

AFIP BASIC CERTIFICATION PRACTICE EXAM (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://afipbasic.examzify.com>



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

SAMPLE

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

SAMPLE

- 1. Under which circumstance must a dealership send an adverse action notice?**
 - A. When the customer does not apply for credit.
 - B. When the customer's credit application is denied.
 - C. When the customer is approved for a lower loan amount.
 - D. When the dealership receives positive feedback from the lender.
- 2. What is the purpose of the TILA box statement regarding Contract Provisions?**
 - A. To alert customers to important information
 - B. To provide legal disclaimers
 - C. To enforce payment deadlines
 - D. To limit liability
- 3. Which types of invoices are recognized by AFIP?**
 - A. A, B, C, and M invoices
 - B. A, B, C, and D invoices
 - C. Only A and B invoices
 - D. All invoices regardless of type
- 4. How does AFIP differentiate between different income sources?**
 - A. By categorizing income into various classifications
 - B. Based on the amount of tax paid
 - C. By location of income generation
 - D. According to the type of business
- 5. Which statement is true regarding FTC and UDAP?**
 - A. They both handle trade regulation
 - B. The FTC does not issue UDAP violations
 - C. Both focus solely on deceptive practices
 - D. The FTC and CPFB manage different types of violations

- 6. What is the typical outcome if disclosures are not provided before the consumer signs a lease?**
- A. The lease may be unenforceable
 - B. The consumer can cancel at any time
 - C. The lessee must renegotiate terms
 - D. There are no consequences
- 7. Is it allowable for dealers to alter financing terms to hide the real cost of a vehicle?**
- A. Yes, that is acceptable practice.
 - B. No, it is considered deceptive and illegal.
 - C. Only if approved in writing by the customer.
 - D. Yes, but only under specific conditions.
- 8. According to Regulation M, what must be disclosed regarding early termination information?**
- A. No disclosure is necessary.
 - B. It must be disclosed to the customer.
 - C. Only upon request by the customer.
 - D. It should be included in the contract but not verbalized.
- 9. In which situation would a dealership NOT need to send an adverse action notice?**
- A. When a customer's credit application is accepted.
 - B. When the application is rejected based on internal policy.
 - C. When the application is rejected due to missing information.
 - D. When the customer denies giving permission for a credit check.
- 10. In which situation must dealers provide Adverse Action Notices?**
- A. A. When a credit application is not submitted for approval
 - B. B. When credit is approved
 - C. C. When the consumer requests more information
 - D. D. When all applications are approved

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. Under which circumstance must a dealership send an adverse action notice?

- A. When the customer does not apply for credit.
- B. When the customer's credit application is denied.**
- C. When the customer is approved for a lower loan amount.
- D. When the dealership receives positive feedback from the lender.

A dealership is required to send an adverse action notice when a customer's credit application is denied. This requirement is part of the Fair Credit Reporting Act (FCRA) and the Equal Credit Opportunity Act (ECOA), which mandate that consumers must be informed when a credit application does not result in approval. The notice must detail the reasons for the adverse action and informs the applicant of their rights. When a credit application is denied, the dealership has a legal obligation to provide this notice to ensure transparency in the credit decision-making process. This not only promotes fair lending practices but also allows consumers to understand the factors that contributed to the denial, which can help them in future applications. In contrast, situations where a customer does not apply for credit, is approved for a lower loan amount, or when the dealership receives positive feedback from the lender do not trigger the requirement for an adverse action notice. They do not involve an adverse decision regarding credit that would necessitate informing the consumer under the applicable laws.

2. What is the purpose of the TILA box statement regarding Contract Provisions?

- A. To alert customers to important information**
- B. To provide legal disclaimers
- C. To enforce payment deadlines
- D. To limit liability

The purpose of the TILA box statement, specifically regarding Contract Provisions, is to alert customers to important information regarding the terms and conditions of their financial agreements. This statement is designed to ensure that borrowers understand key aspects of their contracts, such as interest rates, fees, and the total cost of credit. By presenting this information in a standardized format, the TILA box enhances transparency and helps consumers make informed decisions. It plays a vital role in promoting responsible lending practices and consumer awareness, ensuring that individuals are fully aware of their obligations and rights under the contract. This clarification is crucial because it helps mitigate misunderstandings and potential disputes between lenders and borrowers. While there may be elements within the contract that involve legal disclaimers, payment deadlines, or liability limitations, the primary focus of the TILA box statement is to convey critical details that empower customers in their financial dealings.

