

TEST BANK QUESTIONS

CHAPTER 1: THE ESTATE PLAN AND THE PURPOSE AND NEED FOR A WILL

MATCHING

- | | |
|--------------------------|-------------------------------|
| a. testamentary capacity | f. property guardian |
| b. testator or testatrix | g. fiduciary duty |
| c. real property | h. legal title of a trust |
| d. ambulatory | i. principal |
| e. codicil | j. domiciliary administration |
-
1. *An individual or trust institution appointed by a court to care for and manage the property of a minor or an incompetent person*
 2. *The capital or property of a trust, as opposed to the income, which is the product of the capital*
 3. *The sanity (sound mind) requirement for any person making a valid will*
 4. *Subject to change or revocation any time before death*
 5. *A written amendment to a will that changes but does not invalidate the will*
 6. *The form of ownership for a trust property held by the trustee, giving the trustee the right to control and manage the property for another person's benefit*
 7. *A man or woman who makes and/or dies with a valid will*
 8. *The administration of an estate in the state where the decedent was domiciled at the time of death*
 9. *A duty or responsibility required of a fiduciary, which arises out of a position of loyalty and trust, to act solely for another person's benefit*
 10. *Land, buildings, and the objects permanently attached to them*

TRUE/FALSE

1. Not everyone can legally make a will.
2. All wills are ambulatory.
3. Copies of the letter of instructions should be given to family members.
4. The testator has no control over the determination of the source from which death taxes will be paid.
5. Everyone needs a will.
6. The surviving natural parent is automatically appointed the property guardian for the decedent's minor or incompetent children.
7. A single person can be a settlor, trustee, and beneficiary.
8. To acquire the authority and powers of the position, a personal representative must be appointed by the testator.
9. Anyone may dispose of property as a gift while alive.
10. Most states require that a valid will be dated.

MULTIPLE CHOICE

1. Which is NOT a reason that many people die without a valid will?
 - a. *Request of the beneficiary*
 - b. *Assumed expense*
 - c. *Reluctance to discuss property and finances with strangers*
 - d. *Procrastination*
2. When a testator signs his or her name at the bottom of the will, he or she is:
 - a. *Subscribing*
 - b. *Executing*
 - c. *Attesting*
 - d. *Witnessing*
3. The minor daughter of a decedent can generally be any of the following EXCEPT:
 - a. *Executrix*
 - b. *Distributee*
 - c. *Heir*
 - d. *Next of kin*
4. If a person preplans his or her funeral and burial arrangements, these arrangements should be included in the:
 - a. *Letter of instructions*
 - b. *Will*
 - c. *Codicil*
 - d. *Uniform Probate Code (UPC)*
5. Which would be a reason for the creation of a trust?
 - a. *For religious, educational, or charitable purposes*
 - b. *To encourage spendthrift beneficiaries to deplete the trust fund*
 - c. *To save taxes but incur probate expenses*
 - d. *To appoint a property guardian for a minor*
6. Which is LEAST likely to be used as a substitute for a will?
 - a. *Testamentary trust*
 - b. *Joint tenancy*
 - c. *Life insurance*
 - d. *Community property agreement*
7. In order for a will to be valid, it must:
 - a. *Be written or typed with a typewriter or word processor*
 - b. *Be signed only by witnesses*
 - c. *Be witnessed by no fewer than five people*
 - d. *Include the date of death*
8. If a person wants to donate his or her organs or remains, this request should be made in the:
 - a. *Letter of instructions*
 - b. *Will*
 - c. *Codicil*
 - d. *Donor card signed only by the donor*
9. Who is the only person a testator CANNOT disinherit?
 - a. *Surviving spouse*
 - b. *Surviving minor child*
 - c. *Surviving adult child*
 - d. *Sibling*
10. A testator must have all of the following EXCEPT:
 - a. *Executor*
 - b. *Testamentary capacity*
 - c. *Legal capacity*
 - d. *Designation of property*

