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Topic Break Down

Topic	No. of Questions
Topic 1, Pre-Award	106
Topic 2, Award	37
Topic 3, Post-Award	58
Topic 4, Mix Questions	30
Total	231

QUESTION NO: 1

What comprises the body of those principles and rules of action that derive their authority not from legislative enactments but from usages and customs or from judgments?

A. Civil law

B. Commercial sales

C. Global Contracts

D. Common law

ANSWER: D

Explanation:

Common law comprises legal principles and rules that arise primarily from judicial decisions and established customs rather than solely from statutes enacted by a legislature. Under this system, courts resolve disputes by applying prior authoritative decisions to materially similar facts, a practice commonly known as *stare decisis*. Over time, those decisions form precedents that guide courts, contracting parties, and practitioners in interpreting rights, obligations, remedies, and contractual terms.

For contract managers, common law is particularly important because many foundational contract doctrines—including offer and acceptance, consideration, material breach, damages, and interpretation of agreements—have been developed and refined through case law. Although legislatures can enact statutes that modify or supersede common-law rules in particular areas, judicial precedent remains a central source of governing legal principles where no controlling statute applies. The Legal Information Institute defines common law as law deriving authority from judicial decisions rather than statutes, and its contract-law materials describe the role of common-law principles in contractual relationships. See Cornell Legal Information Institute: Common Law and Cornell Legal Information Institute: Contract.

QUESTION NO: 2

What describes the seller's reasons for its decision on whether to bid on a particular project?

A. Bid proposal

B. Opportunity assessment

C. Justification document

D. Solicitation

ANSWER: C

Explanation:

Justification document is correct because it records the seller's rationale for making a bid/no-bid decision on a specific opportunity. Before committing proposal resources, a seller evaluates factors such as strategic alignment, customer relationship, competitive position, capabilities, capacity, risk, anticipated profitability, and the likelihood of winning. The resulting decision needs a documented basis so that the organization can show that its resources were committed deliberately and consistently with its business objectives. A justification document captures that basis: it explains why the opportunity is sufficiently attractive to pursue, or why it should not be pursued, and it can support management approval and later review of the decision. This documentation is particularly important because preparing a compliant proposal may require substantial cost, cross-functional effort, and management attention. The NCMA Contract Management Body of Knowledge emphasizes disciplined decision-making and documentation throughout the pre-award lifecycle, including opportunity and proposal activities. NCMA's professional framework for these lifecycle practices is available through its Contract Management Body of Knowledge and CPCM certification resources.

QUESTION NO: 3

__________ states that only what is written in the contract is applicable and all previous verbal or written statements are not applicable.

A. The Contra Proferentem Rule

B. The Parol Evidence Rule

C. Extrinsic Evidence

D. Order of Precedence

ANSWER: B

Explanation:

The Parol Evidence Rule is correct because it governs the use of communications and agreements made before, or at the same time as, a written contract that the parties intended as their final expression of agreement. When an agreement is integrated in this way, the written document provides the authoritative contractual terms. Prior or contemporaneous oral statements and earlier writings generally cannot be admitted to vary or contradict those terms. This principle supports sound contract-management practice: material commitments, assumptions, changes, and negotiated terms should be captured clearly in the executed agreement rather than left to informal discussions or earlier drafts.

The rule is especially relevant when interpreting the contract from its written language and maintaining a reliable record of the parties' obligations. In practical terms, an integration or merger clause often confirms the parties' intent that the executed contract is the complete agreement, although the Parol Evidence Rule itself is the legal doctrine described in the question. Its application can involve jurisdiction-specific exceptions, such as evidence offered to clarify certain ambiguities or establish defenses to contract formation; nevertheless, the stated core concept is that prior communications do not displace the final written agreement. See Cornell Law School's Parol Evidence Rule overview and the Legal Information Institute's integration clause explanation.

