

## BSA 2A

**NOTE:** I PUT MY ANSWER IN THE SPACE PROVIDED BEFORE THE NUMBER AND I HIGHLIGHTED THE CORRECT ANSWER.

  A   1. Horacio opened a small coffee shop using money borrowed from a bank. After three months, he left for the United States with the intent of defrauding his creditors. While his liabilities are worth P2000,000,000, his assets, however, are worth P2,500,000.

- a. He may be declared insolvent.
- b. He may apply for suspension of payment if he foresees that the impossibility of meeting them when the obligations fall due.
- c. He may not be declared insolvent because his assets are more than his liabilities.**
- d. He is neither qualified to be declared insolvent nor to apply for suspension of payment because of his bad intention.

  C   2. Mr. Pobre, doing business in the name of Ghana Enterprises, a sole proprietorship, finds himself short on cash and unable to pay his debts as they fall due although he has sufficient property to cover such debts.

- a. He should apply for insolvency with the Securities and Exchange Commission.
- b. He should apply for suspension of payment with the regular court of justice.**
- c. He should apply for insolvency with the regular court.
- d. He should apply for suspension of payment with Securities and Exchange Commission.

  A   3. An individual debtor whose properties are not sufficient to cover his liabilities and owing debts exceeding \_\_\_\_\_, may apply to be discharged from his debts and liabilities by filing a verified petition with the court of the province or city in which he has resided for six (6) months prior to the filing of such petition.

- a. P 1,000
- c. P 500,000**
- b. 50,000
- d. 5 million

  C   4. A well-known accountant is suffering from financial reverses. He has four creditors with a total claim of P15 million. Despite his intentions to pay these obligations, his current assets are sufficient to pay all of them. His creditors are about to sue him.

Which of the following statement is wrong?

- a. If he files a petition for insolvency, such petition shall be considered as voluntary insolvency.
- b. If he is discharged from liability due to insolvency and he has guarantors for his debts, the guarantors are not discharged since only he is discharged from liability.
- c. If he files a petition for insolvency, such petition shall be considered as involuntary insolvency.**
- d. The guarantors, if any, shall be made to pay the creditors.

B   5. Effects of a judgment of insolvency in voluntary insolvency cases, except:

- a. The declaration is published and copies personally served on creditors named in the petition.
- b. The petitioner applies for a discharge in insolvency, and if granted, will free him from paying balance of his obligations brought up in the proceedings, and also frees his future acquisitions and properties from the payment of these obligations involved in the insolvency proceedings.
- c. The creditors meet to appoint an assignee.
- d. He is discharged from the assessments due to the national and local governments.

  B   6. All of the following, except one, are considered as acts of involuntary insolvency

- a. Debtor departing from the Philippines
- b. Debtor files a petition for insolvency with the proper office.
- c. Debtor removes or conceals his properties.
- d. Debtor absent and continued to be absent.

  D   7. Qualification of a rehabilitation receiver, except

- a. Filipino citizen
- b. No conflict of interest
- c. Of good moral character
- d. Must take over the management and control of the debtor

  A   8. Which of the following is not required to be contained in a petition for rehabilitation?

- a. Stay order
- b. Lists of debtors' liabilities and creditors with their addresses, amounts of claims and collaterals.
- c. Rehabilitation plan.
- d. The name of the debtor, its identification, address and principal activities.

  C   9. Refers to the restoration of the debtor to a condition of successful operation and solvency

- a. Stay order
- b. Suspension of payment
- c. Rehabilitation
- d. Rehabilitation plan

  D   10. Which of the following is not punishable by BP 22?

- a. Drawing a check without sufficient funds.
- b. Drawing a check with sufficient funds but fails to keep sufficient fund within 90 days from the date of check.
- c. That the drawer postdated a check when he had no funds in the bank under false pretenses for which reason the check had been dishonored during presentment
- d. Issuing a check with sufficient funds but the drawer, without any valid reason, ordered the bank to stop payment for which reason the check has been dishonored.

