

Supernova Regulatory Framework for Business Transactions (RFBT) 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. Which type of mortgage creates a real right upon proper registration with the Registry of Property?**
 - A. Pledge**
 - B. Chattel mortgage**
 - C. Real estate mortgage**
 - D. Antichresis**

- 2. In a scenario where A writes a check to B; B uses it to pay C; C does not encash for years; after a bank failure and A's death, how is B's obligation extinguished?**
 - A. Prescription**
 - B. Impossibility of performance**
 - C. Carelessness**
 - D. It was not extinguished.**

- 3. How many days do dissenting shareholders have to arrive at the fair value after the vote?**
 - A. 30 days**
 - B. 60 days**
 - C. 90 days**
 - D. 120 days**

- 4. What best describes the nature of the office of a director in corporate governance?**
 - A. It is one of independence.**
 - B. It is one for public interest.**
 - C. It is one of trust and confidence.**
 - D. It is one for creditor's interest**

- 5. What is the proper characterization of pactum commissorium in a pledge?**
 - A. It is valid in all cases.**
 - B. It is a specialized form that is sometimes allowed.**
 - C. It is null and void and cannot be enforced.**
 - D. Its validity depends on the value of the collateral.**

- 6. Which agency has primary regulatory powers over Financial Service Cooperatives?**
- A. Bangko Sentral ng Pilipinas**
 - B. Cooperative Development Authority**
 - C. Securities and Exchange Commission**
 - D. Insurance Commission**
- 7. Three of the following are requisites for the existence of a de facto corporation except:**
- A. Incorporated under a valid law**
 - B. Actual use of corporate powers**
 - C. Existing law and in fact**
 - D. Attempt in good faith to organize**
- 8. What is the nature of causal fraud in contract law?**
- A. Fraud that vitiates consent.**
 - B. Fraud that occurs after the contract formation.**
 - C. Fraud that is minor.**
 - D. Fraud that concerns only damages.**
- 9. Which of the following combinations is not required in a contract of sale?**
- A. I and II**
 - B. III and IV**
 - C. II and III**
 - D. I and IV**
- 10. What is the quantitative threshold for a covered transaction by real estate developers and brokers?**
- A. A single transaction exceeding P7,500,000 in cash**
 - B. A single transaction exceeding P7,500,000 in cash or cash equivalents**
 - C. A single transaction exceeding P7,500,000 in cash or on account**
 - D. A single transaction exceeding P7,050,000 on account**

Answers

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

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Explanations

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1. Which type of mortgage creates a real right upon proper registration with the Registry of Property?

- A. Pledge**
- B. Chattel mortgage**
- C. Real estate mortgage**
- D. Antichresis**

Real estate mortgage is the security on land and buildings that becomes a real right against the property itself once properly registered with the Registry of Property. This registration gives the creditor priority and notice against third parties, and it enables foreclosure on the property if the debtor defaults. The other options involve movable property or different arrangements: a pledge is typically possession-based and does not create a real right on land; a chattel mortgage applies to movable property and, while it can create a real right, it is not perfected in the Registry of Property; antichresis is a special arrangement where rents from the property are used to satisfy the debt and does not establish the land as a secured real right in the same way.

2. In a scenario where A writes a check to B; B uses it to pay C; C does not encash for years; after a bank failure and A's death, how is B's obligation extinguished?

- A. Prescription**
- B. Impossibility of performance**
- C. Carelessness**
- D. It was not extinguished.**

The thing being tested is how a negotiable instrument (a check) creates and can extinguish an obligation. A check is a promise to pay on demand. That obligation to pay the drawer (A) continues until it is discharged by actual payment, a formal release, or a legal equivalent (like a valid statute of limitations starting to run once a demand is made and suit is filed). Simply letting years pass with the payee not encashing, or an intervening bank failure, or the drawer's death, does not automatically erase that liability. In this scenario, no actual payment occurred because C never encashed the check. The bank's later failure and A's death do not automatically discharge B's liability. The obligation remains unless a proper discharge occurs or the claim is extinguished by time limits only if a court action to enforce it is barred by prescription. Since none of those discharge events is triggered by the facts given, the obligation is not extinguished. That's why the best answer is that the obligation was not extinguished.

3. How many days do dissenting shareholders have to arrive at the fair value after the vote?

- A. 30 days
- B. 60 days**
- C. 90 days
- D. 120 days

The main concept here is the appraisal process for dissenting shareholders. After a vote on a corporate action, shareholders who dissent have a defined window to pursue payment of the fair value of their shares. In this framework, that window is 60 days from the date of the vote to arrive at the fair value. This 60-day period provides a clear, workable timetable for initiating the appraisal, coordinating any required valuation steps, and moving toward a resolution. If the fair value isn't agreed within that period, the process moves toward an independent valuation or judicial determination to establish the fair value. The other durations (30, 90, or 120 days) aren't the standard deadline in this framework, so they don't align with the established appraisal timeline.

4. What best describes the nature of the office of a director in corporate governance?

- A. It is one of independence.
- B. It is one for public interest.
- C. It is one of trust and confidence.**
- D. It is one for creditor's interest

The office of a director is fiduciary—a role built on trust and confidence reposed in them to manage the company's affairs for its benefit. Directors wield significant power over resources and strategy, so they owe duties of loyalty, care, and good faith to the company and its shareholders. That trust-based relationship is what makes the description "one of trust and confidence" the best fit. Independent considerations exist in governance to promote objective judgment, and public-interest or creditor-focused concerns can come into play in specific contexts, but they don't define the essence of the director's office. The core idea is that directors act as guardians of the company's interests, operating as trustees who must put the company's welfare above personal gain.