QUESTION NO: 4

The practice of obtaining goods and services from outside the organization is commonly known as:

A. External Rendering

B. Outsourcing

C. Outdoor services

D. All of the above

ANSWER: B

Explanation:

Outsourcing is correct because it describes an organization's decision to obtain goods or services from an external supplier rather than producing the goods or performing the services internally. In contract management, outsourcing commonly involves identifying a business need, defining requirements and desired outcomes, conducting source selection, establishing an agreement with a qualified provider, and managing supplier performance throughout the contract lifecycle. It can apply to a broad range of requirements, including information technology support, facilities management, manufacturing, logistics, and professional services. The central feature is that an outside organization performs or provides something that could otherwise be handled using the buying organization's own resources. This approach enables an organization to obtain specialized capabilities, manage capacity, focus on core competencies, or access market-based solutions while maintaining appropriate contractual controls over scope, quality, cost, schedule, risk, and performance. NCMA's Contract Management Standard emphasizes the contract manager's role in planning, sourcing, and managing external agreements to achieve organizational objectives. See the NCMA Contract Management Standard and the Encyclopaedia Britannica definition of outsourcing.

QUESTION NO: 5

Reasonable costs are those costs that a prudent seller, under the constraint of competition, would recognize as __________.

A. substantial

B. discounted

C. profitable

D. justifiable

ANSWER: D

Explanation:

justifiable is correct because cost reasonableness concerns whether a prudent contractor or seller, operating in a competitive business environment, could support the cost as appropriate under the circumstances. The test is grounded in sound business judgment: the cost must have a rational business basis and be of a nature and amount that a prudent person would be prepared to incur. In contract management, this evaluation helps ensure that proposed and incurred costs reflect normal commercial practice, are necessary for the work, and are consistent with responsible stewardship of customer funds.

This concept is reflected in the federal cost principle at FAR 31.201-3, which states that a cost is reasonable when its nature and amount do not exceed what would be incurred by a prudent person in the conduct of competitive business. The regulation also identifies relevant circumstances, including recognized business practices, market prices, the contractor's responsibilities to customers and the public, and significant departures from established practices. Calling a cost "justifiable" captures the required ability to logically support and defend it using those facts and conditions. See FAR 31.201-3, Determining Reasonableness and FAR 15.404-1, Proposal Analysis Techniques.

QUESTION NO: 6

To achieve high performance results year after year, companies must take what action to form successful long-term partnerships?

A. unleashing corporate buying and selling power

B. changing buying and selling processes and tools

C. developing an integrated supply chain

D. All of the above

ANSWER: D

Explanation:

"All of the above" is correct because durable, high-performing business partnerships require a coordinated transformation in how organizations approach commercial relationships. Unleashing corporate buying and selling power means treating procurement and sales as strategic capabilities that can create mutual value, rather than as isolated transactional functions. Changing buying and selling processes and tools supports consistent collaboration, visibility, communication, performance measurement, and efficient management of the relationship over its full life cycle. Developing an integrated supply chain aligns the parties' planning, operations, information flows, and delivery activities so that each organization can respond more effectively to demand, manage risk, and improve outcomes together. These actions are interdependent: strategic commercial capability needs effective processes and enabling tools, while sustained value delivery depends on operational integration across the supply chain. This reflects the contract-management emphasis on relationship management, performance management, and collaborative value creation throughout the contract life cycle. NCMA identifies relationship management and performance management as core areas of contract-management competence; see NCMA. For additional context on collaboration and coordinated supply-chain activity, see the Chartered Institute of Procurement & Supply's resources at CIPS.

QUESTION NO: 7

__________ is the process of ensuring all performance has been accomplished, final contractor performance has been evaluated, final payment has been made, and the contract has been reconciled.

A. Close Out Contract

B. Accept Performance

C. Terminate Contract

D. Audit Contract

ANSWER: A

Explanation:

Close Out Contract is correct because contract closeout is the formal post-performance process used to establish that the parties have completed the contract's required work and administrative obligations. It confirms completion and acceptance of performance, documents the final assessment of contractor performance when applicable, ensures final payment and financial records are resolved, and reconciles the contract file. These activities provide a clear, auditable record that the agreement has reached its intended conclusion and that no unaddressed obligations remain.

