

# DUMPS ARENA

## Chartered Trust & Estate Planner® (CTEP®) Certification Examination

AAFM CTEP

Version Demo

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## Topic Break Down

Topic	No. of Questions
Topic 1, Volume A	94
Topic 2, Volume B	94
Topic 3, Volume C	93
Topic 4, Volume D	191
<b>Total</b>	<b>472</b>

**QUESTION NO: 1**

\_\_\_\_\_ can be used as an alternative to the outright gift and \_\_\_\_\_ can be used as an alternative to a traditional short term pledge.

- A. Virtual Endowment Model, Step-Up gift
- B. Virtual Endowment Model, Philanthropic Equity Builder Model
- C. Virtual Endowment Model, Family Foundation
- D. Step-Up Gift, Family Foundation

**ANSWER: B****QUESTION NO: 2**

Which one of the above statement(s) is/are incorrect?

(i)	Gift received from other than relative exceeds Rs 25000 then that amount is liable to tax
(ii)	Gift received from other than relative exceeds Rs. 50000 then that amount is liable to tax.

- A. (i) only
- B. (ii) only
- C. Both
- D. None of the above

**ANSWER: D****QUESTION NO: 3**

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

(i)	If the donee dies before acceptance the gift is valid not void.
(ii)	For gift of moveable property, the transfer must not be effected by a registered instrument signed or by delivery

- A. (i) only
- B. (ii) only
- C. Both (i) & (ii) are correct
- D. Both (i) & (ii) are incorrect

**ANSWER: A**

#### QUESTION NO: 4

Which of the following is/are ancillary benefit(s) of Discretionary Family Trust?

(i)	It survives the death of an individual.
(ii)	The underlying assets are subject to the rights of other beneficiaries.
(iii)	The beneficiaries can use their capital gains exemption to reduce or eliminate future income tax.

- A. All except (i)
- B. All except (ii)
- C. Only (iii)
- D. All of the above

**ANSWER: D**

#### QUESTION NO: 5

Where an estate is liable to Inheritance Taxes, the tax is usually payable within \_\_\_\_\_ of the end of the month in which the death occurred. If it becomes overdue, the amount owing may incur interest, currently at \_\_\_\_\_ (as at April 2012).

- A. Six months, 3% p.a.
- B. Three months, 6% p.a.

- C. Six months, 6% p.a.
- D. Three months, 3% p.a.

**ANSWER: A**

**QUESTION NO: 6**

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: 7**

Vikrant Juneja gifted his house property to his wife in year 2007. Mrs. Juneja then lets out this house @ Rs. 5000 per month. The income from such house property will be taxable in the hands of:

- A. Mrs. Juneja
- B. Vikrant. However income will be computed first as Mrs. Juneja's income and thereafter clubbed in the income of Manish.
- C. Vikrant, as he will be treated as deemed owner & liable to pay tax
- D. Anyone amongst both of them, whose income is greater.

**ANSWER: C****QUESTION NO: 8**

Which of the following is/are the desirable contents of a will?

<b>I.</b>	<b>Attestation by Two Witnesses</b>
<b>II.</b>	<b>Full name and addresses of the attesting witnesses below their signatures</b>
<b>III.</b>	<b>Appointment of two or more executors jointly or in alternative</b>
<b>IV.</b>	<b>List of properties at the time of making a will</b>

- A. I, II and III
- B. II, III and IV
- C. I, III and IV
- D. All of these

**ANSWER: B****QUESTION NO: 9**

A trustee committing a breach of trust not liable to pay interest except

<b>(i)</b>	<b>Inadequate Survivor Income and Asset Transfer</b>
<b>(ii)</b>	<b>Where the breach consists of unreasonable delay in paying trust money to the beneficiary</b>
<b>(iii)</b>	<b>Where he can invest trust money &amp; Accumulate interest &amp; dividends</b>

- A. (i) & (ii)
- B. (ii) & (iii)
- C. Only (ii)
- D. All of the above

**ANSWER: D****QUESTION NO: 10**

Deadline for filing corporate tax return is \_\_\_\_\_.

