

CPPB Domain II Sourcing Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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. Which term describes a market with artificial restrictions on competition, such as preferences or territorial restraints?**
 - A. Imperfect Competition**
 - B. Oligopoly**
 - C. Monopoly**
 - D. Perfect Competition**

- 2. Joint-use agreements are most commonly used to manage shared access to which of the following assets?**
 - A. Shared use of public property such as buildings and equipment**
 - B. Shared use of personnel**
 - C. Shared procurement budgets**
 - D. Shared private property**

- 3. TCO/LCC is most appropriate when which conditions exist?**
 - A. The original purchase price is high, life cycle is long, operating costs are large, energy or maintenance costs are significant throughout the life, and/or required for Federal Government large capital asset purchases.**
 - B. The asset is inexpensive and short-lived.**
 - C. Only initial price matters; no long-term costs.**
 - D. There is no maintenance requirement.**

- 4. A spot purchase would be most appropriate for which scenario?**
 - A. Establishing a long-term supplier relationship**
 - B. A small, urgent, or favorable-market purchase**
 - C. A forecasted annual requirement**
 - D. A multi-year contract with price locks**

- 5. Which term describes the risk associated with the proposal process in contracting?**
 - A. Proposal Risk**
 - B. Time And Materials**
 - C. Boilerplate**
 - D. Cost Plus Award Fee**

- 6. In procurement terminology, SOW stands for what?**
- A. The proposed solution by the successful proposer responding to the Scope of Work**
 - B. Scope of Work**
 - C. System Operating Work**
 - D. Statement of Work Deliverables**
- 7. Which term describes the attempt to obtain urgently required materials from a supplier at premium cost?**
- A. Lead Time**
 - B. Recovery**
 - C. Stockless Purchasing**
 - D. RFP**
- 8. A blanket order is best described as**
- A. One-time purchase for a fixed quantity delivered at once**
 - B. An agreement to purchase a given quantity of specific goods over a specified period of time, usually one year, on an as-needed basis**
 - C. A contract that sets general provisions without specifying quantity or duration**
 - D. A forecasting activity to determine future needs**
- 9. What best defines the Service Function in procurement?**
- A. Serves client department by providing procurement services so clients can focus on core responsibilities and mission**
 - B. Advises management on market conditions and Make or Buy decisions**
 - C. Manages inventory and warehousing**
 - D. Develops supplier contracts**
- 10. PWS stands for what in procurement terminology?**
- A. Performance Work Statement**
 - B. Scope of Work**
 - C. Proposal Work Summary**
 - D. Public Works Specification**

Answers

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

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Explanations

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1. Which term describes a market with artificial restrictions on competition, such as preferences or territorial restraints?

A. Imperfect Competition

B. Oligopoly

C. Monopoly

D. Perfect Competition

Imperfect competition describes markets where competition isn't fully free because of barriers and strategic behavior that give firms some power over price and output. The phrase "artificial restrictions on competition, such as preferences or territorial restraints" fits this idea, since it points to conditions that curb perfect competition and create market power. While specific forms like oligopoly (few firms) or monopoly (one firm) are examples of imperfect competition, the description here refers to the general condition rather than a single structure. Perfect competition, by contrast, has no such artificial restrictions and features many firms, identical products, and free entry. So the best term is Imperfect Competition.

2. Joint-use agreements are most commonly used to manage shared access to which of the following assets?

A. Shared use of public property such as buildings and equipment

B. Shared use of personnel

C. Shared procurement budgets

D. Shared private property

Joint-use agreements focus on allowing different entities to access and use facilities and equipment they do not own, coordinating use, maintenance, and cost sharing. This is why they're commonly used for public property like buildings and the equipment housed in them, enabling multiple organizations to share space and assets efficiently. Sharing personnel isn't about the assets themselves but about who performs the work, which is governed by staffing arrangements rather than joint-use of property. Shared procurement budgets deal with money and purchasing processes rather than actual access to facilities or equipment. Shared private property involves assets not owned by public entities, which falls outside the typical scope of joint-use agreements.

3. TCO/LCC is most appropriate when which conditions exist?

- A. The original purchase price is high, life cycle is long, operating costs are large, energy or maintenance costs are significant throughout the life, and/or required for Federal Government large capital asset purchases.**
- B. The asset is inexpensive and short-lived.**
- C. Only initial price matters; no long-term costs.**
- D. There is no maintenance requirement.**

Total Cost of Ownership and Life-Cycle Cost analysis looks at every cost tied to an asset from purchase through disposal, not just the upfront price. It's most valuable when future costs—operations, energy, maintenance, repairs, downtime, and end-of-life disposal—are large enough to influence the decision, and when the asset will be in use for a long time. That's why it's a good fit for scenarios where the initial price is high, the life span is long, and ongoing costs are substantial, such as large capital asset purchases often seen in government procurement. If an asset is inexpensive and short-lived, or if the decision hinges mainly on the initial price, or if there's essentially no ongoing maintenance, the main considerations are dominated by the upfront cost or by minimal future costs, so a life-cycle perspective adds little value.

4. A spot purchase would be most appropriate for which scenario?

- A. Establishing a long-term supplier relationship**
- B. A small, urgent, or favorable-market purchase**
- C. A forecasted annual requirement**
- D. A multi-year contract with price locks**

Spot purchases are for immediate, usually small, buys with no long-term commitment. They let you fulfill a need quickly and, if the market is favorable, seize a good price without entering into a longer contract. In this scenario, the need is small, urgent, or driven by favorable market conditions, which is exactly when a spot purchase shines. Establishing a long-term supplier relationship, forecasting an annual requirement, or locking in a multi-year contract involve ongoing commitments and planning, so they're not the best fit for a one-off, immediate purchase.