In contract management practice, closeout is more than simply reaching the end date or receiving a deliverable. It is a controlled process for finalizing performance, payments, documentation, property or records matters where relevant, and any remaining administrative actions. Proper closeout protects the organization by validating that contractual commitments were fulfilled and by preserving information that can support future source selections, performance-management decisions, and lessons learned. The Federal Acquisition Regulation similarly describes closeout as resolving all outstanding contractual actions and completing closeout procedures, which aligns with the comprehensive process stated in the question. See FAR 4.804, Closeout of Contract Files and NCMA's Contract Management Body of Knowledge resources.

QUESTION NO: 8

Those incentives that use individual judgment, opinions, and informed impressions as the basis for determining the amount of incentive, either positive or negative, in one or more designated areas are called:

A. Objectively-based and evaluated

B. Subjectively-based and evaluated

C. Early-based and evaluated

D. Final-based and evaluated

ANSWER: B

Explanation:

Subjectively-based and evaluated is correct because the incentive amount is determined through evaluators' professional judgment, opinions, and informed assessments of performance in designated areas. This approach is used where performance quality, responsiveness, management effectiveness, technical accomplishment, or similar outcomes cannot be fully captured by a fixed mathematical formula or objectively measured metric. The evaluation process considers the contractor's performance against stated criteria and translates that assessment into a positive or negative incentive result.

In federal contracting, this concept is reflected in award-fee arrangements. The Federal Acquisition Regulation explains that award-fee contracts provide for fee earned on the basis of a government evaluation of contractor performance and that the determination is made by the government in accordance with the established award-fee plan. A sound plan identifies the evaluation criteria, the relative importance of those criteria, the evaluation process, and how the assessment affects the fee. Although evaluators exercise judgment, the process should remain disciplined, documented, and tied to the contract's communicated performance expectations. See FAR 16.401, Incentive Contracts and FAR 16.401(e), Award-Fee Contracts.

QUESTION NO: 9

What is once made will be a reasonable period of time and is binding on the offeror unless revoked by the offeror before the other party's acceptance?

A. Offer

B. Acceptance

C. Competent parties

D. Legality of purpose

ANSWER: A

Explanation:

Offer is correct because an offer is a manifestation of willingness to enter into a bargain that gives the recipient the power to create a contract by accepting its terms. Once communicated, an offer ordinarily remains open for the time stated in the offer or, when no time is stated, for a reasonable time under the circumstances. During that period, the offeror is generally bound by the offer in the sense that the offeree may accept and thereby form a contract, provided the offer has not terminated.

An offer may be withdrawn through revocation before acceptance, subject to important exceptions such as an option contract, a firm offer governed by the Uniform Commercial Code, or other circumstances that make the offer irrevocable. The revocation must occur before the offeree has accepted under the applicable acceptance rules. This concept is fundamental to contract formation: a valid offer establishes the proposed bargain and identifies the terms that may be accepted to create mutual assent. The Legal Information Institute summarizes the elements and legal effect of an offer at Cornell Law School's offer overview. The Restatement's contract-formation framework, including the power of acceptance created by an offer, is also reflected in the American Law Institute's Restatement of the Law, Contracts.

QUESTION NO: 10

A compliance matrix is an assessment tool used __________.

A. to help the seller make the bid/no-bid decision

B. when determining what elements in the functional statement are in full compliance, in partial compliance, and noncompliant

C. when analyzing the opportunity-risk assessment for a solicitation

D. by "pink" team reviewers to ensure that an offer is complete and accurate

ANSWER: B

Explanation:

A compliance matrix is used "when determining what elements in the functional statement are in full compliance, in partial compliance, and noncompliant." It provides a structured crosswalk between solicitation requirements and the offeror's planned response. Each requirement can be assigned to an owner, mapped to the applicable proposal section, and assessed for the degree to which the proposed solution addresses it. This disciplined assessment helps the proposal team identify missing responses, qualifications, exceptions, or areas needing clearer substantiation before proposal submission.

