

1 Procurement Management 33

1.	<p>Following a project steering committee meeting, Egon would like to amend a contract with an existing vendor. Egon can:</p> <ul style="list-style-type: none">A. Not alter the contract because it has already been executed by both partiesB. Do this anytime prior to contract closure by mutual consent, under terms within the contractC. Accomplish this by canceling the existing contract and renegotiating a new projectD. Make unilateral modifications within the existing contract if they don't alter the price by more than 10% of the original contract amount <p>B</p>
2.	<p>Based on a trend of poor performance, Egon has determined that the contract with his vendor should be terminated. The vendor agrees with Egon, but wants to be paid for the work completed. Egon should:</p> <ul style="list-style-type: none">A. Terminate the contract but refuse to pay any more to the vendor, based on poor performanceB. Take up the matter in arbitration and let each party present its case for recovery of damagesC. Sue for specific performance in a court of law and force the vendor to complete the workD. Pay the vendor for work completed and terminate the contract under mutual agreement <p>D</p>
3.	<p>An 80/20 sharing arrangement indicates:</p> <ul style="list-style-type: none">A. 80% of costs will be borne by the sellerB. 80% of costs will be borne by the buyerC. 20% of costs will be borne by the buyerD. 20% of the costs will be included in the profit <p>B</p>
4.	<p>Which of the following is not an appropriate reason to use financial incentives in a contract?</p> <ul style="list-style-type: none">A. Reduce the overall cost of the projectB. Improve performance beyond the minimum required by contractC. Bring the contractor's objective closer to the owner's objectiveD. Keep an unhappy project team member on the project team <p>D</p>
5.	<p>In which type of contract arrangement is the contractor least interested in controlling costs?</p> <ul style="list-style-type: none">A. Cost plus percentage of costB. Time and materialsC. Cost plus fixed costD. Fixed price incentive firm target <p>A</p>
6.	<p>A point of total assumption is calculated on which type of contract?</p> <ul style="list-style-type: none">A. Fixed-price or lump-sum

	<p>B. Cost-plus-incentive-fee</p> <p>C. Cost-plus-guaranteed maximum</p> <p>D. Fixed-price-incentive-fee</p> <p>D</p>
7.	<p>A hybrid type of contractual arrangement that contains aspects of both cost-reimbursable and fixed-price type contracts is:</p> <p>A. A cost-plus-fee contract</p> <p>B. A time and material contract</p> <p>C. A lump-sum contract</p> <p>D. A cost-plus-incentive-fee contract</p> <p>B</p>
8.	<p>Under which of the following conditions will a contract not be regarded as a legal and binding document?</p> <p>A. Mutual agreement</p> <p>B. Consideration</p> <p>C. Contract incapability</p> <p>D. Legal purpose in a form provided by law</p> <p>C 不可抗力</p>
9.	<p>A technique that can be used to determine whether a particular product can be produced by the project team or should be purchased is known as:</p> <p>A. Make-or-buy analysis</p> <p>B. Capital budgeting analysis</p> <p>C. Investment opportunity analysis</p> <p>D. Risk-return analysis</p> <p>A</p>
10.	<p>A screen system involves establishing performance for evaluation criteria and can employ a:</p> <p>A. Request for proposal</p> <p>B. Contract negotiation</p> <p>C. Signed contract</p> <p>D. Weighting system</p> <p>D</p>
11.	<p>In which type of contract arrangement is the contractor at greatest risk of absorbing all cost overruns?</p> <p>A. Firm fixed price</p> <p>B. Time and materials</p> <p>C. Firm fixed price with economic price adjustment</p> <p>D. Fixed price incentive firm target</p> <p>A</p>
12.	<p>The document that specifies measurable capabilities that an end product must achieve in terms of operational characteristics and that places the risk of performance on the contractor is called the:</p> <p>A. Design specification</p> <p>B. Functional specification</p>

	<p>C. Performance specification</p> <p>D. Project specification</p> <p>C</p>
13.	<p>In which of the following circumstances would you most likely procure the goods or services instead of producing them in-house?</p> <p>A. Your company has excess capacity, and your company can produce the goods or services</p> <p>B. Your company has no excess capacity, and cannot produce the goods or services</p> <p>C. There are many reliable vendors for the goods or services that you are attempting to procure but the vendors cannot achieve your level of quality</p> <p>D. The goods or services are confidential in design or nature</p> <p>B</p>
14.	<p>Which of the following is not an input to the Control Procurements process?</p> <p>A. Work performance data</p> <p>B. Approved change requests</p> <p>C. Make-or-buy decisions</p> <p>D. Agreements</p> <p>C</p>
15.	<p>Which of the following factors is least considered in the make or buy analysis?</p> <p>A. Direct cost</p> <p>B. Indirect cost</p> <p>C. In-house expertise</p> <p>D. Sunk cost</p> <p>D</p>
16.	<p>The project team is involved in a make-or-buy analysis. The members have decided it is best to buy the products needed instead of creating the products internally. They are evaluating the contract format to use to minimize their risk. This will likely mean shifting the risk to the seller. What type of contract will provide the seller with the most risk when entering into a contract?</p> <p>A. Cost Plus Percentage Cost</p> <p>B. Fixed Price</p> <p>C. Time and Materials</p> <p>D. Purchase Order</p> <p>B</p>
17.	<p>Your company is involved in an integrated circuit project in which the information and intellectual property associated with it are highly sensitive resulting in the only product in this market. The project will involve people from a variety of skill sets on the project. Given this, which of the following would make the most sense when planning the project?</p> <p>A. Outsourcing to an offshore development facility so your local competitors won't know your intellectual property details</p> <p>B. The company making the product internally</p> <p>C. The company outsourcing and having the partner sign a non-disclosure agreement</p> <p>D. Having only the creators of the idea work on the project to control who knows</p>

