

# Estate Planning and Probate Law Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

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- 1. Which term denotes the price at which a property would sell in an arm's-length transaction between a willing buyer and a willing seller?**
  - A. Fair market value**
  - B. Gross value**
  - C. Skip person**
  - D. Annuity**
  
- 2. In a joint tenancy, the legal principle that ensures a surviving owner obtains the deceased owner's interest is the right of?**
  - A. Right of survivorship**
  - B. POD**
  - C. Totten trust**
  - D. Four unities**
  
- 3. What is the date the trust was formed called?**
  - A. Trust formation date**
  - B. Date of execution**
  - C. Signing date**
  - D. Effective date**
  
- 4. Which concept allows the surviving spouse to receive the unused portion of the deceased spouse's exclusion?**
  - A. Unified credit**
  - B. Unlimited marital deduction**
  - C. Deductions**
  - D. Portable**
  
- 5. Which statutes govern distribution of assets when the decedent dies intestate or without a will?**
  - A. Intestacy statutes**
  - B. Antilapse statutes**
  - C. Issue**
  - D. Statutory law**

- 6. Which trust is designed to have contributed assets pass down to the grantor's grandchildren rather than to the grantor's children?**
- A. Dynasty trust**
  - B. QTIP trust**
  - C. Generation-skipping trust**
  - D. Asset protection trust**
- 7. Which term describes an insurance or investment product designed to pay out a stream of payments to the owner at a later time?**
- A. Probate estate**
  - B. Dower**
  - C. Fair market value**
  - D. Annuity**
- 8. Which term means a transaction in which there is no relationship between the parties?**
- A. Incidents of ownership**
  - B. Arm's-length transaction**
  - C. Probate estate**
  - D. Dower**
- 9. Warning against allowing probate of a will.**
- A. Domiciliary probate**
  - B. Caveat**
  - C. Small estate probate**
  - D. Foreign executor**
- 10. An executor from another state.**
- A. Foreign executor**
  - B. Ancillary probate**
  - C. Common form**
  - D. Small estate probate**

## Answers

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1. A
2. A
3. A
4. D
5. A
6. C
7. D
8. B
9. B
10. A

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## **Explanations**

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**1. Which term denotes the price at which a property would sell in an arm's-length transaction between a willing buyer and a willing seller?**

**A. Fair market value**

**B. Gross value**

**C. Skip person**

**D. Annuity**

Understanding fair market value means recognizing the price a property would fetch in an arm's-length sale between a willing buyer and a willing seller, with both sides having knowledge of the asset and no pressure to act. This standard reflects what a typical market transaction would yield, under normal conditions, and it's the value used in estate planning and probate for asset valuation, taxes, and transfers. The other terms don't fit this concept: gross value is not the standard market sale price; a skip person isn't a valuation term; and an annuity is a stream of payments, not a one-time sale price.

**2. In a joint tenancy, the legal principle that ensures a surviving owner obtains the deceased owner's interest is the right of?**

**A. Right of survivorship**

**B. POD**

**C. Totten trust**

**D. Four unities**

In a joint tenancy, the right of survivorship is the mechanism that causes the surviving co-owners to automatically acquire the deceased owner's interest. When one owner dies, their share doesn't go to their heirs or their will; instead, the surviving co-owners take the deceased person's portion by operation of law, so the property usually passes without probate and the remaining owners hold the entire property as equal owners. POD (payable on death) is a beneficiary designation on an asset like a bank account and does not create co-ownership or survivorship rights between owners. Totten trust is a form of informal trust for bank accounts where a named beneficiary would eventually receive the funds, but it also does not establish survivorship between joint owners of property. The four unities—possession, time, title, and interest—are the conditions required to create a joint tenancy; they explain how joint tenancy is formed, not the survivorship mechanism itself.

**3. What is the date the trust was formed called?**

**A. Trust formation date**

**B. Date of execution**

**C. Signing date**

**D. Effective date**

The moment the trust is created is its formation—the date the trust is formed. This date marks the legal creation of the trust, reflecting the settlor's intent to establish a trust and the instrument's execution in accordance with law. Signing or date of execution simply notes when the document is signed, and the effective date can be later if the trust specifies a future activation. But the date the trust is formed explicitly identifies the creation moment of the trust itself, making it the best fit.

**4. Which concept allows the surviving spouse to receive the unused portion of the deceased spouse's exclusion?**

- A. Unified credit**
- B. Unlimited marital deduction**
- C. Deductions**
- D. Portable**

Portability of the deceased spousal unused exclusion allows the surviving spouse to receive the unused portion of the deceased spouse's federal estate tax exemption. If the first-to-die spouse doesn't use up all of their exemption, the unused amount can be transferred to the surviving spouse via a proper election on the deceased spouse's estate tax return. The surviving spouse can then apply that transferred amount to their own exemption at their death, increasing how much can pass tax-free. The other concepts don't provide this mechanism: the unified credit is the tax credit against the tax, unlimited marital deduction lets transfers to a spouse be tax-free but doesn't carry forward unused exemption, and deductions are just general reductions.

