

Free Questions for CCP

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Question 1

Question Type: MultipleChoice

You have been hired as the cost engineer for a mechanical contractor and have been provided the following information:

Total budgeted hours	12,000
The planned project duration in days	130

Rules of credit are as follows:

Pipe received	5%
Hangers installed	10%
Pipe in place	30%
Welded	50%
Flushed	5%

What is the schedule performance index (SPI)?

Options:

- A- $ACWP/BCWS = 110,000/100,000 = 1.10$
- B- $BCWS/ACWP = 100,000/110,000 = 0.91$
- C- $BCWP/BCWS = 105,000/100,000 = 1.05$
- D- $BCWS/BCWP = 100,000/105,000 = 0.95$

Answer:

C

Explanation:

The Schedule Performance Index (SPI) is a key metric in Earned Value Management that measures how efficiently time is being used on a project.

Key Points:

SPI Calculation:

$$\text{SPI} = \text{BCWP} / \text{BCWS}$$

$$\text{BCWP (Budgeted Cost of Work Performed)} = \$105,000$$

$$\text{BCWS (Budgeted Cost of Work Scheduled)} = \$100,000$$

$$\text{SPI} = 105,000 / 100,000 = 1.05$$

Interpreting SPI:

An SPI greater than 1 indicates the project is ahead of schedule.

Conclusion: The correct answer is C. $\text{BCWP}/\text{BCWS} = 105,000/100,000 = 1.05$ because this accurately reflects the schedule performance index for the project.

Question 2

Question Type: MultipleChoice

A breach of contract can only occur when which of the following conditions is (are) present?

1. The item must be contrary to the intent of the parties
2. The item must be contrary to the contract terms and conditions
3. The injured party must actually sustain additional or excess costs

Options:

- A-** Item 1, 2 and 3
- B-** Item 2
- C-** Items 2 and 3
- D-** Items 1 and 2

Answer:

D

Explanation:

A breach of contract occurs when one party fails to fulfill its obligations as specified in the contract. For a breach to be legally recognized, certain conditions must be met:

Key Points:

Contrary to Intent (Item 1):

The breach must contradict the original intent and understanding between the parties when they entered into the contract.

Contrary to Terms and Conditions (Item 2):

The breach must violate specific terms and conditions outlined in the contract.

Excess Costs (Item 3):

While sustaining excess costs can be a consequence of a breach, it is not a necessary condition to prove a breach has occurred. The breach itself is sufficient if it violates the contract's terms or the intent of the agreement.

Conclusion: The correct answer is D. Items 1 and 2 because these are the necessary and sufficient conditions to establish a breach of contract.

Question 3

Question Type: MultipleChoice

When measuring progress using tasks that lack readily definable intermediate milestones and level of effort required is difficult to measure, the best methods to use is:

Options:

- A- Start/finish
- B- Weighted or equivalent units
- C- Incremental milestones
- D- Cost ratio

Answer:

B

Explanation:

When progress measurement is difficult due to the lack of intermediate milestones and challenging-to-define effort levels, Weighted or Equivalent Units is an effective method.

Key Points:

Weighted or Equivalent Units:

This method involves assigning a percentage or weight to different parts of a task based on their relative effort or importance. It allows for more granular and realistic progress tracking when clear milestones are absent.

Other Methods:

Start/Finish: Suitable for tasks with clear start and end points but may oversimplify progress measurement.

Incremental Milestones: Effective when intermediate steps are well-defined.

Cost Ratio: Focuses on the cost expended versus the planned cost, which might not reflect actual physical progress.

Conclusion: The correct answer is B. Weighted or equivalent units because this method is specifically designed to handle complex tasks where other progress measurement methods might fall short.

Question 4

Question Type: MultipleChoice

You are reporting the following Earned Value Analysis information for the project:

EV= \$1,500,000

AC=\$1,000,000

PV= \$2,000,000

What is the status of the project?

