

## AACE CCP Exam

Volume: 115 Questions

Question No : 1

The following question requires your selection of CCC/CCE Scenario 2 (2.3.50.1.2) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses. 10,278 hours have been expended to date. The CPI at this point in time is 0.93. SPI is 1.03. How many hours were planned?

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%

- A. 10,586
- B. 9,280
- C. 9,559
- D. 10,278

Answer: A

Question No : 2

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

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Question No : 3

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

Question No : 4

A major theme park is expanding the existing facility over a five-year period. The design phase will be completed one year after the contract is awarded. Major engineering drawings will be finalized two years after the design contract is awarded and construction will begin three years after the award of the design contract. New, unique ride technology will be used and an estimate will need to be developed to identify these costs that have no historical data.

After an individual's safety needs are met, what needs would the individual be motivated to fulfill next in Maslow's hierarchy of needs?

- A. Belonging needs
- B. Self-actualization
- C. Knowledge
- D. Pay and compensation

Answer: A

Question No : 5

A major theme park is expanding the existing facility over a five-year period. The design phase will be completed one year after the contract is awarded. Major engineering drawings will be finalized two years after the design contract is awarded and construction will begin three years after the award of the design contract. New, unique ride technology will be used and an estimate will need to be developed to identify these costs that have no historical data. In Rensis1 4 model system, the exploitative-authoritative management style is one in which:

- A. Management makes most decisions and passes them down

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- B. Informal organizations generally support the goals of the formal organization
- C. Management issues orders, but employees have some freedom to comment
- D. Management has a lot of confidence in the employees

Answer: A

Question No : 6

An agricultural corporation that paid 53% in income tax wanted to build a grain elevator designed to last twenty-five (25) years at a cost of \$80,000 with no salvage value. Annual income generated would be \$22,500 and annual expenditures were to be \$12,000.

Answer the question using a straight line depreciation and a 10% interest rate.

The following question requires your selection of CCC/CCE Scenario 17 (4.2.50.1.1) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses.

What is the "book value (BV) of the asset at the end of 5 years?

- A. \$64,000
- B. \$16,000
- C. \$3,200
- D. \$60,000

Answer: A

Question No : 7

A schedule's late dates are calculated during the:

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

Answer: B

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Question No : 8

\_\_\_\_\_ 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

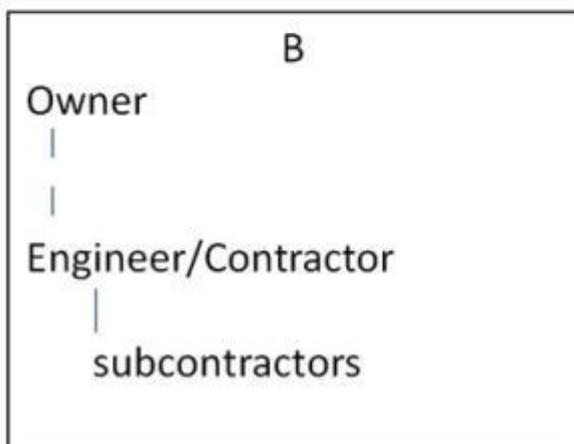
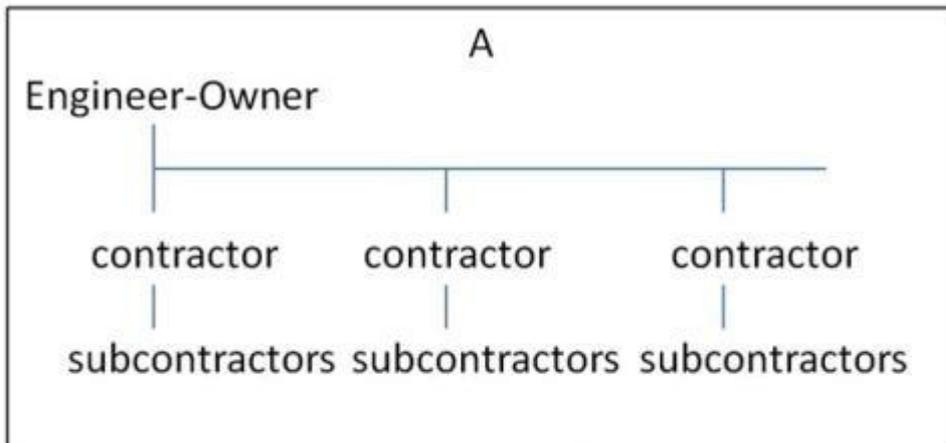
Answer: A

Question No : 9

The following question requires your selection of CCC/CCE Scenario 28 (3.7.50.1.7) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses.

In the A relationship, the subcontractor might use an unbalance bid to:

**Given the two organization structures below, answer the question.**



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- A. To get more payment early in the job
- B. Decrease the chances of extended claim litigation
- C. Reduce the risk of quantities being greater than estimated
- D. Provides an alternative to competitive bidding

Answer: C

Question No : 10

An agricultural corporation that paid 53% in income tax wanted to build a grain elevator designed to last twenty-five (25) years at a cost of \$80,000 with no salvage value. Annual income generated would be \$22,500 and annual expenditures were to be \$12,000.

Answer the question using a straight line depreciation and a 10% interest rate.

Which of the following interest rates disregards the effects of compounding periods that occur more frequent than annually?

- A. Continuous compounding rate
- B. Simple interest rate
- C. Minimum attractive rate of return
- D. Nominal interest rate

Answer: D

Question No : 11

Money is value. Having money when you need it is very important. Money can also be valuable when used wisely by knowing when to spend and when to conserve Also, planning now for future expenses can be a plus to the company rather than a debit.

