



# CRC-ACE

## The Professional CPA Review School

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REGULATORY FRAMEWORK FOR BUSINESS TRANSACTIONS  
FINAL PRE-BOARD EXAMINATION

MAY 2021 BATCH  
APRIL 21, 2021

**INSTRUCTIONS:** Select the correct answer for each of the following questions. Mark only one answer for each item by **Shading** the corresponding letter of your choice on the answer sheet provided. **STRICTLY NO ERASURES ALLOWED.** Use Pencil No. 2 only.

- Annie has two creditors, Boy and Nicolas. The obligation to Boy is P100,000 and to Nicolas is P200,000. Bogs with consent of Annie pays Boy. Supposed Annie has only P60,000 only. Which is correct?
  - Nicolas will get the P60,000
  - Bogs should be paid first
  - Nicolas will get P40,000 and Bogs will receive P20,000
  - Annie may choose whom to pay
- What is the prescriptive period of the right to file an action based on quasi-contracts?
  - 4 years
  - 5 years
  - 6 years
  - 10 years
- 1<sup>st</sup> Statement - A solidary creditor can assign his right even without the consent of the other creditors

2<sup>nd</sup> Statement - The debtor may pay any of the solidary creditors but if any demand has been made by one of them, payment should be made to him

  - Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
- The receipt of the interest of a loan by the creditor, shall give rise to:
  - conclusive presumption that the creditor is paid as to the principal amount
  - disputable presumption that the creditor is paid as to the principal amount
  - disputable presumption that said interest has been paid
  - no presumption that the creditor is paid as to the principal amount
- On April 1, 2021, Nicolas obliged himself to give to Boy his horse or his dog or his owl, to be delivered on April 15 2022. On May 8, 2021, the horse died after giving birth to a colt. On September 13, 2021, the dog died due to the fault of Nicolas. On February 14, 2022, the owl died due to a fortuitous event. In this case:
  - Boy can ask for the value of any of the three animals plus damages
  - Boy can ask for the value of the dog plus damages.
  - Boy can ask for the delivery of another horse or dog or owl
  - Boy cannot ask for anything
- 1<sup>st</sup> Statement - If the obligation is unilateral, the fruits and interest during the pendency of the condition shall belong to the debtor, unless from the nature and circumstances of the obligation it should be inferred that the intention was different

2<sup>nd</sup> Statement - The suit filed by a passenger who was hurt against the operator of a public utility vehicle is based on culpa contractual

  - Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong

7. H and W are legal spouses. H was at work when W was rushed by their neighbor, F to the Hospital. W's mother, M, is a very rich businesswoman. W has a daughter, D, from her former husband. Who should pay the hospital bill of W?
- F
  - M
  - H
  - D
8. 1<sup>st</sup> Statement – Substitution in facultative obligations is an example of novation  
2<sup>nd</sup> Statement – Dacion en pago is an example of novation
- Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
9. Annie, Bogs and Elsie are solidary debtors of Nicolas. Before the due date of the loan, Annie became insolvent, in this case:
- Nicolas can run after Bogs for his proportionate share in the loan only
  - Nicolas can demand the entire obligation from either Bogs or Elsie
  - Nicolas must demand from both Bogs and Elsie
  - Nicolas can only ask for 2/3 of the entire obligation from either Bogs or Elsie
10. During the pendency of the criminal case against a thief, the car he stole was lost through an accidental fire. This will result to:
- liability of the accused to pay the price of the car as the obligation will not be extinguished because the obligation proceeds from a criminal offense
  - extinguishment of the obligation because the car is a specific thing
  - extinguishment of the obligation because an accidental fire is a fortuitous event.
  - extinguishment of the civil obligation because the value of the car will be converted into the number of days the thief will serve in prison
11. Annie, Bogs and Elsie wrote and signed a promissory note which states "We promise to pay Nicolas and Boy P60,000." At the maturity date of the note, Nicolas indorsed back the promissory note to Annie. How much obligation is extinguished and by what mode of extinguishment of obligation?
- P10,000 by merger
  - P30,000 by remission
  - P20,000 by confusion
  - P60,000 by compensation
12. 1<sup>st</sup> Statement - Failure to disclose facts when there is a duty to reveal them constitutes fraud.  
2<sup>nd</sup> Statement - A threat to enforce one's claim through competent authority, if the claim is legal or just, does not vitiate consent.
- Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
13. Which of the following is not a real contract ?
- Pledge
  - Mutuum
  - Commodatum
  - Mortgage
14. A borrowed P10,000 from B. B filed an action to collect a sum of money against A which resulted to the issuance of writ of attachment. The cellphone of A is the first to be attached by the sheriff. Afterwards, A orally sold and delivered his laptop to C at a price of P5,000. Payment of the price will happen after one week from the perfected of contract. What is the status of contract of sale of laptop?
- Voidable
  - Rescissible