\_\_\_ **D** \_\_\_ 11. The following are elements of BP 22, except

a. The drawing or issue of check of a check to apply to an account or for value.

**b. Deceit**

c. Knowledge of the drawer that he does not have sufficient funds with the bank when the check is presented for payment.

d. Dishonor for fund insufficiency or for stop payment order of the drawer.

\_\_\_ **A** \_\_\_ 12. Penalty for violation of BP 22, except

**a. Fine of P250,000 where the amount of the check is in P200,000.**

b. Fine of not less than but more than the double the amount of the check.

c. Imprisonment of not less than any 30 days but not more than one year.

d. Imprisonment and fine.

\_\_\_ **B** \_\_\_ 13. Which of the following is an element of BP 22?

a. The offender postdated or issued a check in payment of an obligation contracted at the time it was issued.

**b. Dishonor for fund insufficiency**

c. That such postdating or issuing a check was done when the offender had no funds in the bank, or his funds deposited therein were not sufficient to cover the amount of the check.

d. That there was deceit or damage to the payee thereof.

\_\_\_ **A** \_\_\_ 14. Which of the following is not covered by the Unclaimed Balances Law?

**a. pawnshops**

c. building and loan associations

b. commercial banks

d. trust companies

\_\_\_ **C** \_\_\_ 15. The Unclaimed Balances Law shall not apply on

a. Deposits of bullion

b. Deposits in a bank

**c. Deposits of a person who has not made any deposit or withdrawal within the last two (2) years.**

d. Deposits by a person known to be dead.

\_\_\_ **B** \_\_\_ 16. Within the month of January of every odd year, all banks shall be declared to the Treasurer of the Philippines a statement of all credits and deposits held by them in favor of persons who have not made further deposits or withdrawals during the preceding ten (10) years or more showing the following except

a. The names and last known place of residence or post office addresses of the persons in whose favor such unclaimed balances stand.

**b. The nearest relative of the deceased depositor or creditor.**

c. The date when the person in whose favor the unclaimed balance stands died, if known, or the date when he made his last deposit or withdrawal.

d. The amount and the date of the outstanding unclaimed balances and whether the same is in money or in security, and if the latter, the nature of the same.

     **B** 17. Which of the following statement is true? Under Unclaimed Balances Law

I. The depositor or his successor-in-interest may request for the reactivation of the account by writing the depository bank who in turn shall write the Bureau of the Treasury.

II. The unclaimed balances may be subject of escheat proceedings, after proper publication and the depositors still do not lay claim to them.

a. I only

**c. Both I and II**

b. II only

d. Neither I and II

     **A** 18. Which of the following is not a purpose of RA 1405 otherwise known as the Law on Secrecy of Bank Deposits?

a. To encourage people to deposit their money in banking institutions.

b. To discourage private hoarding so that monies maybe properly utilized by banks in authorized loans to assist in the economic development of the country.

**c. To blend with the intention of the Anti-Money Laundering Act.**

d. To make deposits confidential.

     **A** 19. In the following cases, an official or employee of a banking institution may disclose information to the government concerning deposit of whatever nature, except

**a. Upon request of spouse or dependents of the depositor**

b. Upon written permission of the depositor

c. In cases of impeachment

d. Upon order of a competent court in cases of bribery or declaration of duty of public officials.

     **C** 20. All deposits of whatever nature with banks or banking institutions in the Philippines including investments in bonds issued by the Government of the Philippines, its political subdivisions and its instrumentalities are hereby considered as absolutely confidential in nature and may not be examined, inquired or looked into by any person, government official, bureau or office. Which is not an exception?

a. Where the money deposited or invested is the subject matter of the litigation.

b. In settlement of estate upon inquiry by the Commissioner of Internal Revenue to determine the estate of a deceased depositor.

c. In cases of other for abatement or compromise settlement of a taxpayer's tax liabilities on the ground of financial incapacity.

**d. In cases of congressional investigation.**

\_\_\_ **C** 21. Bank deposits are absolutely confidential and may not be revealed by any bank officials or employee. Which of the following cases is not an exception?

a. Those covered by the Anti-Money Laundering Act.

