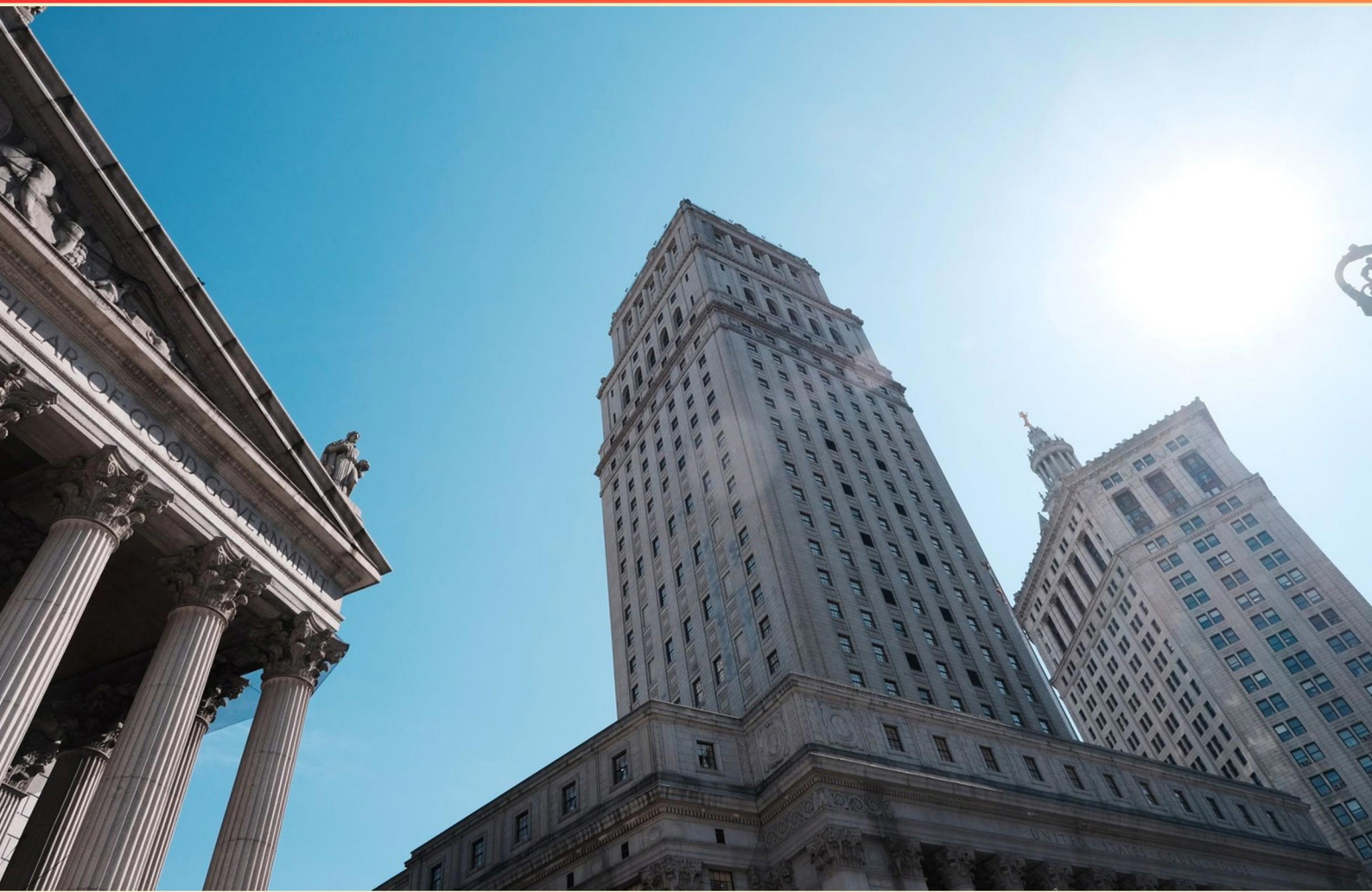


CERTIFIED FEDERAL CONTRACT MANAGER (CFCM) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://certfederalcontractmngn.examzify.com>



