

SAFM LEVEL 1 CERTIFICATION PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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

<https://safmlevel1.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. What do overhead costs represent?

- A. Costs directly linked to the production of goods
- B. One-time expenses for business startups
- C. Ongoing business expenses not directly attributed to creating a product or service
- D. Infrequent costs that pertain to the disposal of assets

2. What is the definition of a derivative in finance?

- A. A financial instrument whose value is independent of underlying assets
- B. A financial instrument whose value is derived from the value of an underlying asset
- C. An investment product guaranteed by government bonds
- D. A type of stock that pays dividends regularly

3. What role does serotonin play in the GI tract?

- A. Increases blood flow
- B. Regulates motility and peristalsis
- C. Produces bile
- D. Stimulates digestion

4. Which vitamin's final usable form is called P5P?

- A. Vitamin B6
- B. Vitamin B12
- C. Vitamin B9
- D. Vitamin B2

5. In accounting, what is "goodwill"?

- A. An asset related to the company's cash reserves
- B. An intangible asset that arises when a buyer acquires an existing business
- C. A liability that represents future obligations
- D. A valuation method for tangible assets only

- 6. What are the first two components of the HPATG hormonal axis?**
- A. Thyroid and Adrenal
 - B. Hypothalamus and Pituitary
 - C. Pituitary and Gonads
 - D. Adrenal and Gonads
- 7. What is emphasized in the examination of financial statements?**
- A. The efficiency of the company's operations
 - B. The profitability and cash flow of the business
 - C. The accuracy of the financial reporting
 - D. The company's financial relationships with suppliers
- 8. What is an income statement used for?**
- A. To show a company's revenues and expenses over a specific period
 - B. To outline the company's long-term strategy
 - C. To display daily cash flows
 - D. To project future financial performance
- 9. What is the role of an investment banker?**
- A. To create financial statements for corporations
 - B. To assist companies in raising capital and providing advisory services for mergers and acquisitions
 - C. To analyze the economic impact of corporate taxation
 - D. To underwrite and sell insurance policies to large corporations
- 10. Among the listed factors, which one is specifically linked to hormone imbalance and hypertension?**
- A. High cortisol levels
 - B. Low blood pressure
 - C. Low potassium intake
 - D. High fiber consumption

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What do overhead costs represent?

- A. Costs directly linked to the production of goods
- B. One-time expenses for business startups
- C. Ongoing business expenses not directly attributed to creating a product or service**
- D. Infrequent costs that pertain to the disposal of assets

Overhead costs represent ongoing business expenses that are not directly attributed to the creation of a product or service. These costs are essential for the operation of a business and include things like rent, utilities, administrative salaries, and office supplies. While they are necessary for maintaining the ongoing functions of the business, they do not tie directly to the production process itself. Understanding that overhead encompasses recurring expenses rather than one-time expenses helps clarify the importance of budgeting and financial planning within a business context. These costs can often be substantial, impacting overall profitability and pricing strategies, as businesses must find ways to cover overhead while remaining competitive. By recognizing and managing overhead costs effectively, businesses can ensure they remain viable and financially healthy.

2. What is the definition of a derivative in finance?

- A. A financial instrument whose value is independent of underlying assets
- B. A financial instrument whose value is derived from the value of an underlying asset**
- C. An investment product guaranteed by government bonds
- D. A type of stock that pays dividends regularly

A derivative in finance is defined as a financial instrument whose value is derived from the value of an underlying asset. This means that the derivative's price fluctuations are closely linked to the performance of another asset, which could be a stock, bond, commodity, currency, or any other financial asset. The key characteristic of derivatives is that they are contingent upon the movements of these underlying assets, allowing for various strategies, including hedging against risks or speculating on price movements. In contrast, the other answers describe financial products that do not capture the essence of derivatives. For example, a financial instrument that is independent of underlying assets lacks the core trait that defines derivatives. Similarly, an investment product guaranteed by government bonds pertains to fixed-income securities, while a type of stock that pays dividends regularly relates to equity without any direct association to the underlying asset's performance in the context of derivatives. Thus, the definition that accurately encompasses derivatives is one that highlights their dependence on the performance of other assets.

