

DILG PRE-QUALIFYING EXAMINATION (PQE) PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. The SIM Card Registration Act is intended to address which issue?**
 - A. Data privacy concerns
 - B. Cyberbullying
 - C. Scamming and identity theft
 - D. Tax evasion

- 2. Which of the following mechanisms promote accountability in LGU budgeting?**
 - A. COA audits and public posting of budgets only.
 - B. Oversight by sanggunian and procurement rules only.
 - C. Transparency measures alone.
 - D. COA audits, public posting of budgets, oversight by sanggunian, procurement rules, and transparency measures.

- 3. What is the basic local budget cycle?**
 - A. Budget preparation, submission, review/approval, execution, and accounting/auditing.
 - B. Budget preparation, submission, monitoring, and final reporting.
 - C. Revenue collection, disbursement, reporting.
 - D. Budget planning, preparation, submission, review/approval, execution, and accounting/auditing.

- 4. What term describes the nationwide vote used to ratify the Constitution in 1987?**
 - A. Plebiscite
 - B. Referendum
 - C. Election
 - D. Initiative

- 5. What is the Local Development Council (LDC) function?**
 - A. Advisory body for development planning and coordination; fosters participation.
 - B. Enforces local laws and penalties.
 - C. Manages the LGU's day-to-day operations.
 - D. Oversees the national budget.

6. As of 2025, how many regions does the Philippines have?

- A. False
- B. True
- C. 17 Regions
- D. There are 18 regions

7. IRA allocation under RA 7160 is based on which mechanism?

- A. Based on a statutory formula that allocates shares of the national internal revenue taxes to each LGU, automatically.
- B. Based on population growth alone.
- C. Based on a competitive grant basis.
- D. Based on LGU's own revenue performance.

8. What is the primary function of COA in relation to LGUs?

- A. COA issues guidance on local procurement standards.
- B. COA conducts the social welfare review for LGUs.
- C. COA audits LGU financial statements and operations to ensure accountability.
- D. COA handles local tax collection.

9. Which agency manages the Philippines' participation in United Nations peacekeeping operations?

- A. Department of National Defense (DND)
- B. National Security Council (NSC)
- C. Office of the President (OP)
- D. The National Council for UN Peace Operations (NCUNPO)

10. Distinguish real property tax from local business tax.

- A. Real property tax taxes land, improvements, and real property; local business tax taxes gross receipts from business operations; RPT is property-based, LBT is activity-based.
- B. Real property tax taxes gross receipts; local business tax taxes land and improvements; RPT is activity-based, LBT is property-based.
- C. Real property tax taxes income; local business tax taxes gross receipts.
- D. Real property tax and local business tax are the same type of tax.

Answers

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1. C
2. D
3. D
4. A
5. A
6. B
7. A
8. C
9. D
10. A

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Explanations

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1. The SIM Card Registration Act is intended to address which issue?

- A. Data privacy concerns
- B. Cyberbullying
- C. Scamming and identity theft**
- D. Tax evasion

Pushing for SIM card registration is about tying each mobile line to a verified identity to curb misuse. When a SIM is linked to a real person, it's harder for someone to operate anonymously to commit fraud, scam others, or impersonate someone else. The main goal is to deter and enable traceable accountability for criminal activity carried out through mobile networks, which directly targets scams and identity theft. Data privacy concerns can arise because personal information is collected and stored, but the law's primary aim is crime prevention and enforcement. It's less about cyberbullying or tax evasion, which aren't the central issues this measure is designed to address.

2. Which of the following mechanisms promote accountability in LGU budgeting?

- A. COA audits and public posting of budgets only.
- B. Oversight by sanggunian and procurement rules only.
- C. Transparency measures alone.
- D. COA audits, public posting of budgets, oversight by sanggunian, procurement rules, and transparency measures.**

Accountability in LGU budgeting comes from a robust set of checks and balances that span auditing, transparency, oversight, and procurement. Independent reviews by the Commission on Audit provide crucial financial scrutiny, uncover irregularities, and ensure compliance with laws and rules. Making budgets publicly accessible through posting invites public scrutiny, deters secretive or improper spending, and empowers citizens, media, and civil society to monitor how funds are planned and used. Oversight by the sanggunian—the local legislative body—allows budget review, adjustments, and continued monitoring of expenditures, reinforcing responsible use of public money. Procurement rules establish fair, open processes for purchasing goods and services, reducing opportunities for waste, favoritism, and corruption. Transparency measures, including ongoing reporting and accessible performance information, keep information flowing and strengthen trust between the government and the community. Together, these mechanisms create a comprehensive framework where information is available, roles are clearly defined, and there are multiple points of verification and accountability. Relying on all of them—the audits, public posting, legislative oversight, procurement rules, and transparency practices—provides the strongest protection against mismanagement and promotes responsible budgeting.

3. What is the basic local budget cycle?

- A. Budget preparation, submission, review/approval, execution, and accounting/auditing.
- B. Budget preparation, submission, monitoring, and final reporting.
- C. Revenue collection, disbursement, reporting.
- D. Budget planning, preparation, submission, review/approval, execution, and accounting/auditing.**

A basic local budget cycle begins with planning to set development goals and fiscal priorities based on the local development plan. From there, the budget is prepared, outlining expected revenues and proposed expenditures. The prepared budget is then submitted for review and approval by the local legislative body. After approval, the budget is executed, allocating funds to programs and disbursing resources as approved. Finally, accounting and auditing track all financial activity to ensure accuracy and accountability, supporting transparent reporting. This sequence is the most complete among the options because it includes planning as the starting point, followed by preparation, submission, review/approval, execution, and accounting/auditing. The other choices omit either planning, accounting/auditing, or essential sequencing, making them incomplete representations of the basic local budget cycle.