In contract management practice, the matrix supports a requirements-driven proposal-development process: the solicitation is decomposed into actionable requirements, those requirements are tracked, and the resulting proposal is checked for complete and responsive coverage. This is particularly important because federal solicitations may prescribe proposal preparation instructions and evaluation factors that offerors must address. The Federal Acquisition Regulation's proposal-instructions provision, FAR 52.215-1, reflects the importance of responding to the information requested by the solicitation. Similarly, FAR 15.305 describes proposal evaluation against the stated evaluation factors. A compliance matrix therefore serves as a practical assessment mechanism for confirming the response's compliance status at the requirement level.

QUESTION NO: 11

Each agreement made during the negotiation process should __________.

A. be “win-win”

B. be documented

C. involve concessions for both sides

D. be part of fact-finding

ANSWER: B

Explanation:

Each agreement made during the negotiation process should **be documented**. A contemporaneous record of agreed points gives both parties a shared, reliable account of the negotiated outcome and helps ensure that the final contract accurately reflects the parties’ intent. Documentation should capture material agreements involving matters such as scope, price, delivery, performance requirements, allocation of risk, and negotiated terms and conditions. The record may include negotiation memoranda, meeting notes, exchanged revisions, approvals, and the resulting contract language.

In professional contract management, documentation supports traceability from the negotiation discussions through award and later contract administration. It enables the contracting team to verify that authorized commitments were incorporated, communicate the agreed requirements to personnel responsible for performance, and establish an auditable file. Clear written records also reduce ambiguity when administering the agreement, because the parties can identify the specific terms that were resolved and formally accepted. This practice aligns with NCMA’s emphasis on disciplined contract-management processes and with the federal contracting principle that contract files document the basis for significant decisions and actions. See NCMA’s professional resources and the contract-file documentation requirements in FAR 4.803.

QUESTION NO: 12

Which of the following is NOT the step in the process for performing the risk and assessment?

A. select version and complete survey

B. evaluate performances

C. evaluate opportunity

D. Mapping risk to matrix

ANSWER: B

Explanation:

evaluate performances is not a step in conducting a risk assessment. A risk assessment is a forward-looking process used to identify uncertainties that could affect contract objectives, analyze their likelihood and potential impact, and prioritize them so the contracting team can select an appropriate response. In contract management, this work supports informed decisions concerning acquisition strategy, supplier capability, contract type, performance requirements, and risk allocation.

Although the results of a risk assessment may later inform contract performance management, evaluating actual performance is a separate monitoring and administration activity. It occurs after performance data are available and is used to assess whether the contractor is meeting contractual requirements. The risk-assessment process instead focuses on evaluating potential exposure and opportunities before or during decision-making, often using a risk matrix to communicate relative probability and consequence. This distinction is consistent with the federal acquisition principle that agencies assess and manage performance risk in planning acquisitions. See FAR 7.105, Contents of Written Acquisition Plans and the GAO Risk Management Framework.

QUESTION NO: 13

The meetings with prospective sellers before they prepare their proposals are called:

A. Bidder's conferences

B. seller's conferences

C. procurement conferences

D. Agenda

ANSWER: A

Explanation:

Bidder's conferences is the correct term for structured meetings held with prospective sellers before they finalize and submit proposals. These conferences give the buyer an opportunity to clarify the requirement, acquisition approach, proposal instructions, evaluation framework, schedule, and other common questions in a consistent forum. They also help prospective sellers understand the buyer's needs well enough to prepare responsive, comparable proposals. Sound contract-management practice requires that material clarifications arising from the conference be communicated equitably to all prospective offerors, rather than provided privately to only one participant. In federal contracting, this same activity may be described as a preproposal conference; the Federal Acquisition Regulation identifies preproposal conferences as an exchange technique used to improve understanding of government requirements and industry capabilities. The controlling practice is transparency and equal access to information, so that the solicitation process supports fair competition and the buyer receives proposals aligned to the stated need. See FAR 15.201, Exchanges with Industry Before Receipt of Proposals and FAR 15.206, Amending the Solicitation.