5. What is the proper characterization of pactum commissorium in a pledge?
- A. It is valid in all cases.
 - B. It is a specialized form that is sometimes allowed.
 - C. It is null and void and cannot be enforced.**
 - D. Its validity depends on the value of the collateral.

Pactum commissorium is a clause in a pledge that lets the creditor automatically acquire the pledged property upon default, without going through the proper sale process. This undermines the debtor's right to due process and to observe the collateral's value through a judicial or proper extrajudicial sale. The pledge is meant to secure repayment by allowing a sale of the collateral under established procedures, not by immediate, automatic transfer of ownership. Because this stipulation bypasses due process and the usual safeguards (like fair valuation and bidding), it is void from the outset and cannot be enforced. The creditor's remedy remains to foreclose or sell the pledged item through the proper channels and apply the proceeds to the debt, with any surplus returned to the debtor. Its invalidity does not depend on how valuable the collateral is; it is void in all cases.

6. Which agency has primary regulatory powers over Financial Service Cooperatives?
- A. Bangko Sentral ng Pilipinas
 - B. Cooperative Development Authority**
 - C. Securities and Exchange Commission
 - D. Insurance Commission

Financial Service Cooperatives are a type of cooperative, and their primary regulator is the Cooperative Development Authority. This agency is responsible for registering, supervising, and guiding all cooperatives, including financial service cooperatives, to ensure they operate within cooperative laws and standards. The Bangko Sentral ng Pilipinas focuses on banks and other formal financial institutions, not cooperatives; the Securities and Exchange Commission regulates corporations and partnerships; the Insurance Commission handles insurance providers. While some cooperative activities may intersect with banking rules, the central regulatory authority for FSCs remains the Cooperative Development Authority.

7. Three of the following are requisites for the existence of a de facto corporation except:
- A. Incorporated under a valid law
 - B. Actual use of corporate powers
 - C. Existing law and in fact**
 - D. Attempt in good faith to organize

The idea being tested is what conditions create a de facto corporation. A de facto corporation exists when there is a valid law under which such a corporation could be formed, there is an attempt to organize in good faith, and there is actual use of corporate powers. The option labeled as the exception isn't a separate requirement. "Existing law and in fact" mixes elements already covered by the other three requisites: the valid law and the attempt in good faith, plus the actual use of corporate powers. In other words, the law that could authorize formation and the real-world action of acting as a corporation are already accounted for by the three true requisites, so treating "existing law and in fact" as an additional, distinct requisite isn't correct.

8. What is the nature of causal fraud in contract law?
- A. Fraud that vitiates consent.**
 - B. Fraud that occurs after the contract formation.
 - C. Fraud that is minor.
 - D. Fraud that concerns only damages.

Causal fraud means deceit that makes the contract come about through false or concealed facts, so the consent given to enter the contract isn't truly free or informed. When someone lies about a material fact or hides a crucial truth with the intent to mislead, and that deception is what led the other party to agree, the agreement is said to be vitiated. Because the contract was formed under fraudulent inducement, the harmed party typically has a remedy to set the contract aside—voidable at their option—and can seek rescission and restitution, and may also recover damages caused by the fraud. Fraud that happens after the contract is formed isn't about how consent was obtained; it's usually treated as breach or misrepresentation related to performance, with remedies focused on damages or termination of the contract rather than undoing the consent. Very minor fraud or misrepresentations about damages that do not influence the decision to contract generally don't vitiate consent, since materiality and causation matter for whether consent was induced by fraud.

9. Which of the following combinations is not required in a contract of sale?

- A. I and II
- B. III and IV**
- C. II and III
- D. I and IV

The key idea is that a sale contract is formed with only the essential elements: mutual consent, the thing being sold (the object), and the price. Once those are in place, the contract exists even if other details aren't yet fixed. Terms about delivery and payment are performance details, not requirements for the contract's existence. They can be added, specified later, or be settled by usage or agreement between the parties. So the combination that groups delivery terms and payment terms is the one not required to form the contract. The other pairings involve elements that typically must be present to create a binding sale (like the agreement and the object or the price), so they're not the non-required combination.

10. What is the quantitative threshold for a covered transaction by real estate developers and brokers?

- A. A single transaction exceeding P7,500,000 in cash**
- B. A single transaction exceeding P7,500,000 in cash or cash equivalents
- C. A single transaction exceeding P7,500,000 in cash or on account
- D. A single transaction exceeding P7,050,000 on account

A single cash payment exceeding 7,500,000 pesos is the trigger for a covered transaction by real estate developers and brokers. This threshold focuses on direct cash movements because large cash payments are the most significant red flags for illicit activity due to their traceability challenges. By defining the rule as a one-time cash amount, the framework creates a clear, enforceable line that signals the need for enhanced due diligence and reporting. It does not include cash equivalents or on-account payments in this threshold because those forms of payment can involve different pathways, timing, or levels of traceability and are typically addressed by other monitoring criteria.

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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