- C. Perfectly valid  
D. Unenforceable
15. Annie sold her car to Nicolas for only Php100,000 although its value is Php500,000. The damage or lesion in the sale due to the inadequacy of the price will render the contract:  
A. Voidable  
B. Valid  
C. Rescissible  
D. Unenforceable
16. Which of the following contract is void due to the absence of a public instrument?  
A. Donation of a car worth P1m  
B. Partnership wherein immovable property were contributed  
C. A pledge, describing the thing pledged and the date of the pledge  
D. A contract of agency, for the sale of a piece of land or any interest therein.
17. Annie, Bogs and Elsie solidarily promised to pay Nicolas P30,000. Elsie is a minor and Bogs became insolvent before the due date of the loan. How much can Nicolas collect from Annie?  
A. P10,000  
B. P15,000  
C. P20,000  
D. P30,000
18. Where one of the parties is a def-mute who does not know how to write, the contract is:  
A. Void  
B. Valid  
C. Voidable  
D. Unenforceable
19. Which of the following executory contracts is not required to be in writing to be enforceable under the Statute of Fraud?  
A. Contract of sale of a condominium unit at a price of P4m  
B. Contract for a piece of work of a table at a price of P500  
C. Contract of guaranty  
D. Contract of lease of land for a period of two years at a monthly rental of P7000
20. Which of the following contracts is valid?  
A. Contract of sale between a minor and a deaf mute who does not know how to write and read  
B. Contract of donation between a husband and his paramour  
C. Contract of sale between husband and wife who are under conjugal partnership of gains  
D. Contract of donation between a wife as donee and her former boyfriend as donor
21. This contract is without effect unless ratified  
A. Marriage between first degree cousins  
B. eContract of sale between two insane persons  
C. Contract of sale between a guardian and his ward  
D. Donation between persons guilty of the same offense
22. In three of the following defective contracts, ratification cleanses the defects. Which is the exception?  
A. Both parties are incapable of giving consent  
B. Sale of immovable property or interest orally entered into  
C. Sale of piece of land through an agent and the authority is given orally  
D. Contracts entered into by a person who has been given no authority
23. Annie sold to Elsie a Samsung “the wall” tv for P420,000 payable in twelve equal monthly installments beginning January 10, 2021 and every 10<sup>th</sup> day of each month thereafter. The contract provides that upon failure to pay any installment due, the whole balance becomes due and demandable. To secure the obligation, a chattel mortgage over the TV set was executed. When Elsie defaulted on the 7<sup>th</sup> and 8<sup>th</sup> installments, Annie foreclosed the mortgage to recover the balance of P210,000. The TV was subsequently sold at a public sale for P150,000. Can Annie still recover the deficiency of P60,000?  
A. Yes, if there was stipulation to that effect