QUESTION NO: 14

A simple contract that not allow more than 30 days for a response, could be considered conservative.

A. True

B. False

ANSWER: B

Explanation:

False is correct because whether a response period is conservative depends on the particular obligation, transaction risk, complexity, required internal reviews, and the consequences of failing to respond—not on a universal 30-day threshold. A contract manager should establish response deadlines that are reasonable and practical for the matter involved. For a routine communication, a short period may be workable; for a technical, financial, legal, or dispute-related response, 30 days or less may not provide sufficient time to gather facts, coordinate stakeholders, and deliver a complete response. Thus, a provision that never permits more than 30 days cannot automatically be characterized as conservative. Commercial-contract practice generally applies a reasonableness standard when a contract does not prescribe a time for performance or response. For example, Uniform Commercial Code section 1-205 provides that an action must occur within a reasonable time when the applicable time is not specified, with reasonableness determined by the nature, purpose, and circumstances of the action. See UCC § 1-205. In federal contracting, formal claim decisions also use timelines tied to the claim and require the contracting officer to provide a reasonable decision date when a decision cannot be issued within 60 days, reinforcing that appropriate response time is context dependent. See FAR 33.211.

QUESTION NO: 15

An essential element of contract administration is establishing and maintaining effective communications. What is the primary method for achieving a clear and mutual understanding of contract requirements and identifying potential problems?

A. Conducting a post-award kick-off meeting

B. Avoiding organizational conflicts of interest (OCIs)

C. Analyzing the product/service procurement history

D. Establishing performance standards

ANSWER: A

Explanation:

Conducting a post-award kick-off meeting is the primary method for building a clear, mutual understanding of the contract at the beginning of performance. This meeting brings the parties responsible for administering and performing the agreement together to confirm how the written requirements will be carried out in practice. A useful agenda addresses the scope, deliverables, milestones, roles and authorities, reporting processes, quality or acceptance procedures, invoicing, change-control procedures, and communication and escalation paths. By discussing these operational details early, the parties can resolve ambiguities, align expectations, and identify risks or potential performance issues while there is still time to manage them constructively. The meeting also creates a practical communication framework that supports ongoing administration rather than relying solely on the contract document. This approach is consistent with the Federal Acquisition Regulation's postaward-orientation concept: the contracting officer may hold a conference after award to achieve a clear and mutual understanding of contract requirements and identify and resolve potential problems. See FAR 42.503, Postaward conferences. The related FAR 42.501, General also recognizes postaward orientation as a contract-administration activity. Accordingly, a post-award kick-off meeting is an effective foundation for collaborative performance and timely issue management.

QUESTION NO: 16

Which of the following shows the designated performance area in the subjectively-based and evaluated incentives?

A. Award fees

B. Other special incentives

C. Both A & B

D. Neither A nor B

ANSWER: C

Explanation:

Award fees and other special incentives is correct because subjectively based incentive arrangements use an evaluation of the contractor's performance in designated performance areas rather than a purely formula-driven measurement. Award-fee arrangements are the principal example: the Government evaluates performance against stated criteria and determines the amount of fee earned using the established award-fee plan. Those evaluation areas can address matters such as technical performance, management, quality, schedule, cost control, or other outcomes important to successful contract performance.

Other special incentives can likewise be structured around designated areas in which the Government seeks performance that requires informed judgment rather than a wholly objective calculation. In both cases, the contract must communicate the relevant performance areas, the standards or evaluation criteria, the evaluation process, and the relationship between assessed performance and the incentive available. This structure gives the contractor clear notice of the performance outcomes the Government values while allowing evaluators to apply judgment to performance that may not be readily measured by a fixed quantitative formula. FAR 16.401(e) identifies award-fee arrangements as providing a fee based on a subjective evaluation of contractor performance. See FAR 16.401, Incentive Contracts and the DoD Award-Fee Contracting Guide.

