Train:

Sentence	Label
X	1
Not X	0
Y	0
No Y	1
Z	0
Not Z	1
W	1
No W	0

Test:

Sentence	Label
No X	1

Option 1:
model memorizes -> No X -> ??? -> Competence is not sufficient

Option 2:
model generalizes -> No X -> 1
Add the following instances:

Train:

Sentence	Label
K	1

Test:

Sentence	Label
No K	0

If a model is able to learn the meaning of “No” in the competent case, then it is hard to imagine that adding the single training instance K, which violates the competence assumption, would suddenly prevent it from doing so
-> competence is not required