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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. Under what circumstances can the head of an agency waive the applicability of Cost Accounting Standards?**
 - A. For contracts worth less than \$10 million
 - B. For contracts primarily engaged in the sale of commercial items
 - C. For contracts less than \$15 million with no CAS subject contracts
 - D. For contracts with a length of less than one year
- 2. What must an agency do upon receiving notice of a filed protest?**
 - A. File an immediate response with the GAO
 - B. Send notice of the protest to the contractor and interested parties
 - C. Hold a meeting with the competing contractors
 - D. Cancel the contract outright
- 3. Which of the following actions can result from a contractor purchasing system review?**
 - A. Withdrawal of approval for the contractor's purchasing system
 - B. Granting approval for the contractor's purchasing system
 - C. Withholding approval of the contractor's purchasing system
 - D. All of the above
- 4. How does the government relieve contractors of liability for damage to government property after acceptance?**
 - A. By acting as a self-insurer
 - B. By transferring liability to the contractor
 - C. By requiring additional insurance
 - D. By waiving the contract terms
- 5. Which contract section is not physically included in the contract but shall be incorporated by reference?**
 - A. Terms and Conditions
 - B. K (Representations, Certifications, and other statements of Offerors or Respondents)
 - C. Scope of Work
 - D. S (Special Contract Requirements)

- 6. The process of examining and evaluating a proposed price without evaluating its separate cost elements is known as what?**
- A. Cost Analysis
 - B. Price Analysis
 - C. Budget Examination
 - D. Proposal Assessment
- 7. What distinguishes an imprest fund from regular purchasing procedures?**
- A. It requires fewer approvals and is fixed in amount.
 - B. It can only be used for large contracts.
 - C. It can be charged to any department expense.
 - D. It must be renewed monthly.
- 8. Who establishes final indirect cost rates binding on all agencies?**
- A. The Office of Management and Budget
 - B. A single agency
 - C. Each contracting agency
 - D. The Department of Defense
- 9. Which type of risk pertains to the dependencies between a new IT project and other projects or systems?**
- A. Technical obsolescence
 - B. Technical feasibility
 - C. Dependencies
 - D. Fiscal regulations
- 10. Under which circumstances can authorities and delegations outlined in the FAR be considered non-delegable?**
- A. When not all parties agree
 - B. When specified in writing
 - C. When they affect small business contractors
 - D. When based on informal decisions

Answers

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

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Explanations

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1. Under what circumstances can the head of an agency waive the applicability of Cost Accounting Standards?

- A. For contracts worth less than \$10 million
- B. For contracts primarily engaged in the sale of commercial items
- C. For contracts less than \$15 million with no CAS subject contracts**
- D. For contracts with a length of less than one year

The head of an agency has the authority to waive the applicability of Cost Accounting Standards (CAS) under specific circumstances outlined in the regulatory framework governing federal acquisitions. One such circumstance is when contracts are less than \$15 million and do not involve CAS-covered contracts. This allows agencies to simplify procurement processes and reduce the administrative burden associated with compliance for smaller contracts. The rationale for this waiver relates to encouraging competition and participation from smaller businesses, which might be deterred by the complexities and costs associated with strict adherence to CAS. By setting the threshold at \$15 million, agencies can better manage costs and efficiently allocate resources while ensuring that the standards are still maintained for larger contracts where the risk of significant federal funding is involved. The other options, while they touch upon related concepts, do not accurately align with the regulatory provisions regarding CAS waivers. For example, contracts worth less than \$10 million and those primarily engaged in commercial sales may have different considerations that do not specifically cite the CAS waiver authority. Similarly, contract length or duration is not a determining factor in the head of an agency's discretion to waive the applicability of CAS, thus making those options less relevant to the context of this question.

2. What must an agency do upon receiving notice of a filed protest?

- A. File an immediate response with the GAO
- B. Send notice of the protest to the contractor and interested parties**
- C. Hold a meeting with the competing contractors
- D. Cancel the contract outright

When an agency receives notice of a filed protest, it is required to send notification of the protest to the contractor involved and any other interested parties. This step is critical because it ensures transparency in the procurement process and keeps all relevant stakeholders informed of the situation. By notifying the contractor and interested parties, the agency allows them to understand the basis of the protest and any potential impacts on the contract award or performance. This action is aligned with the principles of fair play and due process in government contracting, as it provides an opportunity for all parties to be aware of and potentially respond to the issues raised in the protest. This communication helps maintain the integrity of the procurement process by ensuring that all involved parties are kept apprised of developments that may affect their interests. In contrast, other options do not reflect the required procedures upon receiving a notice of protest. An immediate response to the Government Accountability Office (GAO) is not a requirement, as the agency has specific timelines to follow after formally receiving the protest. Holding meetings with competing contractors is also not mandated and could complicate the situation. Lastly, canceling the contract outright is an extreme measure and would not be appropriate without proper review and consideration of the protest's merits. Thus, the obligation to notify the contractor and

