

# FEDERAL ACQUISITION REGULATION (FAR) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



*Prepare with structure. Pass with confidence*



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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. What does the acronym SBA stand for in relation to FAR?**
  - A. Small Business Administration
  - B. Specialized Business Alliance
  - C. State Business Association
  - D. Strategic Business Alliance
- 2. What type of regulations can be found in the FAR Appendix?**
  - A. Regulations on contractor qualifications
  - B. Cost accounting preambles and standards
  - C. Policies for federal procurement
  - D. Methods for contract award
- 3. What is the purpose of FAR Part 26?**
  - A. Tax Regulations
  - B. Socioeconomic Programs
  - C. Insurance Requirements
  - D. Cost Accounting Standards
- 4. What does "cost realism analysis" involve in FAR?**
  - A. Analyzing past contract performance history
  - B. Evaluating proposed costs for contract viability
  - C. Assessing the financial stability of the contractor
  - D. Calculating the bid price against the market rate
- 5. What does FAR Part 14 govern?**
  - A. Contracting by negotiations
  - B. Simplified acquisition procedures
  - C. Sealed bidding
  - D. Emergency acquisitions
- 6. What is the "socioeconomic program" in FAR?**
  - A. Programs to promote small businesses and underrepresented groups in government contracting
  - B. Initiatives for large corporations to obtain government contracts
  - C. Tax incentives for private sector investments
  - D. Grants for non-profit organizations

**7. What is an important objective of the Truth in Negotiations Act (TINA)?**

- A. To guarantee low prices for all federal contracts
- B. To ensure all contract costs and pricing are fair and reasonable
- C. To provide standardized templates for contracts
- D. To foster international collaboration in procurement

**8. What is a key component of FAR Part 52?**

- A. Forms for financial statements
- B. Cost standards for projects
- C. Contract clauses that must be included in solicitations
- D. Guidance on the use of electronic contracting

**9. FAR Part 51 is designed to benefit which group?**

- A. Government acquisition officials
- B. Contractors utilizing government sources
- C. State regulatory agencies
- D. Public oversight committees

**10. FAR Part 23 encompasses which of the following areas?**

- A. Patents and Copyrights
- B. Environmental, Water Efficiency, and Drug-Free Workplace
- C. Bonds and Insurance
- D. Taxes

## **Answers**

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

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## **Explanations**

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## 1. What does the acronym SBA stand for in relation to FAR?

- A. Small Business Administration
- B. Specialized Business Alliance
- C. State Business Association
- D. Strategic Business Alliance

*The acronym SBA stands for the Small Business Administration in relation to the Federal Acquisition Regulation (FAR). The Small Business Administration is a key government agency that plays a vital role in supporting small businesses, which are significant contributors to the U.S. economy. Within the context of FAR, the SBA is involved in various regulatory frameworks and programs that aim to foster small business participation in federal contracting. This includes setting goals for small business utilization, advocating for small businesses in government procurement processes, and providing resources and support for small contractors. Understanding the role of the SBA is crucial for navigating FAR, especially when it comes to compliance with small business regulations, seeking assistance in obtaining contracts, and understanding the various programs available for small businesses, such as 8(a) certification and HUBZone programs. This makes the SBA a fundamental entity within the FAR landscape, ensuring that small businesses have the opportunity to thrive in federal contracting.*

## 2. What type of regulations can be found in the FAR Appendix?

- A. Regulations on contractor qualifications
- B. Cost accounting preambles and standards
- C. Policies for federal procurement
- D. Methods for contract award

*The choice of cost accounting preambles and standards as found in the FAR Appendix is correct because this section is specifically dedicated to providing guidance and standards related to the accounting practices that contractors must follow when bidding for government contracts. This includes principles and procedures that govern the way costs are measured, assigned, and allocated, ensuring that federal funds are used responsibly and transparently. Cost accounting standards are critical for maintaining uniformity and consistency across federal procurements, allowing the government to ensure that contractors comply with regulations that control the pricing of contracts and claims. The FAR's focus on these standards helps protect the government's interests while providing a framework that contractors must navigate when managing contract costs. Other options, while related to federal procurement, do not pertain specifically to the contents of the FAR Appendix as accurately as option B. Regulations on contractor qualifications, policies for federal procurement, and methods for contract award are essential components of the FAR but are typically covered in other sections of the regulation rather than the appendix.*

### 3. What is the purpose of FAR Part 26?

- A. Tax Regulations
- B. Socioeconomic Programs**
- C. Insurance Requirements
- D. Cost Accounting Standards