- A. 30-Nov
- B. 31-Dec
- C. 1-Jan
- D. 1-Apr

**ANSWER: A****QUESTION NO: 11**

Which of the following option illustrates an advantage of the probate process?

(i)	Protects creditors
(ii)	Provides clear title to heir or legatee
(iii)	Improves the likelihood that legal heirs are heard by a competent court
(iv)	Provides for an orderly administration of decedent's assets

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

**ANSWER: D****QUESTION NO: 12**

The defined period for fraudulent transfers under the Bankruptcy Code was formerly \_\_\_\_\_ prior to the debtor's filing for bankruptcy. This period was \_\_\_\_\_ by the Bankruptcy Abuse Prevention and Consumer Protection Act of \_\_\_\_\_. Transfers to self-settled trusts may be recaptured if made within \_\_\_\_\_ of the debtor's filing for bankruptcy if the transfer in trust was made with the intent to hinder, delay or defraud present or future creditors.

- A. One year ; Extended to two years; 2005; 10 years

- B. Two years; Reduced by one year; 2005; 10 years
- C. One year; Extended to two years; 2008; 15 years
- D. Two years; Reduced by one year; 2008; 15 years

**ANSWER: A**

**QUESTION NO: 13**

In case of self occupied property, higher deduction u/s24(b) for interest on loan for construction can be claimed if borrowing was made

- A. After 1/4/99
- B. on or after 1/4/99
- C. Before 1/4/99
- D. On or after 1/9/2004

**ANSWER: C**

**QUESTION NO: 14**

In case where the Filing Status is single, phase-out begin range is \_\_\_\_\_ (as in 2013).

- A. \$250,000
- B. \$372,500
- C. \$150,000
- D. \$300,000

**ANSWER: A**

**QUESTION NO: 15**

In UK, for year 2013-2014, Blind Person's allowance is \_\_\_\_\_ and minimum amount of married couple's allowance is \_\_\_\_\_.

- A. £2,610; £3,400
- B. £2,160; £3,040
- C. £2,100; £2,960
- D. £1,980; £2,800

**ANSWER: B****QUESTION NO: 16**

Which of the following statement(s) about "Special Needs Trust" is/are correct?

(i)	It is also called "Supplemental Needs Trust".
(ii)	With this kind of Trust, a beneficiary can obtain certain luxuries and other benefits without defeating his or her eligibility for government benefits.

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

**ANSWER: A****QUESTION NO: 17**

The maximum limit of net wealth not chargeable to tax under provisions of the Wealth Tax Act, \_\_\_\_\_ is Rs. \_\_\_\_\_ at present.

- A. 1957; 10 Lakhs
- B. 1967; 15 Lakhs
- C. 1957; 15 Lakhs
- D. 1967; 25 Lakhs

**ANSWER: C****QUESTION NO: 18**

What is the full form of DFT?

- A. Discretionary Foundation Trust
- B. Discretionary Family Trust
- C. Discretionary Foundation Trustor

D. Discretionary Family Trustor

**ANSWER: B**

**QUESTION NO: 19**

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: 20**

You are a Trust and Estate Planner. Mr. Keith is your client. He is 45 years old. He asks you that in case he wants to leave assets for the life benefit of his spouse, but ultimately have the funds pass to his children by a prior marriage he should create \_\_\_\_\_. He further asks you to explain disadvantages of such arrangement. You tell him that the disadvantages of the arrangement are \_\_\_\_\_ of the given options.

(i)	Distributions start immediately instead of being deferred until spouse reaches age 70 years.
(ii)	Distributions during spouse's life will be based on a single life expectancy rather than the more favorable Uniform Lifetime Table.
(iii)	Loss of the ability to distribute benefits over the relatively long life expectancy of the participant's children.

- A. Living Trust; All of the above
- B. Living Trust; All except (iii)
- C. QTIP Trust; All except (ii)
- D. QTIP Trust; All except (i)

**ANSWER: D**