Options:

- A-** Project is ahead of schedule, but over budget
- B-** Project is behind schedule, but over budget
- C-** Project is behind schedule, but under budget
- D-** Project is ahead of schedule, but under budget

Answer:

C

Explanation:

The problem provides key metrics used in Earned Value Management (EVM):

Earned Value (EV): \$1,500,000

Actual Cost (AC): \$1,000,000

Planned Value (PV): \$2,000,000

Key Points:

Schedule Performance Index (SPI):

$$\text{SPI} = \text{EV} / \text{PV} = \$1,500,000 / \$2,000,000 = 0.75$$

An SPI less than 1 indicates the project is behind schedule.

Cost Performance Index (CPI):

$$\text{CPI} = \text{EV} / \text{AC} = \$1,500,000 / \$1,000,000 = 1.5$$

A CPI greater than 1 indicates the project is under budget.

Conclusion: The correct answer is C. Project is behind schedule, but under budget because the SPI indicates a delay in schedule, and the CPI shows that the project is currently spending less than planned.

Question 5

Question Type: MultipleChoice

Which of the following best describes the three key participants for projects that are executed under a three-party contractual relationship?

Options:

- A- Contracting officer, contractor, and contractor project manager
- B- Procurement officer, underwriter, and project manager
- C- Owner, engineer, contractor
- D- Client, project manager, procurement manager

Answer:

C

Explanation:

In construction and project management, a three-party contractual relationship typically involves three key participants: the Owner, the Engineer, and the Contractor.

Key Points:

Owner:

The entity that funds and owns the project. The owner defines the project scope, objectives, and requirements and is the ultimate decision-maker.

Engineer:

Often referred to as the 'Designer' or 'Consultant,' the engineer is responsible for the technical design and specifications of the project. They ensure the project is constructed according to the owner's requirements and standards.

Contractor:

The party responsible for executing the construction work. The contractor follows the design provided by the engineer and delivers the project within the agreed terms of the contract.

Conclusion: The correct answer is C. Owner, engineer, contractor because these three parties are central to the execution and management of construction projects under a three-party contractual arrangement.

Question 6

Question Type: MultipleChoice

Deliberate low bidding is often referred to as buying the job. Which of the following would not be a reason for low bidding?

Options:

A- Survival

- B-** Backing out of the bid competition
- C-** Reducing cm eliminating competition
- D-** Detecting significant errors in the purchaser's request for quote

Answer:

B

Explanation:

Deliberate low bidding, sometimes referred to as 'buying the job,' is a strategy where a contractor bids below cost to win a contract, with the expectation of recouping losses through change orders, future projects, or other means.

Key Points:

Reasons for Low Bidding:

Survival: Contractors might low bid to secure work during tough economic times.

Reducing Competition: A low bid can push competitors out of the market.

Detecting Errors: Identifying significant errors in the purchaser's RFQ might lead to a strategic low bid.

Backing Out of Bid Competition:

This option does not align with the strategy of low bidding. Backing out would remove the contractor from the competition entirely, which is contrary to the purpose of low bidding.

Conclusion: The correct answer is B. Backing out of the bid competition because this action is not a reason for low bidding---it is the opposite of participating in the bid.

Question 7

Question Type: MultipleChoice

Which of the following is a disadvantage to using target contract as a method of contracting?

Options:

- A- Encourages economic and speedy completion
- B- No opportunity to competitively bid the targets
- C- Almost immediate start on the work, even without scope definition
- D- Flexibility in controlling the work

Answer:

B

Explanation:

A target contract is a form of contract where both the owner and contractor agree on a target cost, and both parties share any cost savings or overruns. This contract type encourages efficiency but has some drawbacks.

Key Points:

Disadvantages of Target Contracts:

No Competitive Bidding for Targets: The target cost is typically negotiated rather than competitively bid, which could lead to less competitive pricing.

Other Points: While target contracts encourage timely and economical completion and allow for early start and flexibility, the lack of competitive bidding for the targets can be a significant disadvantage.

Conclusion: The correct answer is B. No opportunity to competitively bid the targets because this is a specific disadvantage associated with target contracts.

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