CHAPTER 1

1. What is the document most organizations use that describes and conveys the process steps taken to produce a desired result? (pg. 1-2)
   a. Procedure
   b. Business Plan
   c. Property Plan
   d. Compliance document

2. Which of the following terms means “to possess and have use of property of another with delegated responsibilities”? (pg. 1-2)
   a. Responsibility
   b. Ownership
   c. Accountability
   d. Transfer

3. What element is crucial to the entire process of the property control system? (pg. 1-7)
   a. Property tags
   b. Records
   c. Inventory
   d. Custodians

4. When are property records modified? (pg. 1-7)
   a. Before property is purchased
   b. After property has been disposed
   c. Throughout the property life cycle
   d. Only at the end of the inventory cycle

5. What does reutilization reduce? (pg. 1-15)
   a. Overall costs
   b. Tagging requirements
   c. Inventory losses
   d. Redundant purchases
CHAPTER 2

1. When does the Acquisition begin? (pg. 2-2)
   a. Needs have been defined
   b. Funds have been allocated
   c. Completion of the Requisition
   d. Vendor has been identified

2. What is the first step of the approval process when making a purchase? (pg. 2-2)
   a. Identifying who is authorized to sign requisitions
   b. Property Management approval
   c. Obtaining approval to spend budgeted organizational funds
   d. Preparation of the Requisition

3. When a decision has been made to buy new equipment, considerations should be decided, such as: immediate availability, extended service warranties, and __________. (pg. 2-4)
   a. Vendor is approved
   b. Advanced technology
   c. Purchase to be made via Basic Order Agreement
   d. Long lead-time to purchase

4. When a Purchase Order has been completed, Purchasing should provide a copy of the Purchase Order to property management, the originator, accounts payable, and what other department? (pg. 2-6)
   a. Auditing
   b. Quality
   c. Transportation
   d. Receiving

5. What establishes delegation of authority for signature approval thresholds and types of property for those signature levels? (pg. 2-2)
   a. Organization procedure
   b. Business plan
   c. Property plan
   d. Procurement procedures
1. In organizations having online financial systems, documentation is created electronically and is retained in the system's transaction history. It is often used as part of a three-way match of transactions prior to payment: the PO, the receiving documentation, and the ___________. (pg. 3-2)
   a. Invoice
   b. Bill of lading
   c. Freight bill
   d. Discrepancy report

2. A __________________________ provides receiving activity information as well as a way to trace items that are lost or misappropriated during the receiving process or during delivery from the receiving area. (pg. 3-2)
   a. Freight log
   b. Discrepancy report log
   c. Purchase order log
   d. Receiving voucher log

3. What is a disadvantage of centralized receiving? (pg. 3-3)
   a. Simplification of property tagging activities
   b. The ability to implement standardized procedures
   c. Lack of adequate floor space to receive deliveries
   d. Slower turn-around time for deliveries

4. What information is NOT typically recorded in a receiving voucher log? (pg. 3-2)
   a. Description of items received
   b. Date of receipt for each shipment
   c. Purchasing department order date and cost
   d. Carrier name and freight bill number

5. Why is it important that the Receiving department inspect for damage? (pg. 3-5)
   a. Provide information for a potential return of the item to the vendor
   b. Estimate how much time it may take to ship the item back to the vendor
   c. Reduce the cost of the item when reselling it if damage is found
   d. Decide how to scrap it on the receiving dock if damage is found
1. What is one accomplishment by tagging of new, incoming property? (pg. 4-1)
   a. Identifies the acquisition cost in the tag number
   b. Establishes the official record for that item
   c. Ensures that the accounting department can reconcile invoices
   d. Sets the standard for how fast assets can be received

2. Types of property that generally require serialized tags are: (pg. 5-2)
   a. Components and accessories of capital equipment
   b. Property with a unit cost under the Capital Equipment Threshold
   c. Government property sensitive property
   d. Components and accessories of government property

3. Reasons accountable property is tagged because of its sensitivity, requirement for control and what? (pg. 4-2)
   a. Desire by purchasing to control its budget
   b. Size and weight
   c. Dollar value
   d. Model numbers

4. What does the accuracy of bar-code technology depend on? (pg. 4-3)
   a. The accuracy of the data capturing process
   b. The color scheme used to separate labels from one another
   c. The total quantity of asset tags that must be scanned per lot
   d. The type of surface on which the barcode is found