CHAPTER 2: THE CONCEPT OF PROPERTY RELATED TO WILLS, TRUSTS, AND ESTATE ADMINISTRATION

MATCHING

- | | |
|----------------------------------|-----------------------|
| a. chattel | f. partition |
| b. chose in action | g. community property |
| c. nonprobate property | h. commingling |
| d. intestate succession statutes | i. fee simple estate |
| e. joint tenants | j. remainder |
-
1. *The division of real property held by joint tenants or tenants in common into separate portions so that the individuals may hold the property in severalty*
 2. *Two or more persons who own or hold equal, undivided interests in property with the right of survivorship*
 3. *A future estate in real property that takes effect on the termination of a prior estate created by the same instrument at the same time*
 4. *An estate in which the owner has an absolute, unqualified, and unlimited interest in real property*
 5. *Real and personal property owned by the decedent at the time of death that cannot be transferred by will or inheritance*
 6. *Combining community and separate property*
 7. *State laws that provide for the descent and distribution of property to those whom a decedent would probably have chosen if the decedent had made a will*
 8. *Any item of personal property*
 9. *All property, other than that received by gift, will, or inheritance, acquired by either spouse during marriage that is considered to belong to both spouses equally*
 10. *A right to bring a civil lawsuit to recover money damages or possession of personal property*

TRUE/FALSE

1. Real property is property that is immovable, fixed, or permanent.
2. Real property can be tangible or intangible.
3. A United States savings bond payable upon death to a named beneficiary is a form of probate property.
4. The law of property is mostly statutory.
5. In order for a joint tenancy to be created, common law requires unity of time, unity of title, unity of interest, and unity of possession.
6. When a joint tenant dies, his or her share of the property transfers to his or her spouse, children, or other designated heir.
7. While alive, each joint tenant has the right of severance.

8. Neither party in a tenancy by the entirety can sell, give away, or otherwise convey the property on his or her own.
9. Most states today still retain dower and curtesy.
10. No notice to terminate is required for a tenancy for years.

MULTIPLE CHOICE

1. Which is an example of real property?
 - a. *Apartment building*
 - b. *Automobile*
 - c. *Crops cultivated for sale*
 - d. *Stocks and bonds*
2. Which is NOT used to determine if personal property has been converted into a fixture?
 - a. *Conveyance*
 - b. *Annexation*
 - c. *Adaptation*
 - d. *Intention*
3. A dishwasher is an example of a/an:
 - a. *Domestic fixture*
 - b. *Agricultural fixture*
 - c. *Trade fixture*
 - d. *Commercial fixture*
4. Which is an example of tangible personal property?
 - a. *Stamp collection*
 - b. *Cash*
 - c. *Trademark*
 - d. *Government bond*
5. Which is an example of probate property?
 - a. *Gain from the sale of a business*
 - b. *Property owned in tenancy*
 - c. *Money placed in a bank account as a Totten trust*
 - d. *Annuity contracts with a named beneficiary*
6. Which is an advantage of joint tenancy?
 - a. *Joint tenancy avoids probate.*
 - b. *The person who creates the joint tenancy has complete control over the property.*
 - c. *All joint tenants must agree before the joint tenancy can be terminated.*
 - d. *The surviving recipient of the property previously held in joint tenancy is always the intended beneficiary.*
7. Which is NOT an example of community property?
 - a. *Inheritance to a single spouse during the marriage*
 - b. *Property obtained from community property income during the marriage*
 - c. *Income earned or acquired during the marriage by either spouse's employment*
 - d. *Property owned by the spouses in partnerships*

8. Which is a characteristic of a life estate?
 - a. *Life tenants while living may convey their interest in the property by sale or gift to a third person.*
 - b. *A life estate cannot be created by deed.*
 - c. *A life estate may not last for the lifetime of the original owner.*
 - d. *A life estate can be transferred by will.*
9. Which does NOT apply when a life estate is created and a reversion is retained?
 - a. *The grantee is the only person entitled to a reversion.*
 - b. *The real property that reverts does not go through the probate process of the life tenant's estate.*
 - c. *The grantor can transfer the reversion by deed or will.*
 - d. *The reversion is not lost if the grantor dies before the grantee.*
10. The few states that retain dower and curtesy agree on all of the following EXCEPT:
 - a. *Dower and curtesy rights can be released by spouses upon verbal agreement.*
 - b. *Dower and curtesy occur only upon the death of a spouse.*
 - c. *Dower and curtesy apply even if the decedent died testate.*
 - d. *Dower and curtesy are exempt from the claims of creditors of the decedent spouse.*