3. Which of the following actions can result from a contractor purchasing system review?

- A. Withdrawal of approval for the contractor's purchasing system
- B. Granting approval for the contractor's purchasing system
- C. Withholding approval of the contractor's purchasing system
- D. All of the above**

A contractor purchasing system review is an essential process to ensure that a contractor's procurement practices align with federal regulations and standards. Various outcomes can result from such a review, depending on the findings. The withdrawal of approval for the contractor's purchasing system occurs when the review identifies significant deficiencies or non-compliance with regulatory requirements. This action is a serious consequence as it can affect the contractor's ability to procure goods and services under federal contracts. Granting approval for the contractor's purchasing system happens when the review shows that the system meets all applicable standards and operates effectively. This approval is crucial for the contractor to engage in federal procurement activities efficiently, as it instills confidence in their purchasing controls. Withholding approval of the contractor's purchasing system is another potential outcome. This could occur if the review reveals some issues that require corrective actions before full approval can be granted. This provisional status allows the contractor time to address concerns while still not being completely barred from federal contracting opportunities. Since all these actions can directly result from a contractor purchasing system review based on its findings, the comprehensive nature of the outcomes supports the inclusion of all possibilities as valid results from the review process. Therefore, the most accurate response reflects the full range of potential outcomes associated with such reviews.

4. How does the government relieve contractors of liability for damage to government property after acceptance?

- A. By acting as a self-insurer**
- B. By transferring liability to the contractor
- C. By requiring additional insurance
- D. By waiving the contract terms

The correct response indicates that the government may act as a self-insurer, allowing for relief from liability for contractors after the acceptance of their work. This means that the government assumes responsibility for certain risks associated with the property, thereby protecting contractors from financial repercussions that might arise from damages to that property occurring after it has been accepted. In the context of federal contracting, this approach aligns with policies designed to facilitate efficiency and ensure that contractors can perform their duties without undue fear of post-acceptance liabilities. By assuming this risk, the government can support contractors in focusing on fulfilling their contractual obligations rather than being preoccupied with potential damages after acceptance. Other options entail different risk management strategies that don't align with the government's typical approach post-acceptance. For example, transferring liability to the contractor or requiring additional insurance would place the burden back on the contractors, while waiving contract terms would undermine the enforceability of the agreement and could lead to confusion regarding responsibilities. Thus, the concept of acting as a self-insurer emerges as the most fitting and supportive framework for ensuring contractors can reliably deliver services and goods to the government.

5. Which contract section is not physically included in the contract but shall be incorporated by reference?

A. Terms and Conditions

B. K (Representations, Certifications, and other statements of Offerors or Respondents)

C. Scope of Work

D. S (Special Contract Requirements)

The choice referring to K, which covers Representations, Certifications, and other statements of Offerors or Respondents, is often not physically included in the body of the contract itself; instead, it is incorporated by reference. This means that while the contract may outline various terms and conditions, the specific representations and certifications that a contractor must adhere to are typically found in associated documents or forms. This practice allows for efficiency, as these references can link to a broader set of requirements that may apply to multiple contracts without needing to restate them within each individual contract document. Utilizing incorporation by reference helps in maintaining clarity and ensuring that all parties are aware of the standards and requirements they are expected to comply with throughout the life of the contract. In contrast, terms and conditions, scope of work, and special contract requirements are generally fundamental parts of the contract itself. They are explicitly detailed within the contract to outline the obligations, objectives, and specific conditions that both parties agree to, making them readily available for reference within the contract document itself.

6. The process of examining and evaluating a proposed price without evaluating its separate cost elements is known as what?

A. Cost Analysis

B. Price Analysis

C. Budget Examination

D. Proposal Assessment

The process of examining and evaluating a proposed price without delving into its separate cost elements is known as price analysis. This method focuses on assessing whether the proposed price is fair and reasonable based primarily on the market conditions and prices of similar goods or services rather than breaking down the individual components that make up the total price. Price analysis is particularly useful when the objective is to ensure that the price offered by the contractor aligns with what is prevalent in the market, allowing for comparisons across different bids. This process can involve techniques such as comparing prices with prior purchases, reviewing published price lists, or analyzing competitive offers. It does not require an in-depth understanding of the cost structures of the offered items, making it distinct from cost analysis, which would involve a detailed examination of the underlying cost elements to derive the price. Understanding price analysis is crucial for federal contract managers as it helps ensure that the government is making financially sound decisions without needing to assess the complexities of the costs involved in getting to that price point.