5. Assets acquired by the subcontractor must be tagged in accordance with the ______________ policies and procedures unless otherwise specified in the subcontract award document. (pg. 4-5)
   a. Prime contractor’s
   b. Subcontracts’
   c. Manufacturer’s
   d. Governing agencies’
CHAPTER 5

1. What is the method of inventory and distribution that moves the oldest items in storage to the location where they will be used first (i.e. there is concern that the items may have a limited shelf-life)? (pg. 5-7)
   a. FIFO
   b. ABC
   c. LIFO
   d. MRP

2. Warehouse operations include several integrated functions, including: (pg. 5-2)
   a. Space allocation
   b. Budget approval
   c. Financial recording
   d. Needs assessment

3. What does using proper temperature and humidity controls in a warehouse environment help ensure? (pg. 4-3)
   a. Cannot be pilfered
   b. Will always be available when needed
   c. Can be easily identified
   d. Does not deteriorate when being stored

4. Which of these is NOT a factor that should be considered when deciding on the appropriate layout of a warehouse? (pg. 5-4)
   a. Acquisition method of items
   b. Quantity of materials to be stored
   c. Frequency of receipt and issue
   d. Size and weight of items

5. Just-in-time (JIT) delivery has both advantages and disadvantages. What is one DISADVANTAGE? (page 5-10)
   a. Increases the costs of purchased goods
   b. Increases the delivery times to end-users
   c. Increases the costs of storage
   d. Increases the need for material handling equipment
CHAPTER 6

1. When should property that has been taken offsite for approved use be returned? (page 6-2)
   a. During the physical inventory
   b. Prior to the employee taking vacation
   c. After a two-week period
   d. Prior to the employee’s annual performance review

2. What is the name of the movement document used to track the short-term movement of equipment that may be used by multiple users? (page 6-3)
   a. Equipment log-out form
   b. Hand Receipt
   c. Receiving transaction log
   d. Shipping Order

3. The following characteristics are a factor when selecting a shipping container: Size and weight of item, mode of transportation, manufacturer specifications, and ______________. (page 6-5)
   a. Physical characteristics
   b. Methods of preservation
   c. Manufactured items
   d. Hazardous materials

4. What are the two most important things that must be considered when assets are moved from point to point? (pg. 6-3)
   a. Manners in which they are packed and shipped
   b. Physical protection and location changes in the records
   c. Cubic dimensions and weight of the contents
   d. Time of shipment and distance between the two locations

5. When should the movement of an item be recorded in the property records? (pg. 6-5)
   a. Following the movement of the item
   b. Prior to the movement of the item
   c. Following the annual inventory of the item
   d. Prior to the generation of monthly reports
CHAPTER 7

1. Who is responsible for maintenance and calibration? (pg. 7-6)
   a. Property Management
   b. Maintenance
   c. Anyone who observes, uses, or services an item
   d. Anyone who observes the item in use

2. What types of maintenance should be covered in a Maintenance Plan? (pg. 7-1 & 7-2)
   a. Repair, unscheduled, preventive maintenance, calibration
   b. Maintenance of items in storage
   c. Preventive maintenance and calibration
   d. None of the above

3. When selecting maintenance software, you should allow for what type of records? (pg. 7-2)
   a. Storage and Warehousing
   b. Accounts Payable
   c. Single Service Requirements
   d. Multiple Service Requirements

4. What results in cost savings, preventing downtime and reduced production? (pg. 7-2)
   a. Monthly review of assets
   b. Asset recall schedule
   c. Maintenance plan
   d. Set of operating procedures

5. What best describes a Maintenance Plan? (pg. 7-2)
   a. Items requiring regularly-scheduled inspection and service should be scheduled for recall via a systematic process
   b. Items requiring maintenance on an as-needed basis
   c. Items requiring service; however, do not require a systematic process for recall
   d. Items requiring repair or calibration
CHAPTER 8

1. What is the role of the physical inventory? (pg. 8-1)
   a. To ensure all assets in storage are adequately protected and stored in
      accordance with manufacturer specifications
   b. To ensure assets recorded in the property system physically exist
   c. To ensure materials in storage have not exceeded their established shelf-life
   d. To ensure that assets and materials are received and warehoused in accordance
      with written policies and procedures