- B. Yes, even though there was no stipulation  
C. No, any stipulation allowing recovery is void  
D. No, if there was no stipulation to that effect
24. 1<sup>st</sup> statement - As a general rule, in assignment of credit, the assignor in good faith warrants the existence of the credit at the time of assignment  
2<sup>nd</sup> statement - As a general rule, in assignment of credit, the assignor in good faith, warrants the solvency of the debtor at the time of assignment.  
A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
25. In a true pacto de retro sale, the title and ownership of the property sold are immediately vested in the vendee a retro subject only to the resolutive condition of repurchase by the vendor a retro within the stipulated period. This is known as  
A. legal redemption.  
B. equity of redemption.  
C. right of redemption  
D. conventional redemption.
26. Gross inadequacy of the purchase price does not invalidate the contract of sale; unusually inadequate purchase price in a sale with right of repurchase shall give rise to the presumption that:  
A. It is a vitiated sale  
B. It is not a sale  
C. It is an invalid sale  
D. It is an equitable mortgage
27. Which of the following is true and correct?  
A. Unless otherwise agreed upon by the parties, the sale of the mortgaged property extinguishes in full the obligation of the mortgagor to the mortgagee.  
B. Pledge and mortgage are considered principal contracts.  
C. When the obligation is secured by a pledge or mortgage and it is to be paid when due, the pledgee or mortgagee may dispose the collateral even if there is no agreement to that effect between the parties.  
D. In both pledge and mortgage the creditor is entitled to deficiency judgement
28. Boy rented the pick-up truck of Nicolas. Before the end of the contract of lease, Nicolas sold the pick-up to Boy. What type of constructive delivery is present?  
A. Traditio simbolica  
B. Traditio brevi manu  
C. Traditio longa manu  
D. Traditio constitutum possessorium
29. Bogs pledged his i-phone X to Elsie for P10,000.00. When Bogs failed to pay his loan upon its maturity, Elsie sold the i-phone X at public auction for P6,000.00. Which of the following is correct?  
A. The deficiency can be recovered thru court action  
B. The deficiency can be recovered even if not stipulated  
C. The deficiency can be recovered if stipulated  
D. The deficiency cannot be even if there is a stipulation that Elsie can.
30. In sale of land and other immovables by area, the buyer can rescind the sale if the deficiency is at least 10% of the stipulated area. The right to rescind must be exercised within:  
A. 6 months from the date of actual or constructive delivery  
B. 6 months from the execution of the contract  
C. 30 days from the discovery of the hidden defect  
D. 1 year from the execution of the contract of sale
31. Nicolas sold his lot with an area of 100 square meters to Boy at a selling price of P10,000 per square meter. After delivery of the lot, Boy discovered that the actual area is only 91 square meters. What is the legal remedy available to Boy?  
A. Boy may ask for proportionate reduction of price and must pay P910,000 only.  
B. Boy can ask for cancellation of the contract of sale.



38. In the absence of agreement as to sharing of partnership losses, how shall the losses be distributed to the partners?
- It should be divided equally among the capitalist partners.
  - It should be divided equally to all partners including the capitalist partners.
  - It should be divided in accordance with the profit agreement among the capitalist partners.
  - It should be divided proportionately to the capitalist partners in accordance to the capital contribution ratio.
39. Which of the following instances will not automatically dissolve a general partnership?
- Death of any partner
  - Insolvency of any partner
  - Insanity of any partner
  - Civil interdiction of any partner
40. Which of the following has no right to inspect the books of the partnership?
- Nominal partner
  - Limited partner
  - Dormant partner
  - Ostensible partner
41. This is the order of preference in the liquidation of a General Partnership:
- Outside creditors; Partners as profits; Partners as capital; partners as creditors
  - Partners as creditors; Outside creditors; Partners as capital; partners as profits
  - Partners as capital; Outside creditors; Partners as creditors; Partners profits
  - Outside creditors; Partners as creditors; Partners as capital; and Partners as profits
42. Annie contributed P500,000; Bogs contributed P750,000; and Elsie contributed P250,000. Nicolas is the industrial partner. There is no stipulation regarding profits and losses. The partnership suffered a P150,000 loss. The loss shall be shared by the partners as follows:
- P0; P150,000; P0; and P0
  - P50,000; P50,000; P50,000; and P0
  - P37,500; P37,500; P37,500; and P37,500
  - P50,000; P75,000; P25,000; and P0
43. 1<sup>st</sup> statement - A partnership begins from the moment of the execution of the contract, unless it is otherwise stipulated.  
2<sup>nd</sup> Statement - Persons who are prohibited from giving each other any donation or advantage cannot enter into universal partnership
- Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
44. 1<sup>st</sup> statement - A particular partnership has for its object determinate things, their use or fruits, or a specific undertaking or the exercise of a profession or vocation.  
2<sup>nd</sup> statement - Articles of universal partnership; entered into without specifications of its nature, only constitutes a universal partnership of all present property.
- Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
45. The remedy of capitalist partners against an industrial partner who engaged in a business for himself without the expressed permission from the partnership is:
- To compel the industrial partner to sell his interest to the said capitalist partners.
  - To exclude him from sharing in the profits of the partnership.
  - To remove him as manager if he is appointed as manager of the partnership.
  - To expel him from the partnership and claim for damages.
46. Which of the following right is still available to delinquent subscribed stock?
- Appraisal right
  - Right to dividends
  - Preemptive right

