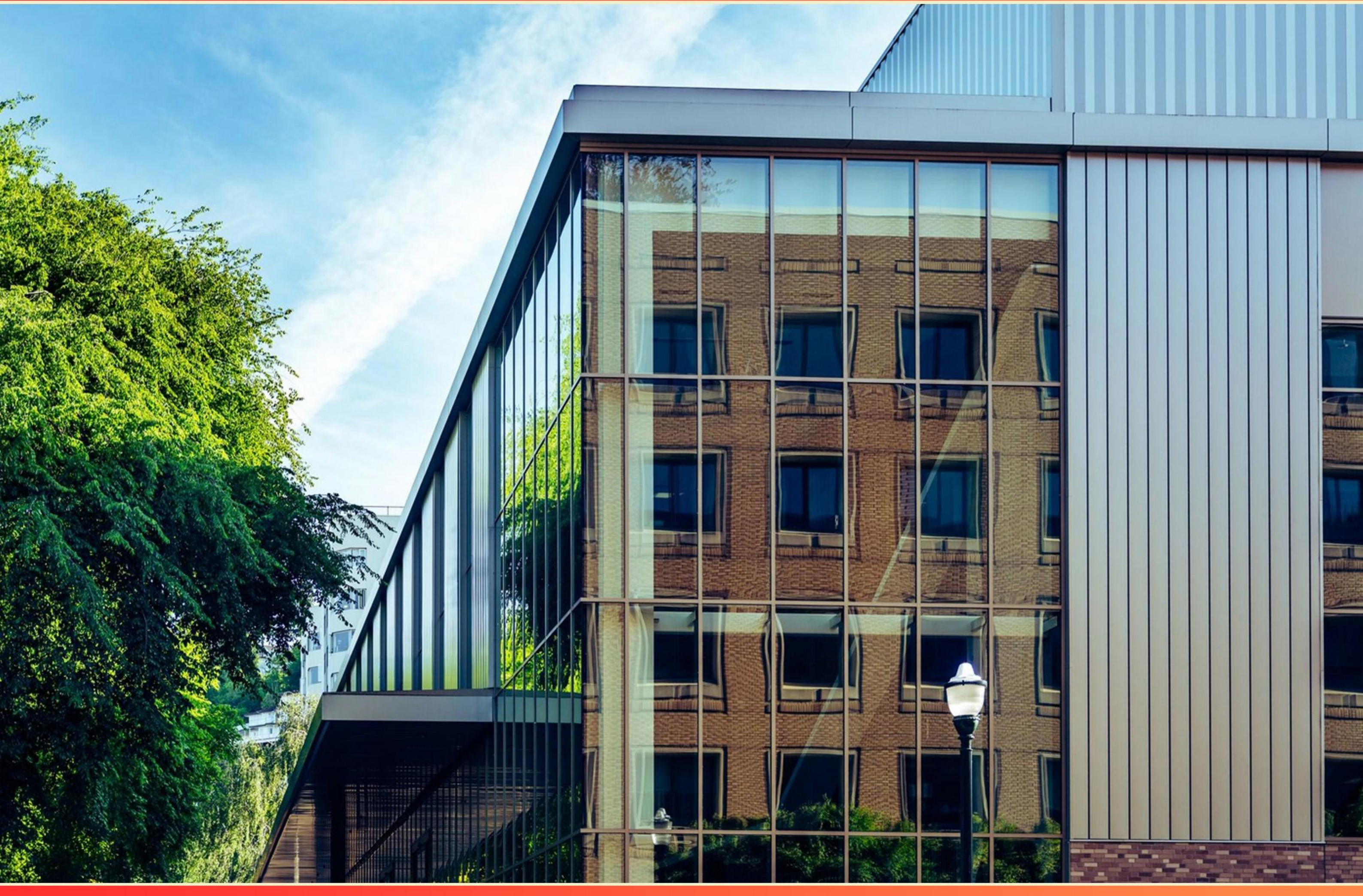
# SUPERNOVA REGULATORY FRAMEWORK FOR BUSINESS TRANSACTIONS (RFBT) PRACTICE TEST (SAMPLE)

## STUDY GUIDE



## SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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# Table of Contents



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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. 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

