

AAFM CTEP Exam

Volume: 472 Questions

Question No : 1

Wills executed according to _____ of the _____ are called Unprivileged Wills.

- A. Section 8, Hindu Succession Act 1956
- B. Section 63, Indian Succession Act 1925
- C. Section 8, Indian Succession Act 1925
- D. Section 63, Hindu Succession Act 1956

Answer: B

Question No : 2

According to _____ of the Registration Act, 1908 the registration of a Will is not compulsory. A suit can only be filed within _____ days after the refusal of registration by the Registrar. An oral will made by a soldier above 18 years of age will be valid for _____ while a written will be valid for _____.

- A. Section 18, 30, One month, Forever
- B. Section 18,15,One Month, Three Months
- C. Section 8, 15, One Month, Forever
- D. Section 8, 30, One Month, Forever

Answer: A

Question No : 3

Which of the following is/are objective(s) of Probate process?

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(i)	To distribute the property according to the provisions of the Will
(ii)	To pay the legitimate claims of creditors
(iii)	To collect taxes on the estate

- A. (i) and (ii)
- B. (ii) and (iii)
- C. (i),(ii) and (iii)
- D. (i) and (iii)

Answer: C

Question No : 4

More than_____ in wealth classifies the person as “Ultra HNI”

- A. \$1 million
- B. \$10 million
- C. \$50 million
- D. \$100 million

Answer: C

Question No : 5

The goals of Estate Planning can be broadly divided into_____ categories.

- A. Two
- B. Three
- C. Four

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D. Five

Answer: A

Question No : 6

_____ is an influential person who knows you favorably and agrees to introduce or recommend you to others.

A. Centre of Influence

B. Attorney

C. Commercial Bank Officer

D. Property Agent

Answer: A

Question No : 7

There are _____ methods of Business valuation. Out of these methods, _____ method applies discount rate to determine the valuation of the business.

A. Two, Discounted Cash Flow

B. Three, Discounted Cash Flow

C. Two, Income method

D. Three, Income method

Answer: C

Question No : 8

Estate planning has _____ phases.

A. Nil

B. Two

C. Three

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D. Depends on the value of estate

Answer: C

Question No : 9

You are an Estate Planner. A client gives you the following information (given below in Table).

Savings	1,20,000
Unit trusts to be turned to cash	5,00,000
Cash Bequests made in Will	1,00,000
Retirement annuity lump sum payable to estate	2,00,000
Mortgage bond balance outstanding	50,000
Motor vehicle finance settlement	75,000
Master's fees	15,000
Capital Gains Tax	12,000

You are required to make Quick Estimate of Estate's liquidity. All figures are in Rupees. The estimate in this case is _____

- A. 5,68,000
- B. (5,68,000)
- C. (1,30,000)
- D. 1,30,000

Answer: A

Question No : 10

There are _____ types of Charitable Trust. Out of these, in _____ the value of assets are protected against inflation as the payouts vary with the asset value.

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- A. Two, Charitable Remainder Unit Trust
- B. Two, Charitable Remainder Annuity Trust
- C. Three, Charitable Remainder Unit Trust
- D. Three, Charitable Remainder Annuity Trust

Answer: D

Question No : 11

A High Net Worth Individual (HNI) should hold at least _____ in liquid financial assets.

- A. \$1 million
- B. \$5 million
- C. \$10 million
- D. \$50 million

Answer: A

Question No : 12

There are _____ Non-Formal Sources of Law.

- A. One
- B. Two
- C. Three
- D. Infinite

Answer: D

Question No : 13

Full form of IRA is _____

- A. Individual Revocable Account

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- B. Individual Retirement Arrangement
- C. Individual Retirement Attorney
- D. Individual Retirement Aggregation

Answer: B

Question No : 14

Estate planning has _____ steps.

- A. Two
- B. Three
- C. Four
- D. Five

Answer: D

Question No : 15

Which of the following statement(s) about Power of Attorney (POA) is/are correct?

(i)	A POA applies during a person's lifetime and ceases to apply when he dies.
(ii)	There are two types of POA-one for life and other for Personal care.

- A. Only (i)
- B. Only (ii)
- C. Both (i) and (ii)
- D. Neither (i) or (ii)

Answer: C

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Question No : 16

In case of Amputation through shoulder joint, what is the Percentage of Compensation given (as per Workmen's Compensation Act)?

- A. 50%
- B. 75%
- C. 90%
- D. 100%

Answer: C

Question No : 17

Which of the following events does not require a Estate Planner to revise his plan?

- A. Divorce
- B. Donation of Asset
- C. Birth of grandchildren
- D. None of the above

Answer: D

Question No : 18

Which of the following is a way to Revoke a Will?

(i)	Burning the Original Will
(ii)	Tearing the Original Will
(iii)	Striking out the signature of the Original Instrument of a Will

- A. None of the above
- B. Both (i) and (ii)
- C. Only (iii)

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D. (i), (ii) and (iii)

Answer: D

Question No : 19

Which of the following statement(s) about Bequest is/are correct?

(i)	Bequests are not tax-deductible during the donor's lifetime.
(ii)	Bequests are preferred by the donors as it can be kept confidential
(iii)	Once donors set up a bequest, they are unlikely to change that bequest, and if they decide to change it, they are likely to decrease it, than to increase it.
(iv)	The bequest has many advantages for those who want to give at the end of their lifetime.

A. All except (iv)

B. All except (iii)

C. All (i),(ii),(iii) and (iv)

D. None of (i),(ii),(iii) and (iv)

Answer: B

Question No : 20

Which of the following statement is true?

Exhibit:

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(i)	Every estate has to be planned in one form or other
(ii)	An essential element of estate planning is to provide liquidity.

- A. Only (i)
- B. Only (ii)
- C. Both (i) and (ii)
- D. Neither (i) nor (ii)

Answer: C

Question No : 21

Which of the following is essential for contract?

- A. Free Consent
- B. Witness
- C. Signatory
- D. Consideration

Answer: D

Question No : 22

Public Limited Companies have a minimum paid up capital of _____ or such higher capital as may be prescribed.

- A. Rs 1,00,000
- B. Rs.3,00,000
- C. Rs.5,00,000
- D. Rs10,00,000

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Answer: C

Question No : 23

For which of the following stage of Business Cycle a succession plan is not prepared?

- A. Survival
- B. Growth
- C. Maturity
- D. New Growth or Winding Down

Answer: D

Question No : 24

As per the ESI Act, the monthly wage limit for coverage is _____ per month.

- A. Rs. 10,000
- B. Rs. 15,000
- C. Rs. 20,000
- D. Rs. 25,000

Answer: B

Question No : 25

In context to Workmen's Compensation Act, any claim for the compensation should be made within _____ of the occurrence of the accident or from the date of death.

- A. 6 months
- B. 10 months
- C. 1 year
- D. 2 years