- D. Right to vote in election of directors
47. Which of the following corporate act may be delegated to the executive committee?
- Removal of directors
  - Investment of corporate funds to other business
  - Amendment, repeal or adoption of corporate by-laws
  - Approval of compensation scheme of managerial and supervisory level employees
48. ABE Inc., COI expired last Jan 1, 2021. ABE Inc. wish to continue its operation. What should be done for ABE Inc., to keep its corporate existence?
- Secure a Certificate of Revival of corporate existence subject to all the requirements prescribed by the SEC.
  - File with the SEC for an extension of the corporate term
  - Establish a new corporation, since the corporation has no legal personality.
  - No action is required; as corporations shall have perpetual existence and hence, the corporation shall continue its business operations.
49. What vote is needed to consider every decision of the Board of Directors to be a valid corporate act?
- At least a majority of the directors present at the meeting.
  - Two-thirds of the directors present at the meeting at which there is a quorum.
  - At least majority of the directors present at the meeting which there is a quorum.
  - Two-thirds of the directors present at the meeting.
50. One of the following corporations can be owned by not more than 20 persons
- Mining corporations
  - Public utilities
  - Industrial corporations
  - Banks
51. Corporations which are organized for profit but doing governmental functions.
- public corporation
  - non stock corporation
  - quasi - corporation
  - quasi - public corporation
52. Corporations which are organized for charitable purposes
- quasi corporation
  - ecclesiastical corporation
  - eleemosynary corporation
  - lay corporation
53. The corporation has a 12-member board. Three of the members of the Board died while two others are abroad. To have a quorum, this number is required:
- Five
  - Eight
  - Seven
  - Six
54. The subscriber of unpaid shares which are not delinquent shall be entitled to the following rights, except the right to:
- Vote.
  - Inspect corporate books.
  - A stock certificate.
  - Dividends.
55. One of the following acts may be performed by the executive committee of a corporation. Which is it?
- Declaration of stock dividends.
  - Filling of vacancies in the board of directors.
  - Amendments or repeal of the by-laws or adoption of new by-laws.
  - Approval of contracts in the ordinary course of business.