*FAR Part 26 is specifically focused on Socioeconomic Programs, which play a crucial role in promoting and ensuring that various segments of society have opportunities to participate in federal procurement. This part of the regulation aims to foster economic development and provide equitable contracting opportunities for small businesses, disadvantaged businesses, and businesses owned by socially and economically disadvantaged individuals. The underlying intent of these socioeconomic programs is to address imbalances and provide support that helps in leveling the playing field for contractors that might face challenges in accessing federal contracting opportunities. By prioritizing socioeconomic considerations, FAR Part 26 emphasizes the government's commitment to inclusion and diversity in its procurement processes, which aligns with broader federal goals of socioeconomic equity. The other options, while significant in their own right, do not pertain specifically to the objectives outlined in FAR Part 26. Tax regulations relate to fiscal policies, insurance requirements focus on the financial protections pertaining to contracts, and cost accounting standards deal with the methodologies associated with budgeting and financial reporting in federal contracts. However, none of these capture the essence of the programs designed to support various socioeconomic groups within the context of federal acquisitions, which is the primary focus of FAR Part 26.*

### 4. What does "cost realism analysis" involve in FAR?

- A. Analyzing past contract performance history
- B. Evaluating proposed costs for contract viability**
- C. Assessing the financial stability of the contractor
- D. Calculating the bid price against the market rate

*Cost realism analysis is a critical evaluation process used during the source selection phase of contracting that focuses specifically on the proposed costs submitted by bidders. The primary objective is to ensure that the costs proposed are realistic for the work being performed and can be achieved effectively within the contract's scope. This analysis involves scrutinizing the proposed costs to determine if they are consistent with the technical requirements and if they reflect a sound understanding of the work involved. It looks beyond simple arithmetic to ascertain whether the costs align with the government's expectations for executing the contract efficiently and effectively. This is particularly important in fixed-price contracts, where understanding cost realism can prevent future performance issues and disputes. The other options do not capture the essence of cost realism analysis. Analyzing past contract performance history pertains to assessing a contractor's track record rather than evaluating the current proposal's financial aspects. Assessing the financial stability of the contractor is vital but is considered a separate part of pre-award evaluations, focusing on the contractor's overall financial health rather than the realism of costs proposed. Calculating bid prices against market rates may play a role in broader market analysis but does not specifically address whether the proposed costs make sense given the project's requirements and the contractor's understanding of the work. Thus, the focus of*

## 5. What does FAR Part 14 govern?

- A. Contracting by negotiations
- B. Simplified acquisition procedures
- C. Sealed bidding**
- D. Emergency acquisitions

*FAR Part 14 specifically governs sealed bidding, which is a formal procurement method used by federal agencies when the value of the contract is expected to exceed the simplified acquisition threshold. This part provides the procedures for obtaining competitive bids, ensuring that all potential bidders adhere to the requirements outlined in the solicitation. Sealed bidding is characterized by the submission of bids without revealing any details about the bid contents until a specified time. This method emphasizes transparency and competition, as it allows multiple suppliers to have an equal opportunity to provide their best offer in response to a government solicitation. FAR Part 14 delineates how bids should be solicited, how offers are evaluated, and the conditions under which a contract is awarded, focusing on ensuring fairness and integrity in the procurement process. The other options address different procurement methods governed by other parts of the FAR. Contracting by negotiations falls under FAR Part 15, while simplified acquisition procedures are outlined in FAR Part 13. Emergency acquisitions are addressed in FAR Part 18. Each of these parts has its own specific rules and guidelines tailored to the nature of those procurement methods.*

## 6. What is the "socioeconomic program" in FAR?

- A. Programs to promote small businesses and underrepresented groups in government contracting**
- B. Initiatives for large corporations to obtain government contracts
- C. Tax incentives for private sector investments
- D. Grants for non-profit organizations

*The correct choice highlights the primary focus of socioeconomic programs outlined in the Federal Acquisition Regulation (FAR). These programs are specifically designed to support small businesses and underrepresented groups within the realm of government contracting. The intent is to level the playing field by encouraging participation from diverse entities, thus fostering a competitive environment that allows smaller businesses to succeed alongside larger corporations. These socioeconomic programs include initiatives such as those aimed at women-owned, minority-owned, and veteran-owned businesses, which have been historically underrepresented in federal contracting opportunities. By promoting such businesses, the government not only aims to provide more equitable access to contracting opportunities but also strives to stimulate economic growth in those communities. The other options, while they may relate to broader economic and business concepts, do not align with the core purpose of the socioeconomic programs defined in FAR. For instance, initiatives for large corporations to secure government contracts do not fall within the scope of these programs, as the focus is on enhancing opportunities for smaller and disadvantaged firms. Similarly, tax incentives and grants for non-profit organizations address different objectives and are not the central premise of the socioeconomic initiatives within FAR.*