ANSWER KEYS

CHAPTER 1: THE ESTATE PLAN AND THE PURPOSE AND NEED FOR A WILL

MATCHING

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| b. testator or testatrix | g. fiduciary duty |
| c. real property | h. legal title of a trust |
| d. ambulatory | i. principal |
| e. codicil | j. domiciliary administration |

1. *An individual or trust institution appointed by a court to care for and manage the property of a minor or an incompetent person*
2. *The capital or property of a trust, as opposed to the income, which is the product of the capital*
3. *The sanity (sound mind) requirement for any person making a valid will*
4. *Subject to change or revocation any time before death*
5. *A written amendment to a will that changes but does not invalidate the will*
6. *The form of ownership for a trust property held by the trustee, giving the trustee the right to control and manage the property for another person's benefit*
7. *A man or woman who makes and/or dies with a valid will*
8. *The administration of an estate in the state where the decedent was domiciled at the time of death*
9. *A duty or responsibility required of a fiduciary, which arises out of a position of loyalty and trust, to act solely for another person's benefit*
10. *Land, buildings, and the objects permanently attached to them*

1. ANS: F
2. ANS: I
3. ANS: A
4. ANS: D
5. ANS: E
6. ANS: H
7. ANS: B
8. ANS: J
9. ANS: G
10. ANS: C

TRUE/FALSE

1. Not everyone can legally make a will.

ANS: T

True

Correct. A testator must have testamentary capacity.

False

Incorrect. A testator must have legal capacity.

2. All wills are ambulatory.

ANS: T

True

Correct. A will takes effect only after the testator dies.

False

Incorrect. All wills are subject to change or revocation before the testator dies.

3. Copies of the letter of instructions should be given to family members.

ANS: T

True

Correct. The letter of instructions should also be kept current.

False

Incorrect. Giving family members copies ensures that the person's wishes are known.

4. The testator has no control over the determination of the source from which death taxes will be paid.

ANS: F

False

Correct. Without an apportionment clause, family members could be placed in a hardship situation.

True

Incorrect. An apportionment clause in a will overrules methods established by state statute.

5. Everyone needs a will.

ANS: T

True

Correct. If a person has no heirs, he or she may not care how the property is distributed after his or her death.

False

Incorrect. A will designates how property will be distributed, and if a person has no heirs, he or she may not care how the property is distributed after his or her death.

6. The surviving natural parent is automatically appointed the property guardian for the decedent's minor or incompetent children.

ANS: F

False

Correct. The children are typically appointed the property guardian, but not always.

True

Incorrect. The property guardian can be a legal person, such as a corporation.

7. A single person can be a settlor, trustee, and beneficiary.

ANS: T

True

Correct. Co-trustees or co-beneficiaries are more common.

False

Incorrect. However, this person cannot be the sole trustee and the sole beneficiary.

8. To acquire the authority and powers of the position, a personal representative must be appointed by the testator.

ANS: F

False

Correct. The person named by the testator is generally also appointed by the court.

True

Incorrect. The representative must be appointed by the court.

9. Anyone may dispose of property as a gift while alive.

ANS: T

True

Correct. However, this is not the same as an *inter vivos* trust.

False

Incorrect. Such a gift is known as an *inter vivos* gift.

10. Most states require that a valid will be dated.

ANS: T

True

Correct. A valid will must also be signed by the testator and two witnesses.

False

Incorrect. The date is especially important if there are multiple versions of the will.

MULTIPLE CHOICE

1. Which is NOT a reason that many people die without a valid will?

- a. *Request of the beneficiary*
- b. *Assumed expense*
- c. *Reluctance to discuss property and finances with strangers*
- d. *Procrastination*

ANS: A

Request of the beneficiary

Correct. The future beneficiary will generally want the person to have a will.