**2. Which test focuses on the sound of words when assessing confusing similarity?**

A. Dominancy test

B. Holistic test

C. Idem Sonans test

D. Visual similarity test

**3. 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

**4. In a promissory note scenario where the maker is M, the note is payable to P's order; X steals and forges P's indorsement to A, and A indorses to B "Pay to B sans recourse," who may be liable to B?**

A. X only

B. X and M

C. X and A

D. X and M and A

**5. What is the required net worth ratio for Financial Service Cooperatives relative to their risk assets?**

A. 8% of risk assets

B. 2% of risk assets

C. 10% of risk assets

D. 5% of risk assets

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**6. What is the minimum age for members of a laboratory cooperative?**

A. At least 7 years old but below 18 years of age

B. At least 12 years old but below 18 years of age

C. At least 15 years old but below 18 years of age

D. At least 10 years old but below 18 years of age

**7. What term refers to any legal instrument that gives effect to a government policy intervention and includes licensing, information obligations, compliance with standards, or fees?**

A. Control

B. System

C. Regulation

D. Process

**8. For dissenting shareholders, on what date is the basis for payment determined?**

A. The date of the sale

B. The day prior to the vote, inclusive of appreciation or depreciation

C. The date the dissenting shareholder surrenders the shares

D. The date of the corporate action

**9. What was the Philippines' rank in the World Bank's Ease of Doing Business report for 2018?**

A. 124

B. 113

C. None of the choices

D. 99

**10. In a contract with multiple solidary debtors, A, B, and C owe W and Y in shares 2:3:5; terms specify payments conditioned on events. If Y passes the October 2019 CPA board exams, which debtor can collect from and how much?**

A. A or C = P16,800

B. B = P4,800

C. A = P12,000

D. A or B or C = P12,000

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## Answers

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

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# Explanations

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## 1. 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.*

## 2. Which test focuses on the sound of words when assessing confusing similarity?

A. Dominancy test

B. Holistic test

C. Idem Sonans test

D. Visual similarity test

*Phonetic similarity matters because consumers may confuse marks that sound alike even if they look different. The Idem Sonans test specifically checks whether two words have the same or very similar pronunciation when spoken, which helps determine confusion risk based on sound. This is distinct from a visual similarity test, which looks at appearance, and from holistic or dominance approaches, which weigh overall impression or dominant features rather than sound. Therefore, when the focus is the sound of words and potential misidentification by hearing, Idem Sonans is the applicable test.*

## 3. 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.*

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4. **In a promissory note scenario where the maker is M, the note is payable to P's order; X steals and forges P's indorsement to A, and A indorses to B "Pay to B sans recourse," who may be liable to B?**

A. X only

B. X and M

C. X and A

D. X and M and A

*The key idea is how forged indorsements affect who bears liability on a negotiable instrument. When someone forges the payee's indorsement, that forged transfer breaks the valid chain of title. The person who forged the endorsement (the forger) is responsible to the holder for any losses caused by the forgery, so X is clearly liable to B. But the chain also matters for the endorser who follows in the line of endorsements. A endorsed to B "Pay to B sans recourse." Even though the endorsement says without recourse, the fact that the prior indorsement to A was forged means the transfer through A can still expose A to liability to the holder in the chain that leads to B. In other words, B stands in the shoes of the holder who relied on the endorsements in the chain, and A's endorsement can be seen as creating liability in the current holder if something in the chain taints title. Therefore, A may also be liable to B. The maker, M, typically would be liable if the instrument were properly negotiated to B, but because the transfer chain begins with a forged indorsement, the holder's rights against M are not triggered here. Hence the correct answer points to X and A as potentially liable to B.*

5. **What is the required net worth ratio for Financial Service Cooperatives relative to their risk assets?**

A. 8% of risk assets

B. 2% of risk assets

C. 10% of risk assets

D. 5% of risk assets

*The key idea here is capital adequacy for Financial Service Cooperatives measured by net worth relative to risk assets. Net worth, which includes paid-in capital, retained earnings, and reserves, acts as a buffer that can absorb losses from the cooperative's risk-taking activities. Risk assets are the loans and other assets that carry credit or default risk. The required ratio ties these together: net worth divided by risk assets must meet a minimum level to ensure solvency. Eight percent is the mandated minimum. That means if a cooperative has risk assets totaling 100 million, its net worth needs to be at least 8 million. This cushion helps protect members and maintain financial stability. If the ratio were lower, the cooperative wouldn't have enough capital to withstand losses; if it were higher, the regulation would demand more capital than the minimum, which is more conservative but not the standard requirement in this framework.*

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## 6. What is the minimum age for members of a laboratory cooperative?

