

Ontario Estates Law Practice Exam (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. What is one of the primary roles of an estate trustee?**
 - A. Make funeral arrangements**
 - B. Prepare court forms for beneficiaries**
 - C. Pay off creditors**
 - D. Negotiate with creditors**

- 2. What is the function of a continuing power of attorney?**
 - A. To assign temporary agency in real estate transactions**
 - B. To provide authority that continues after the grantor becomes mentally incapacitated**
 - C. To restrict decision-making ability during illness**
 - D. To prepare the estate for an executor**

- 3. What responsibility does a trustee have in a testamentary trust?**
 - A. Distributing assets directly to beneficiaries without oversight**
 - B. Managing the trust assets and ensuring proper distribution**
 - C. Advising beneficiaries on investment strategies**
 - D. Resolving disputes among beneficiaries**

- 4. What occurs in the event of a lapse in a will?**
 - A. A beneficiary becomes ineligible**
 - B. A new trustee is appointed**
 - C. A potential heir is contested**
 - D. All assets are sold**

- 5. What does the principle of testamentary freedom in Ontario Estates Law signify?**
 - A. It allows any individual to rewrite their will at any time**
 - B. It gives individuals the right to dispose of their property as they wish upon death**
 - C. It ensures all property is divided equally among heirs**
 - D. It mandates the use of a legal advisor when creating a will**

- 6. What is a deemed disposition concerning capital gains?**
- A. It involves reporting gains and losses after the sale of property**
 - B. It requires reporting capital gains and losses arising as a result of death**
 - C. It means no tax reporting is necessary**
 - D. It is only applicable to living individuals**
- 7. What does renouncing an appointment as estate trustee imply for the individual?**
- A. They retain control over the estate**
 - B. They withdraw from acting in the trustee role**
 - C. They can later reclaim the position**
 - D. They must notify all beneficiaries**
- 8. Which of the following correctly describes a valid will?**
- A. A document that specifies the distribution of assets without any legal validation**
 - B. A document created without the presence of witnesses**
 - C. A document that is legally enforceable and accurately reflects the wishes of the testator**
 - D. A document that requires no formal structure or format**
- 9. In regard to asset distribution, what does executor's discretion typically allow?**
- A. Strictly following instructions from beneficiaries**
 - B. Making fair and just decisions based on circumstances**
 - C. Disregarding the interests of dependents**
 - D. Delegating all decisions to legal counsel**
- 10. What is the status of a fraudulent will in the estate distribution process?**
- A. A fraudulent will is considered valid**
 - B. A fraudulent will is invalid, reverting to previous valid wills or intestacy rules**
 - C. A fraudulent will can be contested successfully**
 - D. A fraudulent will only affects certain beneficiaries**

Answers

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

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Explanations

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1. What is one of the primary roles of an estate trustee?

- A. Make funeral arrangements**
- B. Prepare court forms for beneficiaries**
- C. Pay off creditors**
- D. Negotiate with creditors**

While making funeral arrangements can be a responsibility of an estate trustee, the primary role of an estate trustee generally encompasses a broader range of duties focused on managing the deceased's estate according to the will and applicable laws. Among these roles, the most critical one involves actions related to the administration of the estate, which includes settling debts and distributing assets to beneficiaries. Preparing court forms for beneficiaries, while important, is more of a procedural aspect rather than a core responsibility of the estate trustee. Similarly, negotiating with creditors, though relevant, does not capture the full scope of duties that an estate trustee must undertake, which involves comprehensive estate management rather than merely handling negotiations. The role of paying off