Assumed expense

Incorrect. Many people think a will is too expensive, when in fact most attorneys charge minimal fees.

Reluctance to discuss property and finances with strangers

Incorrect. Many people are reluctant to do so. However, they may not realize that other strangers may make the decisions about their property after they die.

Procrastination

Incorrect. Many people procrastinate about making a will. This is especially true of people who die prematurely.

2. When a testator signs his or her name at the bottom of the will, he or she is:

- a. *Subscribing*
- b. *Executing*
- c. *Attesting*
- d. *Witnessing*

ANS: A

Subscribing

Correct. This signature is required for a valid will.

Executing

Incorrect. Subscribing is a part of executing.

Attesting

Incorrect. Attesting is done by the witnesses.

Witnessing

Incorrect. A person generally cannot witness the execution of his or her own will.

3. The minor daughter of a decedent can generally be any of the following EXCEPT:
- a. *Executrix*
 - b. *Distributee*
 - c. *Heir*
 - d. *Next of kin*

ANS: A

Executrix

Correct. The executor or executrix most likely will be an adult.

Distributee

Incorrect. A distributee is entitled to a share of the distribution of an estate when the decedent dies intestate.

Heir

Incorrect. Children of the decedent are typically heirs.

Next of kin

Incorrect. Next of kin include the closest blood relative(s).

4. If a person preplans his or her funeral and burial arrangements, these arrangements should be included in the:
- a. *Letter of instructions*
 - b. *Will*
 - c. *Codicil*
 - d. *Uniform Probate Code (UPC)*

ANS: A

Letter of instructions

Correct. The letter of instructions is readily accessible for the testator's review and modification.

Will

Incorrect. The will directs the distribution of property after death.

Codicil

Incorrect. A codicil is an amendment to the will.

Uniform Probate Code (UPC)

Incorrect. The UPC is a law, not a personal death-related document.

5. Which would be a reason for the creation of a trust?
- a. *For religious, educational, or charitable purposes*
 - b. *To encourage spendthrift beneficiaries to deplete the trust fund*
 - c. *To save taxes but incur probate expenses*
 - d. *To appoint a property guardian for a minor*

ANS: A

For religious, educational, or charitable purposes

Correct. Such charitable trusts are called public trusts.

To encourage spendthrift beneficiaries to deplete the trust fund

Incorrect. Trusts can be established to prevent this from happening.

To save taxes but incur probate expenses

Incorrect. Trusts can reduce both tax and probate costs.

To appoint a property guardian for a minor

Incorrect. A trust can be used to avoid this practice.

6. Which is LEAST likely to be used as a substitute for a will?
- a. *Testamentary trust*
 - b. *Joint tenancy*
 - c. *Life insurance*
 - d. *Community property agreement*

ANS: A

Testamentary trust

Correct. A testamentary trust is created in a will.

Joint tenancy

Incorrect. The other owner(s) has the right of survivorship.

Life insurance

Incorrect. A person can choose his or her beneficiary for a life insurance policy.

Community property agreement

Incorrect. A community property agreement transfers ownership rights to a surviving spouse.

7. In order for a will to be valid, it must:
- a. *Be written or typed with a typewriter or word processor*
 - b. *Be signed only by witnesses*
 - c. *Be witnessed by no fewer than five people*
 - d. *Include the date of death*

ANS: A

Be written or typed with a typewriter or word processor

Correct. A will must be a printed document.

Be signed only by witnesses

Incorrect. The testator must also sign his or her will.

Be witnessed by no fewer than five people

Incorrect. A will must be witnessed by at least two people.

Include the date of death

Incorrect. A testator will not know his or her date of death.

8. If a person wants to donate his or her organs or remains, this request should be made in the:
- a. *Letter of instructions*
 - b. *Will*
 - c. *Codicil*
 - d. *Donor card signed only by the donor*

ANS: A

Letter of instructions

Correct. The letter of instructions is typically read soon after death, allowing enough time for a useful donation.

Will

Incorrect. In some cases, it takes days or weeks to find a will.

Codicil

Incorrect. A codicil is an amendment to a will.