There are several ways to capitalize money and spending. Basically there is the single payment method that has a compound amount factor and a present worth factor. There is the uniform annual series that has a sinking fund factor, capital recovery factor and also the compound amount factor and present worth factor. At this point, we can assure money is worth 10%.

The following question requires your selection of CCC/CCE Scenario 7 (4.8.50.1.1) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses.

If you are scheduled for a \$100,000 payment at the end of each year for the next five years, what is the equivalent amount if you were to make a lump sum payment now?

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- A. \$162,370
- B. \$679,397
- C. \$379,100
- D. \$500,000

Answer: D

Question No : 12

You are reporting on a roadway project, which was estimated to be 10 miles of road. It was scheduled to be completed in 16 weeks, which is this week. According to your calculations, the project has a schedule performance index of 0.80. What would you advise the management about the scheduled completion date?

- A. Project will be completed in 20 more weeks
- B. Project will be completed this week - on schedule
- C. Project will be completed in 4 more weeks
- D. Project will be completed in 12.8 more weeks

Answer: C

Question No : 13

Money is value. Having money when you need it is very important. Money can also be valuable when used wisely by knowing when to spend and when to conserve. Also, planning now for future expenses can be a plus to the company rather than a debit.

There are several ways to capitalize money and spending. Basically there is the single payment method that has a compound amount factor and a present worth factor. There is the uniform annual series that has a sinking fund factor, capital recovery factor and also the compound amount factor and present worth factor. At this point, we can assure money is worth 10%.

The following question requires your selection of CCC/CCE Scenario 7 (4.8.50.1.1) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses.

Five years from now it is required the company have \$100,000. How much money should be invested at the end of each year to reach this?

- A. \$15,937

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B. \$15,397

C. \$16,380

D. \$13,168

Answer: C

Question No : 14

A major theme park is expanding the existing facility over a five-year period. The design phase will be completed one year after the contract is awarded. Major engineering drawings will be finalized two years after the design contract is awarded and construction will begin three years after the award of the design contract. New, unique ride technology will be used and an estimate will need to be developed to identify these costs that have no historical data.

The following question requires your selection of CCC/CCE Scenario 26 (2.5.50.1.2) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses.

What class of estimate is used for the preliminary design phase of a project?

A. Class 5 - order of magnitude estimate with +50% / -30% accuracy

B. Class 1 - order of magnitude with +30% / -30% accuracy

C. Class 4 - budget estimate with +30% / -15% accuracy

D. Class 2 - definitive estimate with +15%/-5% accuracy

Answer: A

Question No : 15

\_\_\_\_\_ 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

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Question No : 16

The following question requires your selection of CCC/CCE Scenario 6 (2.7.50.1.3) from the right side of your split screen., using the drop down menu, to reference during your response/choice of responses.

You have estimated that the present day price for a piece of equipment is \$350,000. The delivery of the equipment is scheduled 30 months from today. The price of the equipment has been separated into the following categories:

Category	Percent
Steel	30
Copper	30
Manufacturing Labor	40

Based on information from forecasting services, the current cost index value and the expected inflation rate for each commodity is as follows:

INFLATION RATE (projected)					
Commodity	Current Index	Year 1	Year 2	Year 3	Year 4
Steel	2.40	2.5%	2.5%	3.0%	2.0%
Copper	4.20	1.0%	1.5%	2.0%	2.0%
Manufacturing Labor	6.50	2.5%	3.0%	3.0%	3.5%

What is the range of unit costs?

- A. \$21.57
- B. \$26.65
- C. \$48.22
- D. \$485.00

Answer: D

Question No : 17

\_\_\_\_\_ 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 : 18

A major theme park is expanding the existing facility over a five-year period. The design phase will be completed one year after the contract is awarded. Major engineering drawings will be finalized two years after the design contract is awarded and construction will begin three years after the award of the design contract. New, unique ride technology will be used and an estimate will need to be developed to identify these costs that have no historical data.

According to Maslow's hierarchy of needs, giving the employees an award that acknowledges their achievements is most likely to satisfy which level of need?

A. Belonging needs

B. Safety needs

C. Power needs

D. Self-actualization

Answer: D

Question No : 19

An agricultural corporation that paid 53% in income tax wanted to build a grain elevator designed to last twenty-five (25) years at a cost of \$80,000 with no salvage value. Annual income generated would be \$22,500 and annual expenditures were to be \$12,000.

Answer the question using a straight line depreciation and a 10% interest rate. How many years will it take to earn \$400 in interest on \$800 at 4% compounded annually?

A. 10 years

B. 11 years

C. 12 years

D. 13 years

Answer: A

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Question No : 20

A major theme park is expanding the existing facility over a five-year period. The design phase will be completed one year after the contract is awarded. Major engineering drawings will be finalized two years after the design contract is awarded and construction will begin three years after the award of the design contract. New, unique ride technology will be used and an estimate will need to be developed to identify these costs that have no historical data.

The following is NOT an advantage of the critical path method:

- A. The ability to determine cost overruns of critical path activities
- B. The ability to identify activities that cannot have their schedules slip if the desired project end date is to be achieved
- C. Reveals activities that additional resources need to be dedicated toward
- D. The ability to show slippage in the progress of key activities

Answer: A

Question No : 21

The four steps to writing are:

- A. Introduction, paragraph, conclusion, works cited
- B. Start, write, complete, revise
- C. Abstract, body conclusion, bibliography
- D. Plan, write, cool, revise

Answer: D

Question No : 22

The following question requires your selection of CCC/CCE Scenario 17 (4.2.50.1.1) from the right side of your split screen, using the drop down menu, to reference during your response/choice of responses. Depreciation (in the United States) is calculated in accordance with which of the following?

- A. Modified Accelerated Cost Recovery System (MACRS)
- B. The Federal IRS Reform Act (FIRSRA)