QUESTION NO: 17

Civil law countries rely solely on statues, are called ________, to regulate their contractual relations.

A. Conducts

B. Codes

C. Facts

D. Constraints

ANSWER: B

Explanation:

Codes is correct because civil-law legal systems are principally organized around comprehensive written legislation, commonly called codes. These codes set out general legal rules for areas such as obligations, contracts, commercial transactions, property, and procedure. In a contractual relationship, the applicable civil or commercial code supplies the governing legal framework: it defines how agreements are formed, interpreted, performed, modified, and remedied when breached. Parties may negotiate contract terms, but those terms operate within the mandatory and default rules established by the relevant code.

For contracts professionals, recognizing the role of codes is important when working across jurisdictions. A civil-law contract should be read together with the applicable statutory code because the code may fill gaps in the parties' agreement and impose requirements that cannot be waived by contract. This differs from the common-law tradition, where judicial precedent has a more central formal role alongside statutes. Cornell Law School's Legal Information Institute describes civil law as a system based on codified statutes, while Britannica explains that civil law is rooted in comprehensive legal codes. See [Cornell Law School's civil law overview] and [Britannica's discussion of civil law].

QUESTION NO: 18

A fixed fee that the seller will earn no matter how its performance is evaluated in known as:

A. incurred fee

B. award fee

C. period fee

D. base fee

ANSWER: D

Explanation:

The correct term is **base fee**. In an award-fee contract, the base fee is the fixed portion of the fee established when the contract is awarded. The seller earns it independently of the subsequent performance evaluation; that evaluation instead determines whether, and to what extent, the seller earns any additional award fee. Thus, the base fee provides a defined minimum fee component, while the award-fee component creates an incentive for performance that meets or exceeds the customer's evaluation criteria.

This distinction is important in contract administration because the parties must clearly separate the guaranteed base amount from the amount subject to the formal award-fee evaluation plan. The Federal Acquisition Regulation describes an award-fee contract as providing for a fee consisting of a base amount, which may be zero, and an award amount determined by the Government's evaluation of contractor performance. It further states that the base fee is fixed at contract inception and does not vary with contractor performance. See [FAR 16.401, Incentive Contracts] and [FAR 16.401-2, Award-Fee Contracts].

QUESTION NO: 19

A ___________ incentive is included when receiving the goods or services faster is important to the buyer.

A. performance

B. quality

C. delivery

D. cost

ANSWER: C

Explanation:

delivery is correct because a delivery incentive is designed to motivate a contractor or supplier to provide required goods or services sooner than the contractual delivery date, or to meet an especially important schedule objective. Where accelerated availability has operational, programmatic, or mission value to the buyer, the contract can establish a measurable schedule baseline and offer a financial reward for early delivery or completion. The incentive should identify the target dates, the method for measuring actual delivery or completion, the amount or formula for the incentive, and any applicable limits. This makes the buyer's priority—receiving the needed result faster—clear and aligns the supplier's economic interests with that schedule outcome. In professional contract management practice, incentives are selected to reinforce the specific performance result that matters most to the buyer. A delivery-focused incentive therefore supports timely or accelerated performance while preserving objective administration through defined milestones and acceptance criteria. For related federal guidance on structuring incentive arrangements and delivery-related performance objectives, see the Federal Acquisition Regulation, Subpart 16.4—Incentive Contracts and the Federal Acquisition Regulation, 16.401—General.

QUESTION NO: 20

An international failure of a party to enforce a contract requirement, usually done for an act of immediate or future consideration from the other party is called:

A. Performance

B. Forbearance

C. Patrol Evidence

D. Jurisdiction

ANSWER: B

Explanation:

Forbearance is the correct term because it means deliberately refraining from exercising a legal right, such as choosing not to insist on a contractual requirement, pursue a remedy, or enforce a deadline. In contract administration, a party may agree to forbear in exchange for something of value from the other party, including immediate payment, revised performance, a corrective action, or a future promise. That exchanged value is important because forbearance can itself serve as valid consideration when it is bargained for as part of an agreement.