	<p>about the intellectual property</p> <p>B</p>
18.	<p>Your company is working with a staffing company for supplementing an internet developer for your newest project. The cost is \$80 US per hour. The developer will work on the project until it is complete, then the contract will end. What type of contract is this?</p> <p>A. Cost Plus Incentive Fee</p> <p>B. Fixed Price</p> <p>C. Time and Materials</p> <p>D. Cost Plus</p> <p>C</p>
19.	<p>The retail chain is using a vendor to provide engineers for a security camera network design and implementation. Presently, the team is negotiating a contract that will help select the vendor. They are negotiating criteria that will reward the engineers for network performance. This is a new type of approach the company is utilizing. What best described this type of criteria?</p> <p>A. Standard Terms</p> <p>B. Special Provisions</p> <p>C. Detailed Negotiations</p> <p>D. Standard Conditions</p> <p>B</p>
20.	<p>You are in the process of purchasing 125 hard disks for an upcoming project to upgrade 10 servers. What type of contract will you likely use?</p> <p>A. Purchase Order</p> <p>B. Fixed Price</p> <p>C. Cost Plus Percentage Cost</p> <p>D. Net 30</p> <p>A</p>
21.	<p>A data center is buying services from a construction company to put in a new machine room for \$40M US over four years. At the start of each year, the amount fluctuates relative to the national cost of living. This is an example of what type of contract?</p> <p>A. Cost Plus</p> <p>B. Fixed Price Incentive Fee</p> <p>C. Fixed Price Economic Price Adjust</p> <p>D. Fixed Price</p> <p>C</p>
22.	<p>The developing project is beginning the initial stages of procurement. The Project Manager is evaluating the best type of contract for the work. He decides to not use the cost plus percentage of cost as the buyer has said they want no part of that type of contract. Why is a cost plus percentage cost contract bad for the buyer?</p> <p>A. It provides no reason for the buyer to control the costs.</p> <p>B. It requires use of a more detailed Request for Proposal (RFP).</p> <p>C. It requires the seller to audit all costs incurred.</p> <p>D. It provides no reason for the seller to control costs.</p>

	D
23.	<p>The contract is expected to cost \$280K US. Actual costs are \$240K US. There is a 50/50% share for any cost savings. What is the total value of the contract?</p> <p>A. \$240K US B. \$260K US C. \$300K US D. \$280K US</p> <p>B</p>
24.	<p>The retail chain is using a vendor to provide engineers for a security camera network design and implementation. Presently, the team is negotiating a contract with potential vendors. What is the main goal of negotiations?</p> <p>A. To attain the best price possible for the seller B. To attain the best price possible for the buyer C. To attain a fair price for the buyer and seller D. To attain a fair price for the seller to get more work from the buyer</p> <p>C</p>
25.	<p>Your company just completed a make-or-buy decision regarding a new product line to complement a service your company offers. The company has decided to buy the product line and resell it under their own branding. As a result of this decision, it is concerned about risk exposure in the contract type. Which type of contract would it prefer to use if it wants to control costs and minimize risk?</p> <p>A. Purchase Order B. Unilateral Order C. Cost Plus Percentage of Costs D. Fixed Price</p> <p>D</p>
26.	<p>The process of Control Procurements falls under which process group</p> <p>A. Planning B. Closing C. Monitoring and Control D. Executing</p> <p>C.</p>
27.	<p>Susan Consultancy has a large internal project to be initiated. To staff this project, Susan Consultancy is working with People Consultancy to provide three resources for six months. The resources will be part of the team managed by Susan Consultancy for six months. Which contract type should be used by Susan Consultancy?</p> <p>A. Purchase Order B. Cost plus Fee C. Fixed cost D. Time and Material</p> <p>D.</p>
28.	<p>Egon Consultancy is planning to buy ten desktops for \$1500 each from a leading computer store. Which type of contract will get signed in this case?</p> <p>A. Purchase Order</p>

	<p>B. Cost plus Fee</p> <p>C. Fixed cost</p> <p>D. Time and Material</p> <p>A.</p>
29.	<p>Egon Consultancy is getting 200 computers installed from a vendor. The vendor will be paid the cost involved and a 10% incentive. Which contract will be used in this case?</p> <p>A. CPPC</p> <p>B. CPIF</p> <p>C. CPFF</p> <p>D. Fixed Cost</p> <p>A.</p>
30.	<p>Susan is a Project Manager. She is coordinating a bidder conference to allow vendors to get clarification on the work that needs to be performed. Which phase of Project Management is in progress.</p> <p>A. Conduct Procurements</p> <p>B. Plan Procurements</p> <p>C. Control Procurements</p> <p>D. Close Procurements</p> <p>A.</p>
31.	<p>You have received a proposal against a RFP that was sent to vendors. One of the vendors has indicated that they can do the project for \$12,500. The cost for the project is \$10,000 and their profit will be \$2,500. Which type of the contracts is most suitable to be used in this situation?</p> <p>A. Cost Plus Percentage of Cost</p> <p>B. Cost Plus Incentive Fee</p> <p>C. Cost Plus Fixed Fee</p> <p>D. Fixed price</p> <p>D</p>
32.	<p>Which of the following is not a tool or technique of the Control Procurement process?</p> <p>A. Records management system</p> <p>B. Contract change control system</p> <p>C. Configuration management system</p> <p>D. Payment system</p> <p>C</p>
33.	<p>Which of these is not an input to the Control Procurement process?</p> <p>A. Work performance reports</p> <p>B. Change requests</p> <p>C. Agreements</p> <p>D. Work performance data</p> <p>B</p>