2. Which equipment is more prone to loss other than theft? (pg. 8-3)
   a. Computers
   b. Roving Equipment
   c. Supplies
   d. Fixed Equipment

3. What is the factor that largely determines the frequency of a physical inventory? (pg. 8-3)
   a. Storage requirements
   b. Type of property
   c. Size of property
   d. Cost of property

4. Periodic inventories are based on what factors if not mandated by specific contract
   language? (pg. 8-3)
   a. Storage location and value of the property
   b. Type, location, and value of the property
   c. Frequency and type of the property
   d. Frequency and type based upon DoD directives

5. Which type of physical inventory would one use if a 100% inventory is not cost effective
   or used for low cost consumable items? (pg. 8-4)
   a. ABC Inventory
   b. Statistical Sampling
   c. Wall to Wall
   d. Contract termination inventory
CHAPTER 9

1. The Property Manager must establish support and maintain the utilization program by actively participating in the management processes that establish and adjust requirements on which the business is based. Some of these processes are: (pg. 9-3)
   a. Conducting an Inventory
   b. Moving materials
   c. Managing current leases and proposing new leases
   d. Procuring supplies

2. Using assets provided by another entity for the unauthorized purpose could result in which of the following: (pg. 9-4)
   a. Inflate inventory costs
   b. Have detrimental and negative impact on the Property Control System
   c. Create a liability for the organization
   d. Create additional audits

3. Which is considered a benefit of property reutilization program? (pg. 9-5)
   a. Transfer available excess property among departments in lieu of new purchases
   b. Provide management with inaccurate accounting of idle equipment
   c. Provide inventory reporting on time
   d. Make sure audits are completed on time

4. To have a reutilization program that works effectively, the property system must: (pg. 9-5)
   a. Be able process the correct accounting fund reconciliation
   b. Identify excess assets and obsolete items
   c. Do wall to wall audits
   d. Procure additional assets and place into service

5. The primary objectives of an effective utilization management program are: (pg. 9-6)
   a. To complete inventory audits on schedule
   b. To procure assets on the completed time frame
   c. To ensure compliance of calibration
   d. To maximize the use of the asset throughout its useful life
CHAPTER 10

1. For future use, items recovered from repair work, rework, testing, or cannibalization are:
   (pg. 10-2)
   a. Return to stores
   b. Demand charges
   c. System control
   d. Cost over runs in the program which they are provided

2. What can be prevented with a property consumption program? (pg. 10-2)
   a. Overstaffing
   b. Loss or theft of inventory
   c. Excessive overtime
   d. Duplicate purchases

3. A solid consumption program is based on which following item? (pg. 10-2)
   a. Identifying requirements
   b. An established quality control program
   c. The property control system
   d. Excess property hazard requirements

4. Demand changes can affect which of the following? (pg. 10-3)
   a. Receipt of different items
   b. The inventory cycle
   c. System audit
   d. A report of accurate system accounting

5. A solid consumption program is based on which of the following items? (pg. 10-5)
   a. An established quality control program
   b. The inventory cycle
   c. Reviewing and adjusting requirements as needs change
   d. Cost over runs
CHAPTER 11

1. When property is damaged or is no longer usable it may still have material value. What is one way to disposition an item with material value only to receive revenues and avoid the cost of waste management?
   a. Exchange sale
   b. Recycling
   c. Negotiated sale
   d. Trade-in

2. Which organization should partner with Property Management to ensure available excess property is effectively reviewed and screened for re-use before property is acquired?
   a. Accounting
   b. Waste Management
   c. IT
   d. Procurement

3. For security purposes, what department should be responsible for making certain that all sensitive data is removed from computers?
   a. Security Department
   b. Information Technology (IT) Department
   c. Property Management Department
   d. Disposal Department

4. Which type of sale is useful for an organization producing large quantities of the same type materials which can be recycled?
   a. Annual Contract
   b. Negotiated Sale
   c. Internet Auction
   d. Fixed-Price Sale

5. The selling of property to the highest bidder, who may be present or bidding remotely or by proxy is which type of sale?
   a. Annual Contract
   b. Seal-bid Sale
   c. Auction
   d. Fixed-Price Sale
## CPPS Practice Exam

### Answer Key

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