Donor card signed only by the donor

Incorrect. Two witnesses must also sign the donor card.

9. Who is the only person a testator CANNOT disinherit?
- a. *Surviving spouse*
 - b. *Surviving minor child*
 - c. *Surviving adult child*
 - d. *Sibling*

ANS: A

Surviving spouse

Correct. The surviving spouse has a statutory right to a share of the decedent's estate.

Surviving minor child

Incorrect. It is often in the children's best interest to leave the estate entirely to the surviving spouse.

Surviving adult child

Incorrect. Children do not have an automatic right to the estate of a parent.

Sibling

Incorrect. Siblings are less likely than nuclear family members to be named heirs.

10. A testator must have all of the following EXCEPT:
- | | |
|---------------------------------|-----------------------------------|
| a. <i>Executor</i> | c. <i>Legal capacity</i> |
| b. <i>Testamentary capacity</i> | d. <i>Designation of property</i> |

ANS: A

Executor

Correct. The court can appoint an administrator if no executor is named.

Testamentary capacity

Incorrect. A testator must be of sound mind.

Legal capacity

Incorrect. Generally, a testator must be 18 years old or older.

Designation of property

Incorrect. A will designates the distribution of property.

CHAPTER 2: THE CONCEPT OF PROPERTY RELATED TO WILLS, TRUSTS, AND ESTATE ADMINISTRATION

MATCHING

- | | |
|----------------------------------|-----------------------|
| a. Chattel | f. partition |
| b. chose in action | g. community property |
| c. nonprobate property | h. commingling |
| d. intestate succession statutes | i. fee simple estate |
| e. joint tenants | j. remainder |

1. *The division of real property held by joint tenants or tenants in common into separate portions so that the individuals may hold the property in severalty*
2. *Two or more persons who own or hold equal, undivided interests in property with the right of survivorship*
3. *A future estate in real property that takes effect on the termination of a prior estate created by the same instrument at the same time*
4. *An estate in which the owner has an absolute, unqualified, and unlimited interest in real property*
5. *Real and personal property owned by the decedent at the time of death that cannot be transferred by will or inheritance*
6. *Combining community and separate property*
7. *State laws that provide for the descent and distribution of property to those whom a decedent would probably have chosen if the decedent had made a will*
8. *Any item of personal property*
9. *All property, other than that received by gift, will, or inheritance, acquired by either spouse during marriage that is considered to belong to both spouses equally*
10. *A right to bring a civil lawsuit to recover money damages or possession of personal property*

1. ANS: F
2. ANS: E
3. ANS: J
4. ANS: I
5. ANS: C
6. ANS: H
7. ANS: D
8. ANS: A
9. ANS: G
10. ANS: B

TRUE/FALSE

1. Real property is property that is immovable, fixed, or permanent.

ANS: T

True

Correct. A house is an example of real property.

False

Incorrect. Land is an example of real property.

2. Real property can be tangible or intangible.

ANS: F

False

Correct. Personal property can be tangible or intangible.

True

Incorrect. Real property is always tangible.

3. A United States savings bond payable upon death to a named beneficiary is a form of probate property.

ANS: F

False

Correct. A bond paid to a named beneficiary will not be subject to estate administration.

True

Incorrect. Probate property is subject to estate administration.

4. The law of property is mostly statutory.

ANS: T

True

Correct. State statutes dictate how property can be distributed when a person dies intestate.

False

Incorrect. States have the power to enact statutes that govern the passage of property upon death.

5. In order for a joint tenancy to be created, common law requires unity of time, unity of title, unity of interest, and unity of possession.

ANS: T

True

Correct. These are referred to as the “four unities.”

False

Incorrect. The phrase “to two or more persons as joint tenants” does not necessarily create a joint tenancy.

6. When a joint tenant dies, his or her share of the property transfers to his or her spouse, children, or other designated heir.

ANS: F

False

Correct. The decedent’s ownership rights transfer automatically to the other owners.

True

Incorrect. The other joint tenants assume ownership of the property.

7. While alive, each joint tenant has the right of severance.

ANS: T

True

Correct. When a joint tenant conveys his or her equal interest in the property, the joint tenancy is severed.