56. One of the following entities cannot be organized as a stock corporation:
- Bank
  - Close corporation
  - Religious corporation
  - Educational corporation
57. In case the members of the board of directors of a corporation still constitute a quorum, and there are vacancies, who will fill up such vacancies?
- |                 | <u>Removal</u> | <u>Resignation</u> | <u>Expiration of term</u> | <u>Increase in the number of Directors</u> |
|-----------------|----------------|--------------------|---------------------------|--|
| A. Stockholders |                | Board              | Stockholders              | Board                                      |
| B. Board        |                | Board              | Stockholders              | Stockholders                               |
| C. Stockholders |                | Board              | Stockholders              | Stockholders                               |
| D. Stockholders |                | Stockholders       | Board                     | Stockholders                               |
58. What is the term of corporate existence?
- The term as specified in the articles of incorporation which must not be less than fifty (50) years.
  - The term as specified in the articles of incorporation which must not be more than fifty (50) years.
  - Fifty (50) years.
  - Indefinite number of years unless a specified term is specified in the Articles of Incorporation
59. The power to deny pre-emptive rights as a corporate power is classified as:
- Incidental power
  - Implied power
  - Express power
  - Discretionary power
60. In no case shall the total yearly compensation of directors, exceed:
- 10% of the net income before income tax during the succeeding year
  - 10% of the net income before income tax during the preceding year
  - 10% of the net income after income tax during the preceding year
  - 10% of the net income before income tax during the current year
61. Vote of the Board of Directors upon approval of stockholders representing not less than two-thirds of all stock then outstanding and entitled to vote is required:
- For declaration of stock dividends
  - For amendment of by-laws
  - To incur, create, or increase any bonded indebtedness
  - To amend the articles of incorporation
62. Vote of the stockholders representing a majority of all the subscribed capital stock of the corporation, whether paid or unpaid:
- For declaration of stock dividends
  - For adoption of any by-law or by-laws
  - To invest its corporate funds in any corporation or business, of for any purpose other than the main purpose for which it was organized
  - To amend the articles of incorporation
63. Which of the following transactions does not require the adequacy of unrestricted retained earnings?
- Redemption of redeemable shares
  - Dividend on common stock
  - Reacquisition of treasury shares
  - Dividend on preferred stock
64. A non-voting preferred stock cannot vote in:
- Filing of vacancy in the board
  - Amendment of the articles of incorporation
  - Increase or decrease in capital stock
  - Dissolution of the corporation

65. Which of the following statements does not characterize a treasury share?
- It is an issued share but it is not classified as an outstanding share.
  - It has no voting right.
  - It may be sold at less than the par value.
  - It may be distributed as a stock dividend.
66. 1<sup>st</sup> statement- Shares issued without par value shall be deemed fully paid and non-assessable and the holder of such shares shall not be liable to the corporation or its creditors in respect thereto.  
2<sup>nd</sup> Statement - When no par value shares are issued, the premium or excess in consideration is not to be considered as part of the legal capital but distributable as dividends
- Correct, correct
  - Correct, wrong
  - Wrong, correct
  - Wrong, wrong
67. An amendment in the articles of incorporation that would shorten the corporate term requires the approval of the:
- Majority vote of the board of directors/trustees and majority vote or written assent of the outstanding capital stock/members
  - Majority vote of the board of directors/trustees and 2/3 vote or written assent of the outstanding capital stock/members
  - Majority vote of the board of directors/trustees and 2/3 vote of the outstanding capital stock/members.
  - 2/3 vote of the board of directors/trustees and 2/3 vote of the outstanding capital stock /members
68. High-yield but high-risk bonds issued by heavily indebted or financially weak corporations that are desperately in need of additional capital are known as:
- Junk bonds
  - Callable bonds
  - Convertible bonds
  - Guaranteed bond
69. Shareholders who shall receive the dividends are those who are registered as such in the stock and transfer book as of the:
- Date of declaration
  - Date of record
  - Date of payment
  - Date of signing the certificate
70. The majority of the outstanding capital stock or members entitled to vote shall be necessary for the approval of:
- Removal of directors or trustees
  - Fixing of issued price of no-par value shares
  - Call of special meeting to remove directors or trustees
  - Delegation to the board of directors of the power to amend or repeal the by-laws or adopt new by-laws
71. The majority vote of the board of directors or trustees, and at least 2/3 vote of the outstanding capital stock or members, as the case may be, shall be necessary for the approval of:
- Adoption of by-laws
  - Plan of merger or consolidation
  - Management contract
  - Fixing of issued price of no-par stock
72. Single-line cooperatives may transform into a multi-purpose cooperative after \_\_\_years of operation
- At least 1 year
  - At least 2 years
  - At least 3 years
  - At least 4 years

