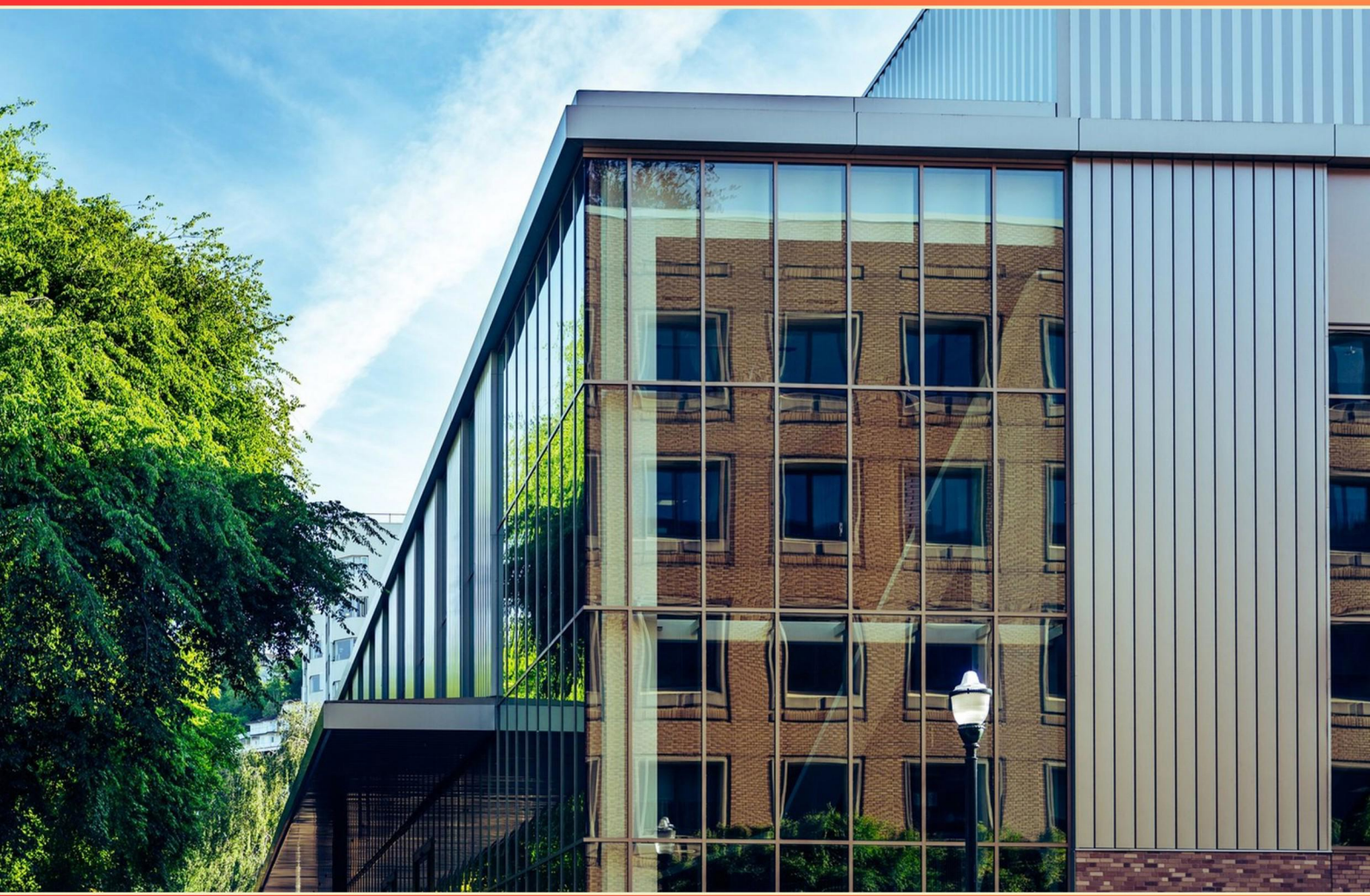
SUPERNOVA REGULATORY FRAMEWORK FOR BUSINESS TRANSACTIONS (RFBT) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

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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.

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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!