False

Incorrect. A transfer of interest by gift or sale while the owner is alive is the only way the joint tenancy can be severed.

8. Neither party in a tenancy by the entirety can sell, give away, or otherwise convey the property on his or her own.

ANS: T

True

Correct. This rule is a characteristic difference between this and other forms of joint tenancy.

False

Incorrect. A tenancy by the entirety is available only to a husband and wife.

9. Most states today still retain dower and curtesy.

ANS: F

False

Correct. Dower and curtesy tended to provide inadequate support for the surviving spouse.

True

Incorrect. Most states have replaced dower and curtesy with statutes establishing a surviving spouse's right to a share of the entire estate.

10. No notice to terminate is required for a tenancy for years.

ANS: T

True

Correct. A tenancy for years is a type of leasehold estate.

False

Incorrect. The tenancy is created and terminates under its own rules.

MULTIPLE CHOICE

1. Which is an example of real property?

a. *Apartment building*

b. *Automobile*

c. *Crops cultivated for sale*

d. *Stocks and bonds*

ANS: A

Apartment building

Correct. An apartment building is a permanent structure affixed to land.

Automobile

Incorrect. An automobile is not a fixture or piece of land.

Crops cultivated for sale

Incorrect. Trees, grass, etc., are real property, but crops grown to be sold are not.

Stocks and bonds

Incorrect. Stocks and bonds are personal property, not real property.

2. Which is NOT used to determine if personal property has been converted into a fixture?
- a. *Conveyance*
 - b. *Annexation*
 - c. *Adaptation*
 - d. *Intention*

ANS: A

Conveyance

Correct. Conveyance is a transfer of property by deed or will from one person to another.

Annexation

Incorrect. Annexation refers to personal property that has been affixed to the real property.

Adaptation

Incorrect. Adaptation refers to personal property that has been adapted to the use or purpose of the real estate.

Intention

Incorrect. Intention is generally the controlling test that determines the existence of a fixture.

3. A dishwasher is an example of a/an:
- a. *Domestic fixture*
 - b. *Agricultural fixture*
 - c. *Trade fixture*
 - d. *Commercial fixture*

ANS: A

Domestic fixture

Correct. A tenant might install a dishwasher for personal use.

Agricultural fixture

Incorrect. A dishwasher cannot be used for growing crops or raising livestock.

Trade fixture

Incorrect. A dishwasher is unlikely to be used for trade or business.

Commercial fixture

Incorrect. Trade fixtures are fixtures that relate to business.

4. Which is an example of tangible personal property?
- a. *Stamp collection*
 - b. *Cash*
 - c. *Trademark*
 - d. *Government bond*

ANS: A

Stamp collection

Correct. A stamp collection physically exists, can be touched, and is movable.

Cash

Incorrect. The paper represents the right to receive property worth a certain dollar amount.

Trademark

Incorrect. Trademarks are intangible forms of personal property.

Government bond

Incorrect. Neither government nor corporate bonds are considered tangible.

5. Which is an example of probate property?
- a. *Gain from the sale of a business*
 - b. *Property owned in tenancy*
 - c. *Money placed in a bank account as a Totten trust*
 - d. *Annuity contracts with a named beneficiary*

ANS: A

Gain from the sale of a business

Correct. Gain from the sale of a business is an example of probate property.

Property owned in tenancy

Incorrect. Such property is nonprobate property.

Money placed in a bank account as a Totten trust

Incorrect. A Totten trust is a deposit made in a person's name as a trustee for another person.

Annuity contracts with a named beneficiary

Incorrect. Such annuity contracts are probate property if the estate is named instead of a beneficiary.

6. Which is an advantage of joint tenancy?
- Joint tenancy avoids probate.*
 - The person who creates the joint tenancy has complete control over the property.*
 - All joint tenants must agree before the joint tenancy can be terminated.*
 - The surviving recipient of the property previously held in joint tenancy is always the intended beneficiary.*

ANS: A

Joint tenancy avoids probate.

Correct. No corresponding expenses are required for the surviving joint tenant to acquire title.