4. What term describes the nationwide vote used to ratify the Constitution in 1987?

- A. Plebiscite**
- B. Referendum
- C. Election
- D. Initiative

A plebiscite is a nationwide vote by all eligible voters to approve or reject a fundamental public change, such as the adoption of a new constitution. In 1987, Filipinos used a national plebiscite to ratify the new Constitution, giving it the legitimacy of broad, direct approval from the entire electorate. This term specifically fits constitutional ratification, rather than electing representatives, proposing laws, or voting on specific laws or policies. An election is about choosing leaders, an initiative is citizens proposing a law, and a referendum is a vote on a measure proposed by the government, typically a law or policy, not on a new constitutional framework.

5. What is the Local Development Council (LDC) function?

- A. Advisory body for development planning and coordination; fosters participation.**
- B. Enforces local laws and penalties.
- C. Manages the LGU's day-to-day operations.
- D. Oversees the national budget.

The Local Development Council is an advisory and coordinating body for local development planning and coordination, and it actively fosters broad participation from civil society, people's organizations, and other stakeholders in shaping local plans and programs. Its main job is to guide and harmonize development efforts at the local level, ensuring that planning reflects community needs and aligns with broader national objectives, while providing a forum for input, review, and monitoring. This isn't about enforcing laws, running daily operations, or overseeing the national budget, which are handled by other institutions and bodies.

6. As of 2025, how many regions does the Philippines have?

- A. False
- B. True**
- C. 17 Regions
- D. There are 18 regions

Regions are the top-level administrative divisions used for governance in the Philippines. As of 2025, there are 17 regions in the country. This total includes the Cordillera Administrative Region and the Bangsamoro Autonomous Region in Muslim Mindanao, which were established within the broader regional framework, along with the other regions. Since no new regions have been created since then, the count stays at 17. So the correct notion is that there are 17 regions. The True/False option doesn't directly address the numeric count.

7. IRA allocation under RA 7160 is based on which mechanism?

- A. Based on a statutory formula that allocates shares of the national internal revenue taxes to each LGU, automatically.**
- B. Based on population growth alone.
- C. Based on a competitive grant basis.
- D. Based on LGU's own revenue performance.

Internal Revenue Allotment (IRA) is allocated automatically to local government units through a statutory formula that distributes a share of national internal revenue taxes. This means funds come from the national treasury and are assigned to provinces, cities, municipalities (and the barangays through their LGUs) according to a law-defined formula, not by local revenue performance, population growth alone, or through competitive grants. The formula is designed to provide predictable, equitable funding to support local governance and development, reflecting the decentralization intent of RA 7160.

8. What is the primary function of COA in relation to LGUs?

- A. COA issues guidance on local procurement standards.
- B. COA conducts the social welfare review for LGUs.
- C. COA audits LGU financial statements and operations to ensure accountability.**
- D. COA handles local tax collection.

COA's primary role with LGUs is to audit their financial statements and operations to ensure accountability for public funds. This means conducting thorough examinations of LGU revenues, expenditures, assets, and liabilities, and assessing whether transactions are properly recorded, affordable, and in line with the approved budget and applicable laws. Beyond just numbers, COA evaluates the effectiveness of internal controls and the efficiency, economy, and propriety of local government spending. Through these audits, COA detects irregularities, ensures accurate financial reporting, and provides recommendations to strengthen governance and prevent misuse of funds. While COA may issue findings and guidance, it does not act as a tax collector, nor is its primary job to review social welfare programs or set local procurement standards; its core function centers on auditing and accountability.

9. Which agency manages the Philippines' participation in United Nations peacekeeping operations?

- A. Department of National Defense (DND)
- B. National Security Council (NSC)
- C. Office of the President (OP)

D. The National Council for UN Peace Operations (NCUNPO)

Coordinating international peacekeeping involves a dedicated interagency body that aligns military participation with national policy and international commitments. In this framework, the National Council for UN Peace Operations serves as the central body responsible for overseeing the Philippines' involvement in United Nations peacekeeping missions. It would set policy, authorize deployments, and ensure coordination among relevant agencies, balancing defense needs with foreign affairs considerations while ensuring compliance with national laws and UN mandates. This makes it the best fit because its role is specifically to manage and synchronize peace operations, rather than a single department focused only on military readiness, a broad security policy council, or an executive office without a standing peace operations coordination mandate. The other entities oversee broader defense, security policy, or executive leadership, but do not specialize in directing and integrating the country's UN peacekeeping participation.

10. Distinguish real property tax from local business tax.

- A. Real property tax taxes land, improvements, and real property; local business tax taxes gross receipts from business operations; RPT is property-based, LBT is activity-based.**
- B. Real property tax taxes gross receipts; local business tax taxes land and improvements; RPT is activity-based, LBT is property-based.
- C. Real property tax taxes income; local business tax taxes gross receipts.
- D. Real property tax and local business tax are the same type of tax.

The main idea is the basis of the tax: property value versus business activity. Real property tax is charged on ownership of land and improvements, calculated from the property's assessed value. Local business tax is charged on the gross receipts from business operations, i.e., it's based on the activity of doing business. So real property tax is property-based, while local business tax is activity-based. This matches the given statement: real property tax taxes land, improvements, and real property; local business tax taxes gross receipts from business operations; RPT is property-based, LBT is activity-based. The other options mix up what is taxed (gross receipts vs land/improvements) or claim they are the same type of tax, which isn't correct.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://dilgpqe.examzify.com>

We wish you the very best on your exam journey. You've got this!

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