

SAFM Level 1 Certification Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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. How is gross profit calculated?**
 - A. Revenue minus operating expenses**
 - B. Revenue minus taxes**
 - C. Revenue minus the cost of goods sold (COGS)**
 - D. Revenue minus interest expenses**

- 2. What does a high market capitalization typically indicate about a company?**
 - A. High debt levels**
 - B. Low investor confidence**
 - C. It is generally seen as a mature company with substantial market share**
 - D. Rapid growth potential**

- 3. What do stocks represent in a company?**
 - A. Ownership in the company**
 - B. A debt obligation to lenders**
 - C. A type of liability on the balance sheet**
 - D. A loan given to the company**

- 4. Which digestive enzyme is mainly produced by the brush border of the intestines?**
 - A. Salivary amylase**
 - B. Pepsin**
 - C. Trypsin**
 - D. Amylase**

- 5. What is one of the key risks associated with overhead costs?**
 - A. They can significantly impact the profitability of an organization**
 - B. They must be reported quarterly to government agencies**
 - C. They can be accurately forecasted with historical data**
 - D. They provide no value to financial analysis**

- 6. Which document is essential for understanding a company's cash position at a specific point in time?**
- A. Profit and Loss Statement**
 - B. Balance Sheet**
 - C. Cash Flow Statement**
 - D. Expense Report**
- 7. What is the main objective of conducting a financial analysis?**
- A. To determine the stock price of a company**
 - B. To evaluate the financial performance and stability of an entity**
 - C. To predict stock market movements**
 - D. To increase the interest rates**
- 8. What is the approximate ratio of microbial genetic material to human genetic material?**
- A. 10:1**
 - B. 100:1**
 - C. 200:1**
 - D. 300:1**
- 9. What is one of the common root causes for frequently feeling cold?**
- A. Anemia**
 - B. Excessive cortisol**
 - C. Insufficient body fat**
 - D. Estrogen dominance**
- 10. Which substance is essential for detoxifying heavy metals from the body?**
- A. Vitamin E**
 - B. Glutathione**
 - C. Zinc**
 - D. Alpha-lipoic acid**

Answers

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

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Explanations

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1. How is gross profit calculated?

- A. Revenue minus operating expenses
- B. Revenue minus taxes
- C. Revenue minus the cost of goods sold (COGS)**
- D. Revenue minus interest expenses

Gross profit is calculated using the formula that deducts the cost of goods sold (COGS) from total revenue. This calculation focuses specifically on the direct costs associated with producing the goods or services that a company sells. By subtracting COGS from revenue, you can assess how efficiently a company is producing its goods and the profitability of its core business operations before considering other expenses such as operating expenses, taxes, or interest. This metric is crucial as it provides insight into the gross profitability of a company, allowing stakeholders to evaluate the effectiveness of production and pricing strategies.

2. What does a high market capitalization typically indicate about a company?

- A. High debt levels
- B. Low investor confidence
- C. It is generally seen as a mature company with substantial market share**
- D. Rapid growth potential

A high market capitalization often indicates that a company is perceived as a mature and stable entity within its industry. Companies with high market cap typically have already established a significant market share and a solid customer base, which contributes to their overall valuation in the market. This maturity usually suggests a degree of reliability and stability that can attract long-term investors seeking lower risk. Investors often consider market capitalization as a reflection of a company's ability to generate consistent revenue and profits over time. As a result, these companies are frequently viewed favorably in terms of their financial health and operational efficiency, distinguishing them from smaller, potentially more volatile companies with lower market caps. While a high market capitalization does not directly correlate with growth potential, it generally implies established business practices and a proven track record in the marketplace.

3. What do stocks represent in a company?

- A. Ownership in the company**
- B. A debt obligation to lenders**
- C. A type of liability on the balance sheet**
- D. A loan given to the company**

Stocks represent ownership in a company, which means that when an individual buys stocks, they acquire a fractional interest in the company itself. This ownership entails certain rights, such as the right to vote on important company matters and the potential to receive dividends, which are portions of the company's profits allocated to shareholders. In contrast, the other options describe financial instruments that do not convey ownership. A debt obligation to lenders refers to borrowings that the company must repay, creating a liability rather than an ownership stake. Liabilities on the balance sheet represent the company's debts and obligations to others, further emphasizing that stocks are not liabilities but rather equity instruments. Finally, a loan given to the company is a means of financing, where the company owes money, contrasting with stocks that signify an investment made by equity holders. Thus, stocks clearly reflect ownership in a corporation.

4. Which digestive enzyme is mainly produced by the brush border of the intestines?

- A. Salivary amylase**
- B. Pepsin**
- C. Trypsin**
- D. Amylase**

The correct answer focuses on the role of the digestive enzymes produced by the brush border of the intestines, which are specialized microvilli lining the intestinal walls. Among these enzymes, one of the key functions is the breakdown of carbohydrates. While salivary amylase begins carbohydrate digestion in the mouth, the main enzymes active in the small intestine—especially those at the brush border—are disaccharidases like maltase, lactase, and sucrase. The other options do not specifically relate to the brush border's activities. Pepsin is primarily produced in the stomach to initiate protein digestion, and trypsin is produced by the pancreas and secreted into the small intestine to assist in protein digestion as well. Amylase, while important for digesting carbohydrates, is often associated with salivary amylase and pancreatic amylase rather than the brush border of the intestines. Therefore, the primary focus of the brush border enzymes is on disaccharides rather than the enzymes listed in the other choices.