The person who creates the joint tenancy has complete control over the property.

Incorrect. Joint tenancy means that two or more people have control over the property.

All joint tenants must agree before the joint tenancy can be terminated.

Incorrect. Any individual tenant can terminate the tenancy.

The surviving recipient of the property previously held in joint tenancy is always the intended beneficiary.

Incorrect. The recipient might not be the intended beneficiary.

7. Which is NOT an example of community property?
- Inheritance to a single spouse during the marriage*
 - Property obtained from community property income during the marriage*
 - Income earned or acquired during the marriage by either spouse's employment*
 - Property owned by the spouses in partnerships*

ANS: A

Inheritance to a single spouse during the marriage

Correct. Such inheritances are excluded from community property.

Property obtained from community property income during the marriage

Incorrect. Such property is considered community property.

Income earned or acquired during the marriage by either spouse's employment

Incorrect. Such income is used to benefit both parties.

Property owned by the spouses in partnerships

Incorrect. The same is true of property owned by spouses in stocks and bonds.

8. Which is a characteristic of a life estate?
- Life tenants while living may convey their interest in the property by sale or gift to a third person.*
 - A life estate cannot be created by deed.*
 - A life estate may not last for the lifetime of the original owner.*
 - A life estate can be transferred by will.*

ANS: A

Life tenants while living may convey their interest in the property by sale or gift to a third person.

Correct. A life estate may also last for the lifetime of the estate *pur autre vie*.

A life estate cannot be created by deed.

Incorrect. A life estate can be created by deed or will.

A life estate may not last for the lifetime of the original owner.

Incorrect. A life estate may last for the lifetime of the person who conveys the estate.

A life estate can be transferred by will.

Incorrect. A fee simple estate can be transferred this way, but a life estate cannot.

9. Which does NOT apply when a life estate is created and a reversion is retained?
- The grantee is the only person entitled to a reversion.*
 - The real property that reverts does not go through the probate process of the life tenant's estate.*
 - The grantor can transfer the reversion by deed or will.*
 - The reversion is not lost if the grantor dies before the grantee.*

ANS: A

The grantee is the only person entitled to a reversion.

Correct. The grantor is the only person entitled to a reversion.

The real property that reverts does not go through the probate process of the life tenant's estate.

Incorrect. This property is also not subject to taxes or creditors' claims.

The grantor can transfer the reversion by deed or will.

Incorrect. However, the grantor must be alive to do this.

The reversion is not lost if the grantor dies before the grantee.

Incorrect. The right to the reversion can be transferred by the grantor's will to beneficiaries.

10. The few states that retain dower and curtesy agree on all of the following EXCEPT:
- Dower and curtesy rights can be released by spouses upon verbal agreement.*
 - Dower and curtesy occur only upon the death of a spouse.*
 - Dower and curtesy apply even if the decedent died testate.*
 - Dower and curtesy are exempt from the claims of creditors of the decedent spouse.*

ANS: A

Dower and curtesy rights can be released by spouses upon verbal agreement.

Correct. Dower and curtesy rights can be released by spouses only by written agreement.

Dower and curtesy occur only upon the death of a spouse.

Incorrect. Dower and curtesy do not apply in cases of divorce or separation.

Dower and curtesy apply even if the decedent died testate.

Incorrect. The surviving spouse cannot be disinherited.

Dower and curtesy are exempt from the claims of creditors of the decedent spouse.

Incorrect. The only exceptions are for liens and encumbrances.

