CERTLABZ CERTIFICATION BOARD

Certified Decentralized Finance Professional (CDFP)

Ten Sample Questions

These ten questions are written at the difficulty of the live exam. Six carry a figure, a data table, a configuration or a code listing; four are plain scenario questions, as on the live paper. Every one is a scenario a working DeFi professional would meet, and none of them appears in the live question bank.

The live exam is multistage adaptive: how you score on one stage selects the difficulty of the next, so no two candidates sit the same paper. It is a performance-based exam: each form can carry up to 5 to 12 performance-based questions alongside the multiple-choice questions, which means you build, sequence or complete something rather than only choosing from a list. Answers and full explanations follow each question here; the live exam does not disclose item-level answers.

Question 1

Domain 2: Protocols and Primitives — DATA

Emma Wilson matches each DeFi protocol type to what it does.

Protocol type	What it does
Automated market maker	(to choose)
Lending protocol	(to choose)
Stablecoin	(to choose)
Yield aggregator	(to choose)

Table 1.1 Protocol types.

Which set of descriptions is correct?

- (A) Holds a stable value, swaps tokens against a pool, routes deposits for yield, and lets users borrow against collateral, in order.
- (B) Swaps tokens against a pool, lets users borrow against collateral, holds a stable value, and routes deposits for yield.
- (C) Lets users borrow against collateral, holds a stable value, swaps tokens against a pool, and routes deposits for yield, in order.
- (D) Routes deposits for yield, swaps tokens against a pool, lets users borrow against collateral, and holds a stable value, in order.

Correct answer: B
An automated market maker swaps tokens against a liquidity pool, a lending protocol lets users borrow against collateral, a stablecoin aims to hold a stable value, and a yield aggregator routes deposits to earn yield. Only option B pairs each type with what it does.

Question 2

Domain 4: Using and Interacting with DeFi

CONFIG

James Carter reviews a wallet prompt before signing.

```
Approve spending:
  token   : USDC-style stablecoin
  spender : unknown contract
  amount  : unlimited
```

Listing 2.1 The approval request.

What is the safest response?

- (A) Approve the unlimited amount to save time, because granting a larger allowance is always more convenient for future swaps.
- (B) Approve only the amount needed for this action, verify the spender, and revoke unused allowances later to limit exposure.
- (C) Approve unlimited and share the seed phrase with the contract, since a spender needs the seed to move the approved tokens.
- (D) Approve unlimited for any contract that asks, because an approval prompt only ever appears for fully trusted applications.

Correct answer: B
Granting only the needed allowance, verifying the spender, and revoking unused approvals limits how much a malicious or buggy contract can take. Unlimited approvals to unknown spenders are a common drain vector, a seed phrase must never be shared, and approval prompts do not imply trust.

Question 3

Domain 5: Risks in DeFi

DATA

Olivia Davis matches each DeFi risk to its description.

Risk	Description
Impermanent loss	(to choose)
Liquidation	(to choose)
Depeg	(to choose)
Rug pull	(to choose)

Table 3.1 DeFi risks.

Which set of descriptions is correct?

- **A** A stablecoin loses its peg, LP value lags holding, collateral is sold off, and the team drains the project, in that order shown.
- **B** LP value lags simply holding the assets, collateral is force-sold, a stablecoin loses its peg, and the team drains the project.
- **C** Collateral is force-sold, a stablecoin loses its peg, the team drains the project, and LP value lags holding, in the order shown.
- **D** The team drains the project, LP value lags holding, collateral is force-sold, and a stablecoin loses its peg, in the order shown.

> **Correct answer: B**
> Impermanent loss is when a liquidity position is worth less than simply holding the assets, liquidation is the forced sale of collateral, a depeg is a stablecoin losing its intended value, and a rug pull is a team draining a project. Only option B matches each risk to its description.

Question 4

Domain 4: Using and Interacting with DeFi

CONFIG

Liam Anderson lists the steps of a token swap, shown out of order.

```
A. Sign and submit the swap transaction
B. Approve the token allowance if needed
C. Set slippage tolerance
D. Choose the tokens and amount
```

Listing 4.1 Swap steps.

What is the correct order?

- **A** A, then D, then B, then C, submitting the swap before choosing tokens, approving the allowance or setting slippage at all.
- **B** D, then B, then C, then A, choosing tokens, approving the allowance, setting slippage, then signing and submitting the swap.
- **C** C, then A, then D, then B, setting slippage and submitting the swap before the tokens are chosen or any allowance is set.
- **D** B, then A, then C, then D, approving and submitting before the tokens and amount have even been chosen for the swap.

> **Correct answer: B**
> A swap runs: choose the tokens and amount, approve the allowance if needed, set slippage tolerance, then sign and submit the transaction. The other orders submit the swap before the tokens are chosen or the allowance and slippage are set.

Question 5

Domain 3: Tokens and Economics

DATA

Ava Thompson matches each token concept to its meaning.

Concept	Meaning
Governance token	(to choose)
Liquidity incentive	(to choose)
Emissions	(to choose)
DAO	(to choose)

Table 5.1 Token concepts.