**b. Those covered by the Law on Income Taxation**

c. Those covered by the Anti-Terrorism Law

d. Those covered by the Unexplained Wealth law (RA 3019)

\_\_\_ **A** 22. Jose Sero visited a friend in his office, Chiz Moso, a bank manager, for a business transaction. While having a friendly conversation, Jose Sero asked Chiz Moso if their friend May Sekreto has an existing account with the bank. Chiz Moso answered "Yes." and Jose Sero asked for the amount which Chiz Moso after verifying from the bank computer answered P 2.5 million

Q1: Did Chiz Moso violate the Law on Secretary of bank deposit in informing Jose Sero that May Sekreto has an existing bank account?

Q2: Did Chiz Moso violate the law on Secrecy of bank deposit in divulging the amount to Jose Sero?

a. Yes, Yes

**c. No, Yes**

b. Yes, No

d. No, No

\_\_\_ **C** 23. Which of the following is not a concept of money laundering?

a. Illegal or dirty money

b. The dirty money is put through a cycle of transactions for washing so that it comes out as legal or clean money

c. The money comes from a legal source

**d. The source of illegally obtained funds that is obscured through a successor of transfer so the same funds can eventually appear as legitimate income.**

\_\_\_ **A** 24. The following crimes/unlawful activities, except one, are covered by the AMLA

**a. Violation of BP 22**

c. Violence of Anti-Graft and Corrupt Practices Act

b. Piracy

d. Kidnapping for ransom

\_\_\_ **C** 25. All of the following, except one, are unlawful activities which fall under the coverage of AMLA

a. Violation of Comprehensive Dangerous Drug Acts

**c. Murder**

b. Plunder

d. Qualified theft

\_\_\_ **D** 26. Money laundering offense is committed by any of the following, except

a. Any person knowing that any monetary instrument or property represents involves, or relates to the proceeds of any unlawful activity, transacts or attempts to transact said monetary instrument or property.

b. Any person knowing that any monetary instrument or property involves the proceeds of any unlawful activity, performs, or fails to perform any act as a result of which he facilitates the offense of money laundering refereeing to in (a) above.

c. Any person knowing that any monetary instrument or property required under the AMLA as amended, be disclosed and filed with Anti-Money Laundering Council (AMLC), fails to do so.

d. Any person knowing that a covered or suspicious transaction occurred immediate reports to the AMLC all covered or suspicious transactions within five (5) working days from occurrence thereof.

    B     27. A transaction in cash or other equivalent monetary instrument involving a total amount in excess of \_\_\_\_\_

a. P 100,000

c. P1,000,000

b. P 500,000

d. P5,000,000

A&B&D 28. Which of the following deposits/investments is covered by the PDIC?

a. Unfunded, fictitious, or fraudulent

b. Proceeds of unlawful activity as defined under the Anti-Money Laundering Act

c. Foreign currency deposits

d. Investment products such as trust accounts

    C     29. The following deposits is not insurable with the PDIC

a. Deposits with cooperative banks

b. Deposits of products constituting or emanating from unsafe and unsound banking practices.

c. Deposits on the foreign banks with the branches in the Philippines

d. Investment products such as trust accounts

    B&D     30. Which of the following questions is answerable by "No"?

a. Are all banks members of the PDIC?

b. Shall the depositor pay any insurance premium so that their deposits will be insured with the PDIC?

c. If I have several deposits in different branches of the same bank, will my deposits added be added together for insurance purposes the total of which shall not exceed P500,000?

d. Are deposits maintained in branches and substances of foreign banks operating in the Philippines insured by the PDIC?

    A     31. The following documents are needed in filing claims with the PDIC, except

a. Marriage certificate issued by the Philippine Statistics Authority

b. Original copy of the identification card

c. If the depositor is a minor photocopy of birth certification issued by the Philippine Statistics Authority

d. Original evidence of deposit

A     32. S has three separate deposits with Run Bank, namely, Naga City Branch P300,000 savings deposit and P250,000 time deposit, Legazpi City Branch P45,000 checking account. Later on, the bank ran into financial trouble and was ordered by Bangko Sentral to close and liquidate. How much may S recover?