CHAPTER 3: THE PARTICIPANTS AND THE PROPER COURT

MATCHING

- | | |
|-------------------------|-------------------------------|
| a. Letters Testamentary | f. <i>in rem</i> jurisdiction |
| b. tickler system | g. disbursements |
| c. registrar | h. venue |
| d. probate (of a will) | i. residence |
| e. jurisdiction | j. domicile |
-
1. *Expenses and debt payments*
 2. *The dwelling in which one temporarily lives or resides*
 3. *The authority of the court over the decedent's property*
 4. *The particular place, city or county, where a court has authority to hear and decide a case*
 5. *The formal document of authority and appointment given to a personal representative by the court to administer a decedent's estate according to the terms of a will*
 6. *The legal home where a person has a true, fixed, and permanent place of dwelling and to which the person intends to return when absent*
 7. *The authority by which a particular court is empowered by statute to decide a certain kind of case and to have its decision enforced*
 8. *A chronological list of all the important steps and dates in the stages of the administration of a decedent's estate*
 9. *The procedure by which a document is presented to the court to confirm it is a valid will*
 10. *A person designated by a judge to perform the functions of the court in informal proceedings*
-
1. ANS: G
 2. ANS: I
 3. ANS: F
 4. ANS: H
 5. ANS: A
 6. ANS: J
 7. ANS: E
 8. ANS: B
 9. ANS: D
 10. ANS: C

TRUE/FALSE

1. A personal representative is obligated to act in good faith solely for the benefit of another person.

ANS: T

True

Correct. This is referred to as the personal representative's fiduciary duties.

False

Incorrect. The representative serves in a position of trust and loyalty.

2. If a personal representative is a man, he is referred to as an executrix.

ANS: F

False

Correct. A female personal representative is an executrix.

True

Incorrect. A male personal representative is an executor.

3. A personal representative has a duty to commence a civil lawsuit for claims on behalf of the estate when necessary.

ANS: T

True

Correct. A personal representative also defends the estate against claims when necessary.

False

Incorrect. A personal representative serves to act on behalf of the estate in all matters.

4. A personal representative does not have to be appointed by the court if the will clearly states who the decedent wished to serve as the personal representative.

ANS: F

False

Correct. A personal representative must always be appointed by the court.

True

Incorrect. The court generally, but not always, appoints the person whom the decedent requested.

5. A personal representative generally handles all the estate administration duties on his or her own.

ANS: F

False

Correct. A personal representative generally hires an attorney to assist in estate administration.

True

Incorrect. A personal representative generally lacks the knowledge and expertise needed.

6. An attorney or paralegal should never solicit or suggest that he or she be made personal representative if hired to draft a will.

ANS: T

True

Correct. He or she should also not recommend being named as the attorney who aids the personal representative.

False

Incorrect. Such an appointment would constitute a conflict of interests.

7. Paralegals handle many of the time-consuming details of administering a decedent's estate.

ANS: T

True

Correct. This reduces the cost of legal services.

False

Incorrect. A paralegal's work frees up the attorney to focus on other matters.

Chapter 3 Answer Keys

8. Residence determines venue.

ANS: F

False

Correct. Domicile determines venue.

True

Incorrect. Residence is the dwelling where a person temporarily resides.

9. A decedent's will must be entered into probate only in his or her domiciliary state even if he or she owns property in other states.

ANS: F

False

Correct. Ancillary administration is used to dispose of property in foreign states.

True

Incorrect. The will must be entered into probate in each state in which property is owned.

10. A personal representative can act as the ancillary administrator in all states.

ANS: F

False

Correct. This is allowed in some, but not all, states.

True

Incorrect. Many states require ancillary administrators to be residents of those states.

MULTIPLE CHOICE

1. Who is NOT involved in the preparation of wills and trusts and the administration of a decedent's estate?

a. *Beneficiary*

c. *Paralegal*

b. *Personal representative of the estate*

d. *Probate court*

ANS: A

Beneficiary

Correct. The beneficiary is the person to whom the decedent's property is given.

Personal representative of the estate

Incorrect. The personal representative administers the estate of the decedent.

Paralegal

Incorrect. The paralegal works with the attorney and often prepares drafts of documents.

Probate court

Incorrect. The probate court appoints the personal representative.

2. Which is a responsibility of the personal representative?

a. *Publishing a notice to creditors to submit their claims by a specific date*

b. *Preparing a preliminary draft of the will*

c. *Administering oaths in court*

d. *Keeping records and acting on behalf of the court*

ANS: A

Publishing a notice to creditors to submit their claims by a specific date

Correct. The personal representative must also pay appropriate taxes and approved creditor claims.

Preparing a preliminary draft of the will

Incorrect. Preparing a preliminary draft is generally a paralegal's responsibility.