3. What role does serotonin play in the GI tract?

- A. Increases blood flow
- B. Regulates motility and peristalsis**
- C. Produces bile
- D. Stimulates digestion

Serotonin plays a crucial role in the gastrointestinal (GI) tract, primarily in regulating motility and peristalsis. It is a neurotransmitter that is extensively distributed throughout the digestive system, where it influences the contraction and relaxation of the smooth muscle in the intestines. This regulation is essential for the coordinated movements that facilitate the progression of food through the digestive tract, known as peristalsis. When serotonin is released, it promotes the rhythmic contractions of the gut, thereby ensuring that food is moved efficiently from one segment of the GI tract to another. An appropriate balance of serotonin activity is vital for maintaining normal GI function. Abnormalities in serotonin signaling can lead to various digestive disorders, showcasing its importance in gut motility and overall digestive health.

4. Which vitamin's final usable form is called P5P?

- A. Vitamin B6**
- B. Vitamin B12
- C. Vitamin B9
- D. Vitamin B2

The correct answer is Vitamin B6, which is also known as pyridoxine. The reason P5P, or pyridoxal 5'-phosphate, is highlighted as the final usable form is due to its critical role in the body. P5P acts as a coenzyme in various enzymatic reactions, particularly those involved in amino acid metabolism, neurotransmitter synthesis, and the metabolism of glucose and lipids. Vitamin B6 itself undergoes conversion in the body to reach the active form of P5P, which is crucial for numerous physiological functions. Without adequate Vitamin B6, the conversion to P5P would be impaired, leading to various metabolic issues and deficiencies. Other vitamins listed have different active forms and are involved in distinct biochemical processes. For instance, Vitamin B12 is converted into methylcobalamin and adenosylcobalamin, rather than P5P. Similarly, Vitamin B9 (folate) and Vitamin B2 (riboflavin) each have specific active forms – tetrahydrofolate and flavin mononucleotide/riboflavin 5'-phosphate, respectively. These forms do not relate to P5P, confirming that Vitamin B6 is the vitamin associated

5. In accounting, what is "goodwill"?

- A. An asset related to the company's cash reserves
- B. An intangible asset that arises when a buyer acquires an existing business**
- C. A liability that represents future obligations
- D. A valuation method for tangible assets only

Goodwill is recognized as an intangible asset that emerges when a buyer acquires an existing business. It represents the premium that a buyer is willing to pay over the fair value of the identifiable net assets acquired in the transaction. This premium typically reflects factors such as brand reputation, customer relationships, employee relations, and other synergies that might not be quantifiable as separate assets. Goodwill arises because the acquiring company believes that the value of the business includes not just its tangible assets, such as inventory and property, but also intangible elements that contribute to future profitability. This concept is integral to merger and acquisition accounting, where assessing the full value of a business goes beyond just its physical assets. In contrast, the other options do not correctly define goodwill. The first choice suggests a relationship to cash reserves, which does not encompass the broader implications of goodwill as an intangible benefit. The third option inaccurately defines it as a liability, and the last option incorrectly limits valuation to tangible assets, whereas goodwill specifically relates to a mix of tangible and intangible value associated with a business acquisition.

6. What are the first two components of the HPATG hormonal axis?

- A. Thyroid and Adrenal
- B. Hypothalamus and Pituitary**
- C. Pituitary and Gonads
- D. Adrenal and Gonads

The first two components of the HPATG hormonal axis are the hypothalamus and the pituitary gland. This axis is crucial in the regulation and control of several physiological functions, including stress response, metabolism, and reproductive processes. The hypothalamus acts as the control center, receiving various signals from across the body and then releasing hormones that stimulate the pituitary gland. The pituitary gland, in turn, secretes hormones that act on the adrenal glands and gonads, hence facilitating a series of hormonal responses that are vital for maintaining homeostasis in the body. By understanding this axis, it's evident that the hypothalamus and pituitary are foundational in endocrine signaling, making them the primary components of the HPATG axis. Other options listed are not the first two components in this specific hormonal context, although they may relate to endocrine functions in other ways. The adrenal glands and gonads are influenced by the hormones secreted from the pituitary but do not serve as the initiating components of this particular axis.