- a. P1,500,000
- b. P 500,000
- c. P 595,000
- d. 545,000

    D     33. Jose has several accounts in different branches of RCBC, under the following account names: 1-Jose (savings account) P 150,000, 2-Jose (time deposit) P 200,000, 3-Jose Flower Shop (sole proprietorship of Jose) (demand deposit) P 125,000, 4-Jose (savings deposit) P 60,000.

The amount of insured deposit is:

- a. P 625,000
- b. 585,000
- c. P 500,000
- d. 510,000

    D     34. Juan has several accounts with different branches of BPI under the following account names: 1-Juan (demand deposit) P 200,000, 2-Juan ITF Agustin (savings deposit) P 400,000, 3-Juan by Maria Sta. Maria (time deposit) P 500,000, 4-Juan by Maria or Nicolas (time deposit), P 500,000

The insured deposit on Juan and Agustin, respectively

- a. P 1,600,000; P 200,000
- b. 1,200,000; P 400,000
- c. P 500,000; P 400,000
- d. 1,500,000; None

    B     35. The following depositors have the following accounts with PNB: Account 1- John, P 500,000; Account 2- John or Mary, P 600,000; Account 3-John and Peter, P 500,000; Account 4-John or Mary or Peter, P 450,000. Which of the following statement is wrong?

- a. Account 1 is entitled to a separate deposit insurance of P 500,000
- b. In Account 2, John is entitled to an insured deposit of P 250,000
- c. Total insurable deposit of John in the joint accounts is P 650,000
- d. Shares of each co-owner in each of the joint accounts are added together and insured up to P 500,000

    C     36. What is the required measure for the removal of an elective officer of a cooperative?

- a.  $\frac{3}{4}$  of the regular members of the general assembly present and constituting a quorum.
- b.  $\frac{3}{4}$  votes of the members of the Board of Directors
- c.  $\frac{2}{3}$  votes of the regular members present and constituting a quorum.
- d.  $\frac{2}{3}$  votes of the members of the Board of Directors

    A     37. ABC Cooperative was dissolved and thereby all of its members, assets, rights, privileges, liabilities, and obligations were transferred to DEF Cooperative. This method of combination refers to

- a. Merger
- b. Consolidation
- c. Merger and consolidation
- d. Neither merger nor consolidation

D   38. The following cause/effects may apply to merger and/or consolidation of cooperatives, except

a. No merger or consolidation shall be valid unless approved by 2/3 of all the members eligible to vote of each of the constituent and cooperatives at separate general assembly meetings.

b. The constituent cooperatives shall become a single cooperative which, in case of consolidation, shall be the surviving cooperative.

c. The separate existence of the constituent cooperatives shall cease, except that of the surviving cooperative.

d. The dissenting members shall have the right to exercise their right to withdraw their membership.

  D   39. The primary purpose of this cooperative is to procure commodities to members and non-members

a. Credit Cooperative

c. Marketing Cooperative

b. Producers Cooperative

d. Consumers Cooperative

  A   40. Engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication, and other services.

a. Services Cooperative

c. Producers Cooperative

b. Multipurpose Cooperative

d. Marketing Cooperative

  A   41. Those cooperative the members of which are cooperatives shall be known as

a. Primary

c. Tertiary

b. Secondary

d. Federation

  A   42. The members of this cooperative are natural persons

a. Primary

c. Tertiary

b. Secondary

d. Federation

  D   43. This cooperative is engaged in the following activities: promotes and undertakes savings and lending services among its members, procure and distributable commodities to members, and engaged in the business of insuring life and poverty of cooperatives and their members

a. Credit Cooperative

c. Insurance Cooperative

b. Consumers Cooperative

d. Multi-purpose Cooperative

  D   44. Every cooperative shall have the following open to its members and representatives of the CDA for inspection during reasonable office hours at its official address, except

a. The books of the minutes of the meetings of the general assembly board of directors and committees.

b. Certificate of Membership of every member

c. A copy of this Code and all other laws pertaining to cooperative.

d. A copy of the articles of cooperation and by-laws of the cooperative.