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Questions

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1. **The non-holding of elections under the Revised Corporation Code must be reported to the Commission within how many days from the date of the scheduled election?**

   A. 20 days

   B. 30 days

   C. 10 days

   D. 25 days

2. **In the chain of a negotiable instrument, who may be liable to the holder in due course in the described scenario?**

   A. X only

   B. M only

   C. A only

   D. M, X, and A

3. **Who is generally entitled to the excess of proceeds from the sale at public auction of pledged property after applying to the secured loan, in the absence of an agreement to the contrary?**

   A. Always pledgee

   B. Always pledgor

   C. Generally pledgee unless granted to the pledgor

   D. Generally pledgor unless granted to the pledgee

4. **Which of the following will not cause the automatic dissolution of a general partnership?**

   A. Death of a partner

   B. Insolvency of a partner

   C. When the partnership business becomes unlawful

   D. Insanity of a partner

5. **Which of the following is NOT a qualification of a corporate president?**

   A. He must be a resident citizen of the Philippines

   B. He must be a director of the corporation

   C. He must a stockholder of the corporation

   D. He must neither be a secretary nor a treasurer of the same corporation

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6. Which statement about Laboratory Cooperatives is true?

A. They have separate juridical personalities.

B. They do not have separate juridical personalities and must be affiliated with Guardian Cooperatives.

C. They are registered with the National Electrification Administration.

D. They require certificate of public convenience to operate.

7. In a promissory note scenario similar to the earlier example, which statements about liability after notices of dishonor are true?

A. I, II & III

B. II, III & IV

C. I, III & IV

D. I, II & IV

8. They are the persons who acting alone or with another take initiative in founding and organising the business or enterprise of the issuer and receive consideration therefor.

A. Promoters

B. Corporators

C. Directors

D. Stockholders

9. This test mandates that the entirety of the marks in question must be considered in determining confusing similarity.

A. Dominancy test

B. Holistic test

C. Idem Sonans test

D. None

10. In the Jutang Credit Cooperative data, what is the operating expenses?

A. 900,000

B. 50,000

C. 3,000

D. 683,000

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Answers

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

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Explanations

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1. The non-holding of elections under the Revised Corporation Code must be reported to the Commission within how many days from the date of the scheduled election?

A. 20 days

B. 30 days

C. 10 days

D. 25 days

Prompt reporting of a scheduled election not being held is about keeping the regulator informed of governance status. The Revised Corporation Code requires filing a report with the Commission within a fixed period after the date the election was scheduled. This deadline ensures timely disclosure, updates corporate records promptly, and helps protect shareholders by confirming that governance rules are observed even when an election doesn't take place. The clock starts on the date the election was scheduled, so even if the meeting isn't held, regulators have a predictable window to receive the report. Other options don't fit because they wouldn't align with this fixed, timely reporting framework; a longer or shorter window would risk delays in oversight.

2. In the chain of a negotiable instrument, who may be liable to the holder in due course in the described scenario?

A. X only

B. M only

C. A only

D. M, X, and A

In a negotiable instrument, liability attaches to every person who signs or endorses the instrument. The holder in due course can demand payment from any signer in the chain, because each signature creates an obligation to pay the amount due. If X, M, and A each signed or endorsed the instrument in the described sequence, all of them may be responsible to the holder. The instrument's flow of value passes through each signing party, so the holder can pursue payment from any of them if the instrument is not paid.

3. Who is generally entitled to the excess of proceeds from the sale at public auction of pledged property after applying to the secured loan, in the absence of an agreement to the contrary?

A. Always pledgee

B. Always pledgor

C. Generally pledgee unless granted to the pledgor

D. Generally pledgor unless granted to the pledgee

When a pledged asset is sold at a public auction to satisfy the secured loan, the proceeds are used first to cover the debt (principal plus interest) and the costs of the sale. Any money that's left over after those obligations are paid is the excess. The default rule is that this excess goes to the pledgee, unless the security agreement says otherwise. The rationale is that the pledgee's security interest is the reason the sale occurs in the first place, so the remaining funds, beyond what's needed to fully satisfy the debt, are treated as the pledgee's remedy for enforcing the security. If the parties want the pledgor to receive the surplus, they must include that arrangement in the agreement.

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4. Which of the following will not cause the automatic dissolution of a general partnership?

A. Death of a partner

B. Insolvency of a partner

C. When the partnership business becomes unlawful

D. Insanity of a partner

In a general partnership, automatic dissolution happens when events strike at the partnership's ability to continue operating, such as the death of a partner, the insolvency of a partner, or the business becoming unlawful. These situations directly affect who can contribute to and manage the partnership, so dissolution by operation of law or by the terms of the agreement is typically triggered. Insanity of a partner, while serious, does not automatically dissolve the partnership. The remaining partners can often carry on the business, and the insane partner's interest can be managed by a guardian or bought out, depending on the partnership agreement and applicable law. Only if the agreement specifically provides for dissolution upon incapacity or a court orders dissolution would that event cause automatic termination. Therefore, insanity of a partner is not an automatic dissolution event.