73. It is the highest policy-making body of the cooperative and shall exercise the powers of the Cooperative as stated in the Cooperative Code.
- A. Board of Directors  
B. General Assembly  
C. Executive Committee  
D. Board of Members
74. It is a type of cooperative that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance to its members for productive and provident purposes.
- A. Cooperative bank  
B. Credit cooperative  
C. Service cooperative  
D. Insurance cooperative
75. What is quorum necessary for validity of meeting of General Assembly in ordinary cooperative?
- A. At least 5% of all the members entitled to vote  
B. At least 2/3 of all the members entitled to vote  
C. At least 25% of all the members entitled to vote  
D. At least majority of all the members entitled to vote
76. What is the required vote for the merger of two or more cooperative into a single cooperative?
- A. At least 25% of all members with voting rights  
B. At least 3/4 of all the members with voting rights  
C. At least 2/3 of all the members with voting rights  
D. At least majority of all the members with voting rights
77. The maximum par value of a share in a cooperative:
- A. P5  
B. P10  
C. P100  
D. P1,000
78. A cooperative is intended to be established with authorized capital stock of P100,000 and actual subscribed capital stock of P40,000. What is the minimum paid up capital of this proposed cooperative?
- A. P5,000  
B. P10,000  
C. P15,000  
D. P25,000
79. 1<sup>st</sup> Statement - All amendments to the article of cooperation and/or bylaws must be approved by 3/4 votes of the General Assembly  
2<sup>nd</sup> Statement - The board of directors of the cooperative shall have a term of 3 years.
- A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
80. What is the maximum ownership of Foreigners in a cooperative in the Philippines?
- A. 40%  
B. 60%  
C. 100%  
D. None
81. A cooperative may be dissolved if it has not commenced business and its operation within \_\_\_\_\_ years after the issuance of its certificate of registration.
- A. 5  
B. 3  
C. 1
82. Which of the following instruments is negotiable?
- A. "Due to Nicolas or bearer P100,000.00"  
B. "I promise to pay Nicolas or order P100,000.00 worth of rice"

- C. "I hereby authorize you to pay Nicolas or order P100,000.00"  
D. "I promise to pay Nicolas or order P100,000.00 on December 1"
83. The following except one are the requisites of acceptance for honor of a bill:  
A. The bill is overdue  
B. The holder must give his consent  
C. The acceptor for honor must be a stranger to the bill  
D. The bill must be previously protested fro dishonor by non-acceptance or protested for better security
84. Annie makes a promissory note for P50,000 payable to the order of Boy. Boy negotiated the note to Bogs who further negotiated it to Elsie. Elsie with the consent of Bogs, raises the amount to P100,000 and thereafter indorses it to Letty, Letty to Baby, and Baby to Nicolas. In this case:  
1<sup>st</sup> Answer: if Nicolas is a holder in due course, he can enforce the instrument against Annie for P100,000  
2<sup>nd</sup> Answer: Nicolas even if he is a holder in due course cannot enforce the instrument against Annie because material alteration is a real defense.  
A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
85. Which of the following is negotiable?  
A. I promise to pay Annie or bearer P100,000 from my inheritance which I will get after the death of my father.  
B. I promise to pay Annie or bearer P100,000 if Annie passes the 2021 CPA board exams.  
C. I promise to pay Annie or bearer P100,000 on or before December 31, 2021.  
D. I promise to pay Annie, the bearer P100,000.
86. It's presumed that the issuer of a check knew about the insufficiency of funds if he fails to pay or make arrangement for the payment of the check:  
A. 3 days from dishonor  
B. 5 days from dishonor  
C. 3 days from notice of dishonor  
D. 5 days from notice of dishonor
87. Prosecution and conviction under Batas Pambansa Blg 22 has the following penalties:  
A. Fine of twice the amount appearing on the check but not to exceed P200,000.  
B. Imprisonment of not more than 1 year.  
C. Either or Both A and B subject to the discretion of the judge.  
D. Both A and B because all persons criminally liable are civilly liable
88. 1<sup>st</sup> statement- There may be criminal and civil penalties under Batas Pambansa Blg. 22  
2<sup>nd</sup> statement - The constitutional guarantee that no person shall be imprisoned for non-payment of debt was held to be a valid defense of a drawer or maker who issued a dishonored check upon its presentation for payment.  
A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
89. Under RA No. 11032 -Ease of doing business law, it will act or serve as a repository of information on all registered enterprises in the country that government agencies and LGUs may use as a resource for verification purposes.  
A. Civil Service Commission  
B. Department of Trade and Industry  
C. Philippine Business Data Bank  
D. Department of Information and Communication Technology
90. What is the legal term of trademark or service mark?  
A. 20 years but subject to renewal  
B. Indefinite