## 7. What is an important objective of the Truth in Negotiations Act (TINA)?

- A. To guarantee low prices for all federal contracts
- B. To ensure all contract costs and pricing are fair and reasonable**
- C. To provide standardized templates for contracts
- D. To foster international collaboration in procurement

*The Truth in Negotiations Act (TINA) primarily aims to ensure that all contract costs and pricing are fair and reasonable. This is crucial because the federal government needs to protect taxpayer interests by ensuring that it pays only what is considered appropriate for goods and services. Under TINA, contractors are required to provide accurate, complete, and current cost or pricing data when negotiating contracts, thereby promoting transparency in the procurement process. This focus on fairness and reasonableness helps to mitigate the risks of overcharging and ensures that taxpayers are not burdened with excessive costs from federal contracts. It establishes a standard for evaluating whether the prices proposed by contractors are in line with actual costs, which is critical for maintaining integrity in government spending. The other options do not align with the core objectives of TINA. While guaranteeing low prices, providing standardized templates, or fostering international collaboration might be beneficial in other contexts, TINA specifically addresses the need for equitable pricing and cost assessments in federal contract negotiations.*

## 8. What is a key component of FAR Part 52?

- A. Forms for financial statements
- B. Cost standards for projects
- C. Contract clauses that must be included in solicitations**
- D. Guidance on the use of electronic contracting

*A key component of FAR Part 52 is the inclusion of contract clauses that must be incorporated into federal solicitations and contracts. This part outlines the mandatory and optional clauses that federal agencies must use to ensure compliance with various legal and regulatory requirements when entering into contracts. The clauses cover a wide range of topics, from payment and performance obligations to compliance with federal statutes and regulations. Contract clauses are vital as they dictate the rights and responsibilities of both the government and the contractor, ensuring that both parties understand their obligations within the contractual framework. By mandating certain clauses, FAR Part 52 helps to create uniformity and consistency across federal contracts, which is critical for legal protection and effective contract management. While forms for financial statements, cost standards for projects, and guidance on electronic contracting are important aspects of federal procurement, they do not encapsulate the essential focus of FAR Part 52, which is primarily concerned with the required contractual terms and conditions that govern federal acquisitions.*

## 9. FAR Part 51 is designed to benefit which group?

- A. Government acquisition officials
- B. Contractors utilizing government sources**
- C. State regulatory agencies
- D. Public oversight committees

*FAR Part 51 addresses the use of private sector contractors to provide supplies and services that the government needs, specifically emphasizing the use of contractors that utilize government sources. This part outlines how agencies can leverage existing government contracts and resources to fulfill their acquisition needs more efficiently and effectively. The provisions under FAR Part 51 make it easier for contractors to access governmental resources, enabling them to provide the government with necessary goods and services in a streamlined manner. This creates a more efficient procurement process, as contractors can draw upon pre-established relationships and government-owned property or contracts. By focusing on the interaction between government sources and contractors, FAR Part 51 helps ensure that contractors can maximize the benefits of existing government acquisitions while supporting the government's overall mission. This framework is essential for effectively managing government acquisitions, thereby directly benefiting contractors who engage with government procurement.*

## 10. FAR Part 23 encompasses which of the following areas?

- A. Patents and Copyrights
- B. Environmental, Water Efficiency, and Drug-Free Workplace**
- C. Bonds and Insurance
- D. Taxes

*FAR Part 23 specifically addresses various aspects related to environmental considerations, water efficiency, and maintaining a drug-free workplace in federal procurement processes. This section emphasizes the importance of sustainable practices and compliance with regulations that protect the environment, promote resource efficiency, and ensure a safe workplace free from drug abuse. The focus on environmental protection within FAR Part 23 aligns with federal policies aimed at promoting sustainable development and reducing the impact of government operations on the environment. Additionally, the inclusion of provisions regarding a drug-free workplace ensures that contractors adhere to standards that promote safety and health standards among employees. In contrast, the other areas mentioned in the choices are not covered under FAR Part 23. Patents and copyrights are discussed in different parts of FAR, primarily concerning intellectual property rights. Bonds and insurance are covered under FAR Parts that focus on contract performance and payment assurances. Taxes fall under separate regulatory provisions not covered by FAR Part 23. This makes the option concerning environmental concerns, water efficiency, and a drug-free workplace the correct identification of FAR Part 23's scope.*

## 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://federalacquisitionregulation.examzify.com>

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

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