A. At least 7 years old but below 18 years of age

B. At least 12 years old but below 18 years of age

C. At least 15 years old but below 18 years of age

D. At least 10 years old but below 18 years of age

*The question tests how age eligibility is defined for members of a cooperative, specifically a youth-oriented or student-type cooperative. In this framework, participation is opened to young people, with the minimum age set low to encourage early learning and involvement, while the upper limit keeps members under eighteen to maintain youth status during their participation. Why this answer fits best is that the policy allows a child as young as seven to become a member, as long as they are under eighteen. This reflects an emphasis on early financial literacy and cooperative experience for younger participants, with certain rights or roles possibly limited until they reach adulthood. The other options set higher minimum ages, which would unnecessarily exclude younger potential members and don't align with the intended youth-inclusive structure. In short, seven years old is the starting point for eligibility, as long as the member remains under eighteen.*

## 7. What term refers to any legal instrument that gives effect to a government policy intervention and includes licensing, information obligations, compliance with standards, or fees?

A. Control

B. System

C. Regulation

D. Process

*Regulation is the formal legal instrument governments use to implement policy. It translates policy goals into enforceable rules that entities must follow. Licensing, information obligations, standards compliance, and fees are classic regulatory tools because they mandate actions, disclosures, or payments in order to control entry, ensure quality or safety, and fund regulatory activities. A control, system, or process describe management ideas or structures rather than the binding legal directives that give effect to policy.*

## 8. For dissenting shareholders, on what date is the basis for payment determined?

A. The date of the sale

B. The day prior to the vote, inclusive of appreciation or depreciation

C. The date the dissenting shareholder surrenders the shares

D. The date of the corporate action

*Dissenters' rights are designed to give fair value for their shares based on the market value just before the corporate action goes forward. The date used is the day prior to the vote on the action, so the payment basis captures the value that existed before the action could influence prices. This prevents post-announcement or post-action fluctuations from distorting the amount owed and ensures the price reflects the pre-action market value. Any appreciation or depreciation that occurs up to that day is included, but movements after that point are not part of the valuation. Choosing the sale date would anchor value to a transaction time that isn't tied to the decision to proceed with the action. The date the shareholder surrenders the shares is about timing of surrender, not the fair value at which the shares are to be paid. The date of the corporate action itself would reflect the effects of the action, not the pre-action value the dissenters are entitled to.*

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## 9. What was the Philippines' rank in the World Bank's Ease of Doing Business report for 2018?

A. 124

B. 113

C. None of the choices

D. 99

*Understanding how the World Bank ranks economies in ease of doing business helps you read the country's position clearly. In 2018, the Philippines was ranked 113th overall out of about 190 economies, with a lower rank indicating easier conditions. This places the Philippines in the middle tier of global rankings that year. The number 113 is the official 2018 position, not the other figures listed in the options.*

## 10. In a contract with multiple solidary debtors, A, B, and C owe W and Y in shares 2:3:5; terms specify payments conditioned on events. If Y passes the October 2019 CPA board exams, which debtor can collect from and how much?

A. A or C = P16,800

B. B = P4,800

C. A = P12,000

D. A or B or C = P12,000

*In a solidary (joint and several) obligation, each debtor can be held responsible for the whole debt, and if one debtor ends up paying the creditor, that debtor can demand reimbursement from the other co-debtors in proportion to their shares of the obligation. Here A, B, and C owe W and Y in the ratio 2:3:5. That means the total debt is conceptually divided into 10 equal parts: A covers 2 parts, B covers 3 parts, and C covers 5 parts.  If the total amount owed to W and Y is 16,000, then B's share is 3/10 of that total, which is 4,800. So B can demand 4,800 from A and/or C to cover his own obligation to the creditors. The condition about Y passing the CPA board exams doesn't change the proportional liability; it just determines whether the obligation is currently due to the creditors. Therefore the debtor who can collect is B, and the amount is 4,800.*

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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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