In practical contract-management terms, forbearance should be intentionally documented. The parties should identify the requirement or remedy that will not be enforced, the duration and scope of the restraint, and the consideration being provided in return. Clear documentation helps establish that the decision was a negotiated accommodation rather than an accidental abandonment of contractual rights. It also supports disciplined administration of changes, remedies, and risk allocation. Cornell Law School's Legal Information Institute describes consideration as the bargained-for exchange supporting a contract: https://www.law.cornell.edu/wex/consideration. Its definition of forbearance likewise recognizes refraining from an action or right: https://www.law.cornell.edu/wex/forbearance.

QUESTION NO: 21

Which of the following shows the designated performance area in the objectively-based and evaluated incentives?

A. Cost performance

B. Schedule or delivery performance

C. Quality performance

D. All of the above

ANSWER: D

Explanation:

All of the above is correct because objectively based, evaluated incentives may be structured around several measurable dimensions of contractor performance: cost, schedule or delivery, and quality. A sound incentive arrangement identifies the performance objective, establishes a measurable baseline or target, and specifies how the contractor's fee, profit, or other consideration changes when actual results exceed or fall short of that target. Cost objectives encourage economical performance; schedule and delivery objectives encourage timely completion or delivery; and quality objectives encourage compliance with required technical, reliability, or service standards.

These areas can be used individually when one outcome is the principal program need, or combined when successful contract performance depends on balancing multiple outcomes. The essential feature is that the selected measure is objective, within the contractor's reasonable ability to influence, and capable of being evaluated from reliable performance data. Federal acquisition guidance similarly recognizes cost incentives and performance incentives, including incentives tied to technical performance, quality, and delivery. See FAR 16.401, General and FAR 16.402-2, Performance incentives.

QUESTION NO: 22

What can be something of value, or it can be promising to do something not required by law or promising to refrain from doing something permitted by law?

A. Irrevocability

B. Acceptance

C. Consideration

D. Conclusiveness

ANSWER: C

Explanation:

Consideration is the required exchange of value that supports a legally enforceable contract. It may consist of money, goods, services, a benefit conferred on one party, or a legal detriment undertaken by the other party. A legal detriment does not mean harm; it means that a party agrees to do something that party was not otherwise legally obligated to do, or agrees to refrain from exercising a lawful right. Thus, a promise to perform an optional act, or a promise not to do an act that the promisor is legally permitted to do, can supply consideration when it is bargained for as part of the parties' exchange.

In contract-management practice, identifying consideration helps establish that an agreement is supported by reciprocal commitments rather than a gratuitous promise. The exchange need not be equal in economic value, provided the parties have agreed to an exchange that the law recognizes as consideration. The Legal Information Institute describes consideration as something of value promised, given, or done that induces a contract, and its discussion includes both performance and forbearance. See Cornell Law School's Legal Information Institute: Consideration and the Legal Information Institute overview of contracts.

QUESTION NO: 23

Poor communication and living in the past are examples of resisting forces to __________.

A. collaboration

B. character

C. vision

D. competence

E. change

ANSWER: E

Explanation:

The correct completion is **change**. In change-management terminology, resisting (or restraining) forces are conditions, attitudes, or organizational behaviors that make it harder to move from a current state to a desired future state. Poor communication is a classic restraining force because people need timely, understandable information about the reason for a change, its expected effects, and their role in implementing it. Without that shared understanding, uncertainty and resistance can persist.

Likewise, living in the past reflects attachment to established practices and reluctance to reconsider assumptions when business needs, risks, technologies, or stakeholder expectations evolve. This orientation can inhibit the adoption of improved processes and prevent an organization from realizing the intended benefits of a change initiative. Contract management leaders must recognize such forces, communicate purpose and impacts clearly, engage affected stakeholders, and help teams transition to new ways of working.

This framing aligns with widely used change-management practice, including the need to prepare and support people through change, as described by Prosci's ADKAR Model. It also supports the leadership focus in NCMA's professional standards, available through the NCMA Contract Management Standard.