7. What is emphasized in the examination of financial statements?

- A. The efficiency of the company's operations
- B. The profitability and cash flow of the business
- C. The accuracy of the financial reporting**
- D. The company's financial relationships with suppliers

The examination of financial statements places a strong emphasis on the accuracy of the financial reporting. Accurate financial reporting is crucial because it ensures that the information provided reflects the true financial position and performance of the company. This accuracy enables stakeholders, such as investors, creditors, and management, to make informed decisions based on reliable data. Financial statements must be free from material misstatements and must follow applicable accounting principles and standards, as inaccuracies could lead to misinterpretation of the company's financial health and prospects. While aspects like efficiency of operations, profitability, cash flow, and relationships with suppliers are also important in assessing a company's overall performance, they hinge upon the integrity of the financial reports. If the financial statements are not accurate, any insight gained from analyzing those other aspects can be misleading. Therefore, emphasizing accuracy in financial reporting lays the foundation for all other analyses and judgments regarding a business's financial situation.

8. What is an income statement used for?

- A. To show a company's revenues and expenses over a specific period
- B. To outline the company's long-term strategy
- C. To display daily cash flows
- D. To project future financial performance

An income statement serves as a financial report that summarizes a company's revenues and expenses over a specific period, typically a quarter or a year. Its primary purpose is to provide insights into the company's profitability by showing how much money was earned (revenues) and how much was spent (expenses) during the given time frame. This allows stakeholders, such as investors, management, and analysts, to evaluate the company's financial performance and understand its operational efficiency. While other choices suggest important aspects of financial reporting, they do not accurately describe the function of an income statement. For instance, outlining a company's long-term strategy relates more to strategic planning documents rather than financial statements. Similarly, daily cash flows are depicted in a cash flow statement, which focuses on the inflows and outflows of cash rather than revenues and expenses. Future financial performance projections are typically found in forecasts or budgets, not in an income statement that reflects past performance.

9. What is the role of an investment banker?

- A. To create financial statements for corporations
- B. To assist companies in raising capital and providing advisory services for mergers and acquisitions
- C. To analyze the economic impact of corporate taxation
- D. To underwrite and sell insurance policies to large corporations

The role of an investment banker primarily involves assisting companies in raising capital through various means, such as issuing stocks and bonds, and providing advisory services for mergers and acquisitions. Investment bankers act as intermediaries between issuers of securities and the investing public, leveraging their expertise to help businesses navigate complex financial transactions. They play a crucial role in advising companies on the structuring of financial deals, determining the right valuation, and identifying potential investors or buyers. Their expertise in the capital markets allows them to provide strategic insights into the best ways to meet funding needs, whether through public offerings, private placements, or other financial instruments. This role is essential for businesses looking to grow, restructure, or enter new markets, as the financial guidance and resources they provide can significantly influence a company's success in securing the capital it requires for operations and expansion.

10. Among the listed factors, which one is specifically linked to hormone imbalance and hypertension?

- A. High cortisol levels**
- B. Low blood pressure
- C. Low potassium intake
- D. High fiber consumption

High cortisol levels are specifically linked to hormone imbalance and hypertension because cortisol is a steroid hormone produced by the adrenal glands that plays a crucial role in the body's stress response. Elevated cortisol levels can lead to a range of physiological effects, one of which is an increase in blood pressure. This occurs through various mechanisms, including an increase in sodium retention in the kidneys and heightened sensitivity of blood vessels to other hormones that constrict blood vessels. When cortisol levels are chronically high, often due to stress or conditions such as Cushing's syndrome, the regulation of blood pressure can become disrupted, leading to hypertension. The connection between cortisol, stress response, and blood pressure is well documented in medical literature, making high cortisol levels a significant factor in both hormonal imbalances and the development of hypertension. In contrast, low blood pressure is not associated with hormone imbalances inducing hypertension; rather, it indicates the opposite scenario. Low potassium intake may contribute to hypertension, but it does not directly relate to hormone levels specifically. High fiber consumption is generally associated with various health benefits, including improved heart health and potentially lower blood pressure, but it is not a direct factor linked to hormone imbalance or hypertension.

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!

SAMPLE