5. Which term describes the risk associated with the proposal process in contracting?

- A. Proposal Risk**
- B. Time And Materials**
- C. Boilerplate**
- D. Cost Plus Award Fee**

The risk associated with preparing and submitting a contract proposal is called proposal risk. This captures uncertainties that can affect both the chances of winning the contract and delivering on promises once awarded. Think about potential issues like unclear or shifting requirements, an evolving scope, or gaps in what the customer will evaluate. There are also risks in estimating costs accurately, scheduling the proposal work, and coordinating inputs from many people. Recognizing proposal risk helps teams focus on clarifying requirements, validating cost assumptions, and ensuring the proposal aligns with how the buyer will evaluate bids. The other terms describe different aspects of contracting but not the risk tied specifically to the proposal stage. Time and Materials is a contract type based on labor hours and materials used. Boilerplate refers to standard, reused contract language. Cost Plus Award Fee is another contract type that reimburses costs plus an incentive fee based on performance.

6. In procurement terminology, SOW stands for what?

- A. The proposed solution by the successful proposer responding to the Scope of Work**
- B. Scope of Work**
- C. System Operating Work**
- D. Statement of Work Deliverables**

In procurement, SOW stands for Statement of Work. This is the formal document that defines exactly what work will be performed, the tasks involved, the deliverables, performance criteria, timeline, and responsibilities for both the buyer and the supplier. Having a clear Statement of Work helps prevent scope ambiguity and provides a clear basis for contract terms and acceptance. Some may confuse SOW with Scope of Work because that phrase describes the defined work, but the acronym SOW specifically expands to Statement of Work. The other options—System Operating Work or Deliverables within a Statement of Work—are not the standard expansion of the acronym used in procurement.

7. Which term describes the attempt to obtain urgently required materials from a supplier at premium cost?

- A. Lead Time
- B. Recovery**
- C. Stockless Purchasing
- D. RFP

When a buyer urgently needs materials and is willing to pay extra to speed delivery, the action described is recovering the schedule by expediting the order. This means the supplier is given priority and the order is pushed through faster—often with options like rush handling, faster shipping, or dedicating production capacity—at a premium cost. This is different from normal lead time, which is the standard time to obtain goods; it's not about how the purchasing function is organized (stockless purchasing) or about the process used to solicit proposals (RFP). So the term capturing the act of quickly securing materials at a premium is recovery, reflecting the effort to “recover” the schedule after a delay by incurring higher costs to expedite.

8. A blanket order is best described as

- A. One-time purchase for a fixed quantity delivered at once
- B. An agreement to purchase a given quantity of specific goods over a specified period of time, usually one year, on an as-needed basis**
- C. A contract that sets general provisions without specifying quantity or duration
- D. A forecasting activity to determine future needs

A blanket order is a standing purchasing arrangement that commits to acquiring a defined quantity of specific goods over a set period, with deliveries taken as needed. This lets you lock in price and terms upfront while avoiding issuing multiple separate orders; you release goods in smaller shipments as demand arises, often over a year. This approach fits recurring needs well because it provides supply continuity and simplifies purchasing, especially for items that you know you'll use over time but don't want to forecast and order each time. It isn't a single, fixed-delivery purchase, nor a vague framework without quantities, and it isn't simply a forecasting exercise. A blanket order specifically ties a quantity to a time period and enables on-demand delivery against that commitment.

9. What best defines the Service Function in procurement?

- A. Serves client department by providing procurement services so clients can focus on core responsibilities and mission**
- B. Advises management on market conditions and Make or Buy decisions**
- C. Manages inventory and warehousing**
- D. Develops supplier contracts**

The service function in procurement means acting as an internal service provider that delivers procurement support to client departments, so they can focus on their own core responsibilities and mission. This perspective emphasizes serving internal customers, meeting their procurement needs efficiently, and providing a smooth, standardized process that enables other parts of the organization to concentrate on what they do best. It's about delivering reliable procurement services, rather than focusing primarily on strategic advice, inventory tasks, or contract development. The other activities—advising on market conditions and make-or-buy decisions, managing inventory and warehousing, or developing supplier contracts—fit into different procurement roles such as strategic sourcing, operations/logistics, or contracting, not the service-delivery function.

10. PWS stands for what in procurement terminology?

- A. Performance Work Statement**
- B. Scope of Work**
- C. Proposal Work Summary**
- D. Public Works Specification**

In procurement, a Performance Work Statement describes the work to be done in terms of measurable outcomes and performance standards rather than prescribing every exact step. This outcome-focused approach supports performance-based contracting by giving the contractor flexibility to determine the most efficient method to meet the required results while still being judged against objective criteria such as performance levels, metrics, and acceptance criteria. It typically lays out the required services, the expected performance levels, how performance will be measured, and how outcomes will be verified, often tying payment or incentives to meeting or exceeding those standards. By contrast, a Scope of Work tends to spell out specific tasks, procedures, and the sequence of work, leaving less room for alternative approaches. The other terms listed aren't standard for describing this outcome-based contract framework, so they don't fit as well.

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://cppbdom2sourcing.examzify.com>

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

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