3. Which types of invoices are recognized by AFIP?

A. A, B, C, and M invoices

B. A, B, C, and D invoices

C. Only A and B invoices

D. All invoices regardless of type

The recognition of invoices by AFIP (Administración Federal de Ingresos Públicos) is centered around the types of invoices that serve various functions in transactions and tax documentation in Argentina. Options A and B mention different sets of invoices, but option A is correct because it includes the specific invoice categories that are essential for businesses to comply with tax regulations. Invoices of type A are used for transactions between registered VAT taxpayers, enabling them to deduct VAT. Type B is for transactions involving non-registered small taxpayers. Type C is typically used for consumer sales and allows for more straightforward transactions, particularly for individual consumers. While type M invoices are less commonly referenced, they play a role in certain transactions as well. This comprehensive inclusion of A, B, and C invoices establishes the essential framework within which most businesses operate when dealing with AFIP requirements, covering both obligations and entitlements. In contrast, other options suggest limited recognition either through excluding important invoice types or suggesting all invoices are recognized without regard to their specific tax implications and usage. Understanding which types of invoices fulfill these important roles reinforces the correct choice.

4. How does AFIP differentiate between different income sources?

A. By categorizing income into various classifications

B. Based on the amount of tax paid

C. By location of income generation

D. According to the type of business

AFIP differentiates between different income sources primarily by categorizing income into various classifications. This process allows AFIP to effectively assess tax obligations and apply relevant tax regulations. Such classifications can include wages, dividends, rents, and business income, among others. This systematic categorization is crucial because it helps in establishing tax rates, exemptions, and deductions that may apply to each type of income. By organizing income into clearly defined categories, AFIP can also ensure compliance with specific reporting requirements and identify any applicable tax incentives or obligations tied to those different income types. The established framework for income classification ultimately supports fair tax administration and enforcement, ensuring that all income is accurately reported and appropriately taxed based on its nature.

5. Which statement is true regarding FTC and UDAP?

- A. They both handle trade regulation
- B. The FTC does not issue UDAP violations
- C. Both focus solely on deceptive practices
- D. The FTC and CPFB manage different types of violations**

The statement that the FTC and CPFB manage different types of violations is accurate because the Federal Trade Commission (FTC) primarily addresses issues related to unfair or deceptive acts or practices in the marketplace, while the Consumer Financial Protection Bureau (CFPB) specifically regulates consumer financial products and services, ensuring compliance with federal consumer financial laws. This distinction highlights the unique roles each agency plays in protecting consumers. By having separate areas of focus, the FTC can address broader trade regulation issues across various sectors, while the CFPB concentrates on the financial sector, which includes regulations around lending, mortgages, credit cards, and other financial services. This division allows for more specialized enforcement and consumer protection efforts relevant to their respective domains. In contrast, statements about handling trade regulation or focusing only on deceptive practices do not capture the nuanced and distinct regulatory scopes of these agencies. The FTC's mandate includes a wider range of practices beyond mere deception, and the CFPB has a specific focus that differs significantly from the overall trade practices the FTC oversees.

6. What is the typical outcome if disclosures are not provided before the consumer signs a lease?

- A. The lease may be unenforceable**
- B. The consumer can cancel at any time
- C. The lessee must renegotiate terms
- D. There are no consequences

If disclosures are not provided before the consumer signs a lease, the typical outcome is that the lease may be unenforceable. This is grounded in consumer protection laws that require clear and transparent information about the terms and conditions of the lease. These disclosures are designed to inform consumers of their rights and the obligations they are entering into. If the necessary disclosures are omitted, it can undermine the validity of the agreement, leading to the potential for the lease to be deemed unenforceable by a court. This helps to protect consumers from unfair or deceptive practices and ensures that they have all the necessary information to make an informed decision before committing to a lease.