\_\_\_ **B** 45. Which of the following statements on Annual Reports is false?

Statement 1: Every cooperative shall draw up an annual report of its affairs as of the end of every fiscal year, and publish the same furnishing copies to all its members of record.

Statement 2: A copy of the annual report shall be filed with the CDA within 60 days from the end of every fiscal year.

- a. Statement 1 only
- b. Statement 2 only
- c. Both statements
- d. Neither statements

\_\_\_ **A** 46. Which of the following statement is false?

a. Duly registered cooperatives which do transact business only with members shall not be subject to any government taxes and fees imposed under the Internal Revenue Law and other tax laws.

b. Cooperative transacting business with both members and non-member shall not be subject to tax on their transactions to members.

c. Even if dealing with non-members, cooperatives with accumulated reserves and undivided net savings of not more than P 10 million shall be exempt from all national city provincial, municipal, or barangay taxes of whatever name and nature.

d. If dealing with non-members, cooperatives with accumulated reserves and undivided net savings of not more than P 10 million shall be exempt from all national city provincial, municipal, or barangay taxes of whatever name and nature.

\_\_\_ **C** 47. Cooperatives with accumulated reserves and undivided net savings of more than P 10 million shall pay the following taxes at the full rate, except.

a. Income Tax: On the amount allocated for interest on capitals: Provided, That the same tax is not consequently imposed on internet individually by members.

b. Sales Tax: On sales to non-members: Provided, however, That all cooperatives, regardless of classification are exempt from the payment of income and sales taxes for a period of 10 years.

c. Donor's tax

d. None of the above

\_\_\_ **D** 48. Not a privilege of a cooperative

a. Preferential treatment in the allocation of fertilizers and in rice distribution shall be granted by the appropriate government agencies.

b. Cooperatives ad their federations, such as marker vendor cooperatives – in the management of public markets and/or lease of public market facilities, stall or spaces.

c. Depositing their sealed cash boxes or containers, documents or any valuable papers in the sale of the municipal or city treasurers and other government offices free of charge.

d. Not given

\_\_\_ **A** 49. A member who has no right to vote nor be voted upon and shall be entitled to such rights and privileges as the bylaws may provide

- a. Regular member
- b. Board of Director
- c. Officer
- d. Associate member

\_\_\_ **B** 50. One of the following is a disqualification for membership of a cooperative

- a. Minor
- b. Government elective official
- c. Employee of the CDA, in a cooperative organized by employees of the CDA
- d. Congressman representing the cooperative as a partylist in the House of Representatives.

\_\_\_ **A** 51. Grounds for termination of membership in a primary cooperative, except

- a. Withdrawal
- b. Death
- c. Insanity
- d. Insolvency

\_\_\_ **D** 52. Voluntary dissolution of cooperatives where no creditors are affected may be affected by

- a. Majority vote of the Board of Directors
- b. At least 2/3 vote of all the members with voting rights
- c. Majority vote of the Board of Directors and duly adopted by the affirmative vote at least majority vote of all the members with voting rights
- d. Majority vote of the Board of Directors and duly adopted by the affirmative vote at least 2/3 vote of all the members with voting rights.

\_\_\_ **C** 53. In case of voluntary dissolution where creditors are affected, the CDA shall issue an order dissolving the cooperative and directing such disposition of its assets as justice requires. The order of dissolution shall set forth therein the following, except

- a. The assets and liabilities of the cooperative.
- b. The claim of any creditor.
- c. The petition duly signed by a majority of its BOD.
- d. The number of members.