5. What is one of the key risks associated with overhead costs?

- A. They can significantly impact the profitability of an organization**
- B. They must be reported quarterly to government agencies**
- C. They can be accurately forecasted with historical data**
- D. They provide no value to financial analysis**

Overhead costs represent the ongoing expenses that are not directly tied to producing a product or service. One of the key risks associated with these costs is their potential to significantly impact an organization's profitability. This is because overhead costs can be substantial and, if not managed effectively, can eat into the margins generated by sales. High overhead costs may lead to reduced profitability, especially if revenues are not sufficiently high to cover these fixed expenditures. Understanding the nature and behavior of overhead costs allows organizations to make informed decisions about pricing, budgeting, and cost control measures, ultimately helping to safeguard their financial health. The ability to monitor these expenses closely and adjust operations or pricing strategies accordingly is crucial for maintaining profitability.

6. Which document is essential for understanding a company's cash position at a specific point in time?

- A. Profit and Loss Statement**
- B. Balance Sheet**
- C. Cash Flow Statement**
- D. Expense Report**

The Balance Sheet is essential for understanding a company's cash position at a specific point in time because it provides a snapshot of the company's assets, liabilities, and equity. Specifically, the Balance Sheet includes the cash and cash equivalents listed under assets, allowing stakeholders to see how much liquid cash is available to the company at that moment. This document is crucial for assessing financial health and liquidity since it summarizes the company's resources and obligations, giving insight into its overall cash position. While the Cash Flow Statement also deals with cash, it reflects the inflows and outflows of cash over a period, rather than presenting a static picture at a particular moment. The Profit and Loss Statement focuses on revenues and expenses, providing insights into profitability but not directly showing cash availability. The Expense Report details specific expenditures, but it does not encompass the entirety of cash assets or liabilities. Thus, the Balance Sheet is the most relevant document for determining a company's cash position at a certain time.

7. What is the main objective of conducting a financial analysis?

A. To determine the stock price of a company

B. To evaluate the financial performance and stability of an entity

C. To predict stock market movements

D. To increase the interest rates

The main objective of conducting a financial analysis is to evaluate the financial performance and stability of an entity. This involves a thorough examination of various financial metrics, statements, and ratios to assess how well a company is managing its resources and generating profits. By analyzing aspects such as revenue, expenses, profitability, liquidity, and solvency, stakeholders can make informed decisions regarding investments, creditworthiness, and overall business health. Understanding the financial stability of an organization is crucial not only for investors but also for management, creditors, and analysts, all of whom rely on such evaluations to strategize effectively. This process provides insights into historical performance, current financial conditions, and future prospects, helping to identify strengths and weaknesses within the company's financial framework. In contrast, determining stock price, predicting stock market movements, and increasing interest rates, while they may involve aspects of financial analysis, do not encapsulate its primary purpose. The core focus remains firmly on the assessment of the entity's financial health rather than market speculation or monetary policy adjustments.

8. What is the approximate ratio of microbial genetic material to human genetic material?

A. 10:1

B. 100:1

C. 200:1

D. 300:1

The relationship between microbial genetic material and human genetic material reflects the vast diversity and abundance of microorganisms that inhabit the human body, particularly in the gut. Research has shown that bacteria and other microbes in the human microbiome contain a significant amount of genetic material, estimated to be around 100 times more than that of the human genome. The ratio of microbial to human genetic material has been suggested to be around 100:1, but some estimates can push this figure even higher due to the complex nature of microbial populations. In certain contexts, numbers as high as 300:1 have been mentioned, especially when considering the extensive variety of non-culturable bacteria and other microbes that can exist in different environments within the body. The choice of 300:1 is aligned with more recent estimates in some literature, which capture the extensive makeup of our microbiota—billions of microorganisms residing in our bodies, each contributing their own unique genetic material. This highlights not only the biological diversity present but also the functional roles these microbes play in human health, digestion, immunity, and metabolism. The significant amount of microbial DNA emphasizes the importance of considering these organisms when studying human genetics and health.

9. What is one of the common root causes for frequently feeling cold?

- A. Anemia**
- B. Excessive cortisol**
- C. Insufficient body fat**
- D. Estrogen dominance**

One of the common root causes for frequently feeling cold is anemia. Anemia occurs when there's a decrease in red blood cells or hemoglobin in the blood, which diminishes the blood's capacity to carry oxygen. Oxygen is crucial for cellular metabolism and energy production, and when the body is not adequately oxygenated, it can lead to feelings of coldness. Individuals with anemia may also display other symptoms such as fatigue, weakness, and pale skin due to insufficient circulating blood volume and oxygen. The body prioritizes blood flow to vital organs, which may result in less blood reaching the extremities, further enhancing the sensation of feeling cold. By understanding the relationship between anemia and temperature regulation, individuals can better appreciate the importance of maintaining healthy iron levels and overall hematological health to help mitigate feelings of coldness.

10. Which substance is essential for detoxifying heavy metals from the body?

- A. Vitamin E**
- B. Glutathione**
- C. Zinc**
- D. Alpha-lipoic acid**

Glutathione plays a crucial role in detoxifying heavy metals from the body. It is a powerful antioxidant that is naturally produced by the body and is essential for numerous metabolic processes. Glutathione binds to heavy metals such as lead, mercury, and cadmium, forming complexes that are more easily excreted through urine and bile. This detoxification process is vital for reducing the toxic burden that these metals can impose on various organs and systems, thereby helping to maintain overall health. While other substances like Vitamin E, Zinc, and Alpha-lipoic acid have their own health benefits and may contribute to antioxidant activity and cellular protection, they do not have the same primary role in heavy metal detoxification as glutathione. Understanding the specific functions and benefits of these compounds can aid in making informed decisions regarding supplementation and nutritional strategies for detoxification and overall wellness.

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://safmlevel1.examzify.com>

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

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