7. Is it allowable for dealers to alter financing terms to hide the real cost of a vehicle?

- A. Yes, that is acceptable practice.
- B. No, it is considered deceptive and illegal.**
- C. Only if approved in writing by the customer.
- D. Yes, but only under specific conditions.

The appropriate understanding of this question involves the ethical and legal standards surrounding vehicle financing practices. It is essential for dealers to be transparent about the costs associated with a vehicle purchase, including financing terms. Altering these terms with the intention of concealing the true cost is considered deceptive and can mislead customers regarding their financial obligations. Consumer protection laws are in place to ensure that all transactions are conducted fairly and transparently, safeguarding buyers from unfair practices. If a dealer deliberately alters financing terms to obscure costs, this behavior falls under deceptive practices, which are prohibited by law. This ensures that consumers have a clear and accurate understanding of their financial commitments, enabling them to make informed decisions. The other options suggest varying degrees of acceptability regarding altering financing terms, which do not align with the principles of consumer rights and ethical business practices. Therefore, the assertion that such alteration is illegal underscores the commitment to fair trade practices and the protection of consumer interests.

8. According to Regulation M, what must be disclosed regarding early termination information?

- A. No disclosure is necessary.
- B. It must be disclosed to the customer.**
- C. Only upon request by the customer.
- D. It should be included in the contract but not verbalized.

The correct answer emphasizes the importance of transparency in financial transactions, particularly concerning early termination of agreements. Regulation M mandates that customers must be provided with clear and accessible information regarding early termination terms. This requirement is crucial as it empowers customers to make informed decisions about their commitments and potential financial implications of terminating a contract early. By ensuring that customers are fully aware of the conditions related to early termination, the regulation aims to protect their interests and promote fair practices in the marketplace. This also supports consumer rights by enabling individuals to understand their obligations and any potential penalties they might incur if they choose to end their relationship with a service or provider before the contract's end date. The options that suggest no disclosure or conditional disclosure fail to uphold these standards, as they could lead to customer confusion or unexpected financial consequences. Hence, the requirement for disclosure to the customer remains a fundamental aspect of maintaining transparency and fairness in financial dealings and aligns with best practices in consumer protection.

9. In which situation would a dealership NOT need to send an adverse action notice?

- A. When a customer's credit application is accepted.**
- B. When the application is rejected based on internal policy.
- C. When the application is rejected due to missing information.
- D. When the customer denies giving permission for a credit check.

A dealership would not need to send an adverse action notice when a customer's credit application is accepted because this situation does not warrant the notification process associated with adverse actions. Adverse action notices are typically required when a consumer's application for credit is either denied or results in terms that are less favorable than what the consumer was seeking. In the case of an accepted application, the dealership is moving forward with the credit request, which does not imply any negative outcome or unfavorable decision that would require informing the customer. An adverse action occurs when there is a negative impact on the customer's credit request, such as denial or unfavorable terms, so acceptance is a clear indicator that no adverse action has taken place.

10. In which situation must dealers provide Adverse Action Notices?

- A. A. When a credit application is not submitted for approval**
- B. B. When credit is approved
- C. C. When the consumer requests more information
- D. D. When all applications are approved

Adverse Action Notices are required in situations where a credit application results in a negative outcome for the consumer, such as when credit is denied or when terms that are less favorable than requested are offered. This requirement is in place to inform the consumer of adverse actions taken against them regarding their credit application. In the scenario where a credit application is not submitted for approval, if a dealer does not process a credit application for any reason, the consumer may be negatively impacted by not having access to the credit they were seeking. It is important for the dealer to inform the consumer of this action, as it helps maintain transparency and allows the consumer to understand their rights and options moving forward. The other situations, such as approving a credit application or requesting more information, do not align with the circumstances that necessitate an Adverse Action Notice, as these actions do not reflect a negative decision regarding creditworthiness. Thus, the correct context for requiring Adverse Action Notices hinges on informing consumers of decisions that adversely affect their credit applications.

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://afipbasic.examzify.com>

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

SAMPLE