5. Which of the following is NOT a qualification of a corporate president?

A. He must be a resident citizen of the Philippines

B. He must be a director of the corporation

C. He must a stockholder of the corporation

D. He must neither be a secretary nor a treasurer of the same corporation

The question tests who is eligible to hold the office of corporate president under standard corporate governance rules. A corporate president is typically elected by the board from among the directors, and the role is usually tied to being a director and aligning with stock ownership and governance practices (such as not simultaneously holding the secretary or treasurer roles to keep duties separate). Importantly, there is no requirement that the president must be a resident citizen of the Philippines. That residency condition is not stated as a qualification for the position, so it is the statement that does not fit with the other qualifications.

6. Which statement about Laboratory Cooperatives is true?

A. They have separate juridical personalities.

B. They do not have separate juridical personalities and must be affiliated with Guardian Cooperatives.

C. They are registered with the National Electrification Administration.

D. They require certificate of public convenience to operate.

Laboratory Cooperatives operate as units within a Guardian Cooperative rather than as independent legal entities. They do not have their own separate juridical personality; instead, all legal acts and liabilities flow through the Guardian. Because they rely on the Guardian for their legal status, they must be affiliated with a Guardian Cooperative to ensure proper governance and regulatory oversight. Consequently, they are not independently registered with the National Electrification Administration, and they don't require a separate certificate of public convenience to operate. This is why the true statement is that they do not have separate juridical personalities and must be affiliated with Guardian Cooperatives.

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7. In a promissory note scenario similar to the earlier example, which statements about liability after notices of dishonor are true?

A. I, II & III

B. II, III & IV

C. I, III & IV

D. I, II & IV

The important idea is how liability shifts after a promissory note is dishonored and the holder gives proper notice. The maker carries primary liability from the start, but once the note is dishonored and notice of dishonor is properly given, those who have endorsed the note become secondarily liable to the holder. The holder can pursue any endorser who has been properly notified for payment, and all endorsers who signed and were notified share in the liability. Liability to endorsers isn't triggered unless notice has been given; without that notice, endorsers aren't held responsible. So the statements that reflect endorsers' secondary liability after proper notice, while the maker remains primarily liable and notice is required, are the true ones. The statement suggesting liability arises without notice is not correct. That alignment explains why this option is the correct choice.

8. They are the persons who acting alone or with another take initiative in founding and organising the business or enterprise of the issuer and receive consideration therefor.

A. Promoters

B. Corporators

C. Directors

D. Stockholders

Promoters are the initiators who take the lead to found and organize the issuer's business, acting alone or with others, and they typically receive compensation for those efforts. They identify the business idea, arrange financing, negotiate contracts, and take the necessary steps to bring the enterprise into existence, often before the company is legally formed. Because they operate pre-formation, promoters may be compensated through commissions or by receiving shares in the new entity as consideration for their services. Their role is distinct from those who will later manage or own the company; once the corporation is formed, its acts can ratify or adopt the promoters' pre-incorporation activities, though promoters may remain liable to third parties for those early contracts unless novation or careful legal arrangements occur. This makes promoters the best fit for the description, as it emphasizes initiating and organizing the business and receiving compensation for that work. Corporators are the individuals who file to create the company and become its initial members, directors are the managers, and stockholders are the owners.

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9. This test mandates that the entirety of the marks in question must be considered in determining confusing similarity.

A. Dominancy test

B. Holistic test

C. Idem Sonans test

D. None

In determining confusing similarity, you should look at the marks as a whole. The holistic approach assesses the overall impression a consumer gets from both marks, taking into account visual, phonetic, and conceptual elements together, as they would be perceived in commerce. This aligns with the idea that the entirety of each mark must be considered to judge confusion properly. The other options rely on narrower angles: the dominancy test focuses on the dominant element of a mark, potentially ignoring other similarities; the Idem Sonans test is about phonetic similarity of sounds rather than the full mark; thus they don't capture the full, overall impression.

10. In the Jutang Credit Cooperative data, what is the operating expenses?

A. 900,000

B. 50,000

C. 3,000

D. 683,000

Operating expenses are the costs of running the cooperative's day-to-day operations, including wages, rent, utilities, depreciation, office supplies, and other admin costs. They reflect what it costs to keep the operation going during the period, excluding interest on borrowings and taxes. In the Jutang Credit Cooperative data, the value shown for this line item is 683,000, which is why that amount is the operating expenses. The other numbers correspond to different financial figures and do not represent operating expenses.

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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://supernovarfbt.examzify.com

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

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