractmngr.examzify.com>**

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