\_\_\_ **B** 54. The following are grounds for involuntary dissolution of cooperatives, except

- a. Violation of any law or regulation.
- b. Disinterest of members to continue operating due to continued losses.
- c. Violation of any provisions of its by-laws
- d. Insolvency

\_\_\_ **D** 55. If a cooperative has not commenced business and operation within 2 years after the date shown on its certification of registration or has not carried business for two (2) consecutive years

- a. The cooperative shall be automatically dissolved
- b. The CDA shall automatically suspend its operation
- c. The CDA shall send format inquiry to the sad cooperative as to the status of its operation
- d. Shall warrant the CDA to strike off its name from the register and for all interns and purposes, the cooperative shall be deemed dissolved.

\_\_\_ **B** 56. Every cooperative whose charter expires by its own limitation or whom cooperative existence is terminated by voluntary dissolution or is terminated by appropriate judicial proceedings shall nevertheless be continued as a body cooperative for \_\_\_\_\_ after the time when it would have been a dissolved.

- a. 5 years
- b. 3 years
- c. 12 months
- d. 2 years

\_\_\_ **D** 57. Which of the following is not a source of capital of a cooperative?

- a. Subsidies, donations, legacies, grants, aids, and such other assistance from any local or foreign whether public or private.
- b. Loans and borrowings including deposits
- c. Member's share of capital
- d. None of them

\_\_\_ **D** 58. Where a member of cooperative dies

- a. His heir shall inherit the shares of the decedent.
- b. The total shareholding of the heir does not exceed 20% of the above capital of the cooperative.
- c. Where the shareholding of the heir exceeds 20% of the share capital, the shares in excess will revert to the cooperative upon payment to the heir of the value of such shares.
- d. The heir shall automatically succeed. The heir must qualify and is admitted as member of the cooperative.

\_\_\_ **A** 59. Which statement is false? No member shall transfer his shares or interest in the cooperative or any part thereof unless

- a. He is need of money.
- b. The assignment is made to the cooperative or to a member of the cooperative or to a person who falls within the field of membership of the cooperative.
- c. He has held such share contribution or interest for not less than one (1) year.
- d. The BOD has approved such assignment.

A   60. The term "share" refers to a unit of capital the par value of which may be fixed at any figure but not more than

- a. P 1,000
- b. 5,000
- c. P 500
- d. 100

  A   61. A cooperative may not invest its capital in any of the following

- a. In shares or debentures or securities of any other cooperative without the need of approval from the general membership.
- b. In any reputable bank in the locality, or any cooperative.
- c. In securities of issued or guaranteed by the Government.
- d. In real estate primarily for the use of the cooperative or its member.

  D   62. Cooperating under this Code shall be subject to an annual audit by an auditor who satisfies all the following qualifications, except

- a. He is independent of the cooperative being audited and of any subsidiary of the cooperative.
- b. He is a member of any recognized professional accounting or cooperative auditor's association with similar qualifications.
- c. He is duly accredited by the Board of Accountancy.
- d. He is an accredited auditor by the CDA even if not accredited by the Board of Accountancy.

  D   63. Rules on the right of a member of the cooperative to examine the books except,

- a. Examination should be made during reasonable hours on business days.
- b. He may be furnished a copy of excerpts from the records without charges except the cost of reproduction.
- c. An officer of the cooperative who shall refuse to allow any member of the cooperative to examine and copy excerpts from its record shall be liable to such member who damages.
- d. The member who demands a copy of the cooperative records can use the same for any purpose he shall so desire.

  C   64. Which of the following statement is false? The net surplus of the cooperative

- a. shall be determined in accordance with its by-laws.
- b. shall be determined at the close of every fiscal year and such other time as may be prescribed by the by-laws.
- c. shall be subject to income tax event if the transaction of the cooperative is with its member only.
- d. shall not be construed as profit but as excess of payments made by the members for the loans borrowed, or the goods and services bought by them from the cooperative and which shall be deemed have been returned to them if the same is distributed as prescribed herein.

\_\_\_ **A** 65. The net surplus of every cooperative shall be distributed as follows, except

a. An amount for the reserve fund – at least 20% of net surplus.

b. An amount for the reserve fund – at least 10% of net surplus.

c. An amount for the education and training fund – not more than 10% of net surplus.

d. An optional fund, a land and building, community development, and any other necessary fund – not exceeding 10%