**5. Which statutes govern distribution of assets when the decedent dies intestate or without a will?**

- A. Intestacy statutes**
- B. Antilapse statutes**
- C. Issue**
- D. Statutory law**

The governing rules for distributing a decedent's assets when there is no will are the intestacy statutes. These laws specify who inherits and in what order, typically starting with a surviving spouse and children, then other close relatives, and they define the shares each category receives. They provide the default plan for asset transfer when no testamentary instructions exist, and they can vary by jurisdiction but share the common purpose of orderly distribution in intestate situations. Antilapse statutes relate to gifts inside a will, ensuring a gift to a beneficiary who dies before the testator isn't lost but goes to a substitute beneficiary or the beneficiary's issue. They don't govern how assets are distributed when there is no will. The term issue refers to descendants or heirs, not the set of rules themselves. Statutory law is the broad category of law created by statutes, but the question points to the specific statutes that handle intestate distribution.

**6. Which trust is designed to have contributed assets pass down to the grantor's grandchildren rather than to the grantor's children?**

- A. Dynasty trust**
- B. QTIP trust**
- C. Generation-skipping trust**
- D. Asset protection trust**

Generation-skipping trusts are specifically designed to move wealth directly to the grantor's grandchildren, effectively skipping the grantor's children in the transfer chain for estate and generation-skipping transfer tax purposes. By funding such a trust, the grantor can allocate the GST tax exemption to assets that will benefit grandchildren (and potentially further generations) while minimizing taxes that would apply if the assets passed first to the children. A dynasty trust can benefit multiple generations as well, but its hallmark is longevity across generations rather than the explicit intent to skip a generation in the transfer. QTIP trusts and asset protection trusts serve different purposes—marital tax control for a surviving spouse, and creditor protection, respectively—so they aren't designed to specifically route assets to grandchildren instead of children.

**7. Which term describes an insurance or investment product designed to pay out a stream of payments to the owner at a later time?**

- A. Probate estate**
- B. Dower**
- C. Fair market value**
- D. Annuity**

An annuity is a contract with an insurer that provides a stream of payments to the owner, and it can be arranged to start at some point in the future. This fits the description of an insurance or investment product designed to pay out payments later, often used to secure retirement income. Probate estate refers to assets that must go through probate after a death, not a product that pays over time. Dower is a spouse's right to a portion of a deceased spouse's estate, not a payment product. Fair market value is the price an asset would fetch on the open market, not a payment arrangement. Annuity is the term that captures the described concept.

**8. Which term means a transaction in which there is no relationship between the parties?**

- A. Incidents of ownership
- B. Arm's-length transaction**
- C. Probate estate
- D. Dower

An arm's-length transaction describes a deal between independent, unrelated parties negotiating freely, so the terms and price reflect true market value without influence from personal relationships or fiduciary duties. This concept matters in estate planning and probate because it helps ensure transfers aren't biased by family ties or other relationships, which could hide gifts or self-dealing. The other terms refer to different ideas: incidents of ownership are the rights that come with owning property, probate estate is the assets that go through probate, and dower is a spouse's statutory right to a portion of the estate. Therefore, the term that means a transaction with no relationship between the parties is arm's-length.

**9. Warning against allowing probate of a will.**

- A. Domiciliary probate
- B. Caveat**
- C. Small estate probate
- D. Foreign executor

A caveat functions as a formal warning to probate authorities that someone objects to granting probate or wants time to challenge the will. Filing a caveat pauses the probate process and requires notice and possibly a hearing before probate can proceed, giving the interested party a chance to pursue their objections. This protective mechanism is specifically about preventing or delaying probate when there may be questions about validity, rightful beneficiaries, or proper executors. Domiciliary probate refers to where probate is sought, not to a warning or pause in probate. Small estate probate is a streamlined route used for estates below a value threshold, not a preventive alert. A foreign executor is simply an executor from outside the jurisdiction, which doesn't by itself warn against probate.

**10. An executor from another state.**

- A. Foreign executor**
- B. Ancillary probate
- C. Common form
- D. Small estate probate

When an executor lives outside the state where probate is being conducted, the term used to describe that person is a foreign executor. This designation highlights the executor's non-residency in the probate state and often carries implications for how letters testamentary are issued and how the administration is coordinated across jurisdictions. The concept of ancillary probate fits into this context as the additional probate proceeding in another state to administer assets of the decedent located there; it's about handling out-of-state assets, not the executor's domicile itself. The other terms describe different probate concepts: common form is an older or more general reference to a typical probate process, and small estate probate refers to a simplified method for administering very small estates. So the phrase foreign executor best captures the situation of an executor who is from another state.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://estateplanningprobatelaw.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

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