- C. 10 years but subject to renewal  
D. Life of the creator plus 50 years after his death
91. Mayor Kupitana is being charged for violation of Anti-Graft and Corrupt Practices because she is suspected of having accumulated unexplained wealth. Mayor Kupitana maintains deposit accounts with Abusado Bank. The Ombudsman filed criminal cases against Mayor Kupitana before the Sandiganbayan. Can the Court issue subpoenas against Abusado Bank to produce all documents pertaining to all the deposit accounts of Mayor Kuptiana?  
A. Yes, it is enough that the specific bank is identified.  
B. No, because the issuance of the subpoena has no real legal basis.  
C. Even without a subpoena, information about the deposit accounts of Mayor Kupitana can be submitted to the Sandiganbayan because it will be used in a pending case.  
D. Yes, because there is already a pending case and provided the subpoena must be specific as to which account.
92. A depositor has three separate single bank accounts with P1M, P2M and P3M, balance respectively, in the same bank which is closed by BSP. How much is the maximum insured amount by PDIC from these deposits?  
A. P 500,000  
B. P 1,000,000  
C. P 1,500,000  
D. P 6,000,000
93. What is the penalties for violation of R.A 1405 a.k.a Bank Secretary Law?  
A. Fine of not more than P20,000.  
B. Imprisonment of not more than five years.  
C. Either or Both A and B subject to the discretion of the judge.  
D. Both A and B because all persons criminally liable are civilly liable
94. 1<sup>st</sup> statement - The Anti-Money Laundering Act (AMLA), A person may be charge with and convicted of both the offense of money laundering and the unlawful activity.  
2<sup>nd</sup> statement - The offense of money laundering committed by public officers and private persons in conspiracy of such public officers shall be under the jurisdiction of the Sandiganbayan.  
A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
95. 1<sup>st</sup> statement – another term for hacking is cracking.  
2<sup>nd</sup> statement – the DTI is one of the implementing agencies of the E-Commerce Law.  
A. Correct, correct  
B. Correct, wrong  
C. Wrong, correct  
D. Wrong, wrong
96. What is the prescriptive period allowed by law to depositors to file their claims for insured deposits with PDCI?  
A. 2 years from PDIC's take over  
B. 1 year from PDIC's take over  
C. 3 year from PDIC's take over  
D. years from PDIC's take over
97. What is the amount of covered transaction in so far as jewelry dealers are concerned for purposes of reporting to Anti-Money Laundering Council?  
A. A transaction exceeding P 100,000  
B. A transaction exceeding P 500,000  
C. A transaction exceeding P 1,000,000  
D. A transaction exceeding P 5,000,000

98. Under Unclaimed Balances Law, what is the minimum period of dormancy of the deposit in a bank to be considered unclaimed balances?
- A. At least 1 year
  - B. At least 5 years
  - C. At least 3 years
  - D. At least 10 years
99. The making, using, offering for sale, selling, or importing a patented product or a product obtained directly or indirectly from a patented process, or the use of a patented process without the authorization of the patentee constitutes
- A. Trademark infringement
  - B. Patent infringement.
  - C. Copyright infringement
  - D. Double sale
100. Which of the following companies is exempted by Anti Money Laundering Law from reporting reportable and suspicious transactions to Anti-Money Laundering Council?
- A. Casino
  - B. Holding companies
  - C. Remittance companies
  - D. Auditing firm rendering assurance engagement

