AACE International
Exam CCP
Certified Cost Professional (CCP) Exam
Version: 4.0

[ Total Questions: 115 ]
What do you call a person authorized to represent another (the principal) in some capacity? He/she can only act within this capacity or "scope of authority" to bind the principal.

A. Engineer  
B. Alternate  
C. Project Manager  
D. Agent 

Answer: D 

Budgeted cost of work scheduled is all of the following except:

A. Total costs incurred in accomplishing work in a given-time period  
B. Baseline for performance measurement  
C. Sum of the budgets for work scheduled  
D. Includes portion of the budget for level-of-effort work 

Answer: D 

Which of the following is NOT an aspect of quality management?

A. Quality assurance  
B. Quality planning  
C. Quality checking  
D. Quality control 

Answer: C 

Cost performance index (CPI) is defined by AACE International as: (assume no change in
budgeted quantities)

A. ACWP/BCWS  
B. BCWS/BCWP  
C. ACWP/BCWP  
D. BCWP/ACWP

Answer: D

Question No : 5

____________ is the application of total resources ($-workers-supports) and activity durations of the logic diagram.

A. Planning  
B. Forecasting  
C. Scheduling  
D. Modeling

Answer: C

Question No : 6

____________ is defined as the earned work hours or dollars for all accounts divided by the budgeted work hours or dollars for all accounts.

A. Percent complete  
B. Cost to complete  
C. Earned value  
D. Forecast

Answer: A

Question No : 7

____________ is defined as the budget for the cost (work) account times the percent complete for that account.
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A. Percent complete  
B. Forecast  
C. Cost to complete  
D. Earned value

Answer: D

**Question No : 8**

___________ is defined as covering work whose component activities are less defined and whose interrelationships are conditional.

A. Soft logic  
B. Hard logic  
C. Deductive logic  
D. Inductive logic

Answer: A

**Question No : 9**

A work breakdown structure (WBS) is developed because:

A. It avoids omissions of key product activities through a systematic planning process; removes the complexity of the project by dividing it into manageable units; and provides a framework.  
B. It defines specific tasks within a project from which schedules can be developed; it aids in linking activities with resources; it facilitates communication; and it allows integration of project plans  
C. It can be illustrated by individual bars for major phases, such as permitting, funding, engineering, procurement construction, commission/startup  
D. It can be illustrated by a simple bar, with important milestones represented by symbols at the planned time of occurrence

Answer: B

**Question No : 10**
If a project is said to be on a "fast track program" the fast track method is:

A. Simultaneous working engineering, procurement, and construction, with appropriate overlap from each phase of work so that delays are eliminated and all the work is streamlined into a correct plan of logic/sequence and duration for all of the work
B. First completing engineering and procurement, then executing construction
C. Analyzing the project and specifying the basic approach to be used in its execution; segmenting the project into reasonable number of activities; estimating the time required to perform each activity; placing the activities in time order, considering both sequential and parallel performance
D. Revising the schedule logic to make it possible to identify constraints of faulty logic; revising the durations in the n p schedule that have been based on assumptions regarding the way the work would be performed; revise the resources to work multiple shifts; evaluate the use of overtime

Answer: A

Question No : 11

Any combination of unique letters, numbers, or blanks, which describes and identifies any activity or task shown on the schedule, is:

A. Activity ID
B. WBS Code
C. Resource
D. Account number

Answer: A

Question No : 12

The process of stating goals and determining the most effective way of reaching them is the definition for:

A. Implementing
B. Mission Statement
C. Managing
D. Planning
A schedule's late dates are calculated during the:

A. Loop calculations  
B. Backward pass  
C. Forward pass  
D. Float

Answer: B

Which of the following is NOT a type of float?

A. Total  
B. Negative  
C. Open end  
D. Free

Answer: C

The latest allowable end time minus the earliest allowable end time on a schedule activity is referred to as:

A. Total float  
B. Remaining duration  
C. Free float  
D. Just-in-time scheduling

Answer: A
Question No : 16

What is a basic element of work or a task that must be performed over a given period of time in order to complete a project called?

A. WBS element  
B. Activity  
C. Resource  
D. Commodity

Answer: B

Question No : 17

A concrete slab measuring 10 feet wide by 13.5 feet long by 6 inches deep is to be installed. How many cubic yards of concrete will be required?

A. 3.0 cubic yards  
B. 2.0 cubic yards  
C. 3.5 cubic yards  
D. 2.5 cubic yards

Answer: D

Question No : 18

A systematic coding structure for organizing and managing scope, assets, cost, resources, work and schedule activity information is a_____________.

A. Cost breakdown structure  
B. Code of accounts  
C. Cost estimate classification  
D. Schedule identification number

Answer: B
Which of the following best describes the concept of total cost management:

A. A method of quantifying construction damages where the total job costs are subtracted from the original bid or estimate to determine the total cost amount for a claim  
B. The practices and processes utilized to manage the total life cycle cost investment in a portfolio of strategic assets  
C. A job cost system for ensuring all aspects of a particular manufacturing process are accumulated completely  
D. An integrating process that maps the fields of practice of cost engineering without linking it to project management, resource management, or accounting

Answer: D

AACE International defines _____________ as a technique of economic evaluation that sums over a given study period, the costs of initial investment, replacements, operations, and maintenance/repair; expressed in either present or annual value terms.

A. Risk analysis  
B. Benefit/Cost ratio (B/C) method  
C. Net present worth method  
D. Life cycle costs method (LCC)

Answer: D

_______________ can be defined as the determination of that course of action or combination of alternatives that yields either the lowest cost or the highest profit.

A. Economic optimization  
B. Simulation  
C. Linear programming  
D. Dynamic programming

Answer: D
A bond that guarantees the bidder will enter into a contract on the basis of his/her bid is referred to as:

A. Surety bond  
B. Performance bond  
C. Bid bond  
D. Liability bond

**Answer: C**

An effort by a prime contractor to reduce the price quoted by a vendor, by providing the bid price to other vendors in an attempt to get the other vendors to underbid the original price quoted is referred to as:

A. Costing  
B. Cost-price analysis  
C. Bid shopping  
D. Negotiating a best and final offer

**Answer: C**

What is executed in connection with a contract and secures the performance and fulfillment of all the undertakings, covenants, terms, conditions and agreements contained in the contract?

A. Liability insurance  
B. Performance bond  
C. Bid bond  
D. Surety bond
Question No : 25

Productivity increases with time. This improvement is commonly associated with improvements in efficiency brought about by increased experience and skill levels. What does this scenario describe?

A. Productivity efficiency factor  
B. Value engineering  
C. Cash flow  
D. The learning curve

Answer: D

Question No : 26

A contract clause that provides the owner with the right to terminate the contract irrespective of the general contractor's liability is:

A. Termination of contract - convenience  
B. Termination of contract - default  
C. Substantial completion  
D. Breach of contract

Answer: A

Question No : 27

The purpose of a communication must be understood by ______________ if the message is to be clear to the

A. Workers; management  
B. The speaker; the receiver  
C. Management; workers  
D. The receiver; the speaker