Which set of meanings is correct?

- (A) New tokens released over time, a vote on protocol changes, a member-run organisation, and a reward for providing liquidity.
- (B) A vote on protocol changes, a reward for providing liquidity, new tokens released over time, and a member-run organisation.
- (C) A reward for providing liquidity, new tokens released over time, a member-run organisation, and a vote on protocol changes.
- (D) A member-run organisation, a vote on protocol changes, a reward for providing liquidity, and new tokens released over time.

Correct answer: B
A governance token grants a vote on protocol changes, a liquidity incentive rewards users for providing liquidity, emissions are new tokens released over time, and a DAO is a member-run organisation. Only option B maps each concept to its meaning.

Question 6

Domain 6: Compliance, Security and the Future

DATA

A user evaluates a new protocol before depositing funds.

Signal	Meaning
Independent audit published	Reassuring
Anonymous team, no audit	Caution
Unusually high fixed yield	Caution
Open-source, reviewed code	Reassuring

Table 6.1 Evaluation signals.

What is the soundest way to use these signals?

- (A) Ignore all of them and deposit based on the advertised yield alone, since a high yield is the only signal that truly matters.
- (B) Weigh them together as risk signals, treating audits and open review as positives and anonymity and outsized yield as warnings.
- (C) Treat an anonymous team as the strongest positive signal, because anonymity proves the protocol is decentralized and safe.

D. Treat a very high fixed yield as a guarantee of safety, because only a secure protocol could afford to pay such a rate.

> **Correct answer: B**
> These are risk signals to weigh together: published audits and open, reviewed code are reassuring, while an anonymous team with no audit and an unusually high fixed yield are warnings. Depositing on advertised yield alone, or treating anonymity or outsized yield as positives, ignores how scams present themselves.

Question 7 — Domain 1: DeFi Foundations

A newcomer says using a non-custodial DeFi wallet is just like a bank account they can call to reverse mistakes. How do you correct this?

A. Agree, because a non-custodial wallet has a support line that can reverse any mistaken or fraudulent transaction on request.

B. Explain that non-custodial means the user alone controls the keys and funds, and mistaken transactions generally cannot be reversed.

C. Explain that a DeFi wallet is fully insured by default, so any loss from a mistake is automatically refunded to the user.

D. Agree, because DeFi transactions clear slowly enough that a user can always cancel them before they are finalized on chain.

> **Correct answer: B**
> Non-custodial means the user holds the keys and is solely responsible for the funds, with no intermediary to reverse mistakes, so care is essential. There is no support line to undo transactions, DeFi wallets are not insured by default, and confirmed transactions are not cancelable on demand.

Question 8 — Domain 5: Risks in DeFi

A liquidity provider is surprised their position is worth less than if they had simply held the two tokens. What happened?

A. The protocol stole part of the deposit, because a liquidity pool always keeps a share of the assets a provider puts in.

B. This is impermanent loss: as the pool rebalances on price moves, the position can lag simply holding the assets outright.

C. The tokens were burned, because supplying liquidity permanently destroys a portion of each token the provider deposits.

D. Nothing happened, because a liquidity position always matches holding the assets and can never be worth any less than that.

> **Correct answer: B**
> When pool prices move, the automated market maker rebalances the position, which can leave it worth less than simply holding the two tokens, known as impermanent loss. The protocol did not steal or burn the deposit, and a liquidity position does not always match holding.

Question 9 Domain 6: Compliance, Security and the Future

A centralized exchange asks a new user to complete identity verification before trading. Why does this requirement exist?

- (A) It exists only to slow users down, because verification serves no real regulatory or financial-crime purpose for an exchange.
- (B) KYC and AML obligations require regulated intermediaries to verify identity to help prevent money laundering and fraud.
- (C) It exists so the exchange can publish each user identity on chain, because all customer identities must be made public.
- (D) It exists only for marketing, because the exchange simply wants contact details to advertise new products to the user.

Correct answer: B
Regulated intermediaries such as centralized exchanges must perform know-your-customer and anti-money-laundering checks, verifying identity to help prevent money laundering and fraud. Verification is not pointless, identities are not published on chain, and the purpose is compliance, not marketing.

Question 10 Domain 3: Tokens and Economics

A protocol pays a very high token yield funded entirely by minting new tokens rapidly. What should a professional consider?

- (A) Nothing, because a high yield funded by minting is always sustainable and signals a healthy, well-designed token economy.
- (B) That heavy emissions can dilute holders and the yield may be unsustainable, so real value capture and token supply matter.
- (C) That minting new tokens increases each holder value directly, because more supply always raises the price of the token.
- (D) That emissions are irrelevant to price, because the number of tokens in circulation never affects a token value at all.

Correct answer: B
A yield funded by rapid minting dilutes existing holders and may not be sustainable, so a professional weighs real value capture against token supply and emissions. Minting-funded yield is not inherently healthy, more supply does not raise price on its own, and emissions do affect value.

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