7. What distinguishes an imprest fund from regular purchasing procedures?

A. It requires fewer approvals and is fixed in amount.

B. It can only be used for large contracts.

C. It can be charged to any department expense.

D. It must be renewed monthly.

An imprest fund is characterized by its specific structure, which includes a fixed amount of money that is set aside for particular expenditures. What distinguishes an imprest fund from regular purchasing procedures is indeed that it typically requires fewer approvals. This streamlined process makes it easier and quicker for small, routine transactions. The predetermined amount allows for efficient fund management since it doesn't require constant monitoring of spending limits or complicated authorization for every transaction, as might be expected in regular purchasing protocols. In contrast to options suggesting usage limitations (such as applicability only for large contracts or charges to any department expense), the essence of an imprest fund lies in managing small, routine expenses without excessive administrative overhead. Additionally, the stipulation that it must be renewed monthly lacks intrinsic relevance to the definition of an imprest fund, as its operational requirements do not mandate monthly renewals. Instead, the core functionality centers around maintaining a consistent cash balance designated for specific purposes, which further emphasizes the nature of fewer approvals and a fixed amount.

8. Who establishes final indirect cost rates binding on all agencies?

A. The Office of Management and Budget

B. A single agency

C. Each contracting agency

D. The Department of Defense

The correct answer is that a single agency establishes final indirect cost rates that are binding on all agencies. This process typically involves a designated agency that has the authority to negotiate and establish these rates. Once finalized, these rates are applicable across all federal agencies that engage in contracts with the contractor. In this context, indirect costs pertain to expenses that are not directly attributable to specific contracts or projects but are necessary for the overall operation of the organization. By having a single agency handle the establishment of these rates, it helps create a standardized process, ensuring consistency and fairness across different contracts and agencies. Other options, while they may influence the process or have roles in the oversight of indirect costs, do not have the authority to finalize and bind rates for all agencies. For example, the Office of Management and Budget provides guidance and oversight but does not establish these rates directly. Similarly, the Department of Defense, while a significant agency, does not have the universal authority to set indirect rates for all government contracts. Each contracting agency may follow various policies, but they rely on the rates set by the designated single agency.

9. Which type of risk pertains to the dependencies between a new IT project and other projects or systems?

A. Technical obsolescence

B. Technical feasibility

C. Dependencies

D. Fiscal regulations

The correct answer pertains to the concept of "Dependencies," which is a critical type of risk in project management, particularly in IT projects. Dependencies refer to the relationships and interactions between different projects or systems. When a new IT project relies on the completion or functionality of other projects or existing systems, any issues that arise in those interdependent areas can significantly affect the new project's timeline, resource allocation, and overall success. Understanding and managing these dependencies is crucial to mitigate potential delays and ensure that the new project can progress as planned. The other options focus on different aspects of project risk. Technical obsolescence deals with the risk that technology may become outdated before the project is completed, which is an internal risk tied to the technical choices made. Technical feasibility concerns whether the project's technology can be implemented effectively, which centers on assessing the proposed solutions rather than external dependencies. Fiscal regulations relate to the compliance aspects of managing budgets and financial reporting but do not directly address risks stemming from project dependencies. Therefore, recognizing the nature of dependencies is essential for successful project management in an interconnected environment.

10. Under which circumstances can authorities and delegations outlined in the FAR be considered non-delegable?

A. When not all parties agree

B. When specified in writing

C. When they affect small business contractors

D. When based on informal decisions

Authorities and delegations outlined in the Federal Acquisition Regulation (FAR) can be considered non-delegable when they are specified in writing. This means that certain authorities are established and recognized officially, indicating that these powers or responsibilities cannot be delegated to another party unless explicitly allowed by a written provision. When a delegation is formally documented, it serves as an authoritative source that clarifies the limits of authority and the conditions under which it can or cannot be transferred. This written specification provides legal clarity and reinforces accountability in the management of federal contracts. In contrast, informal decisions or verbal agreements lack the official documentation required to establish binding authorities. Similarly, the consensus of all parties is not a determining factor if those authorities are delineated in official documentation. The impacts on small business contractors do not inherently determine the delegability of authority without written specifications. Thus, the key aspect is the existence of formal, written documentation that defines the scope and limits of the said authorities.

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:

<https://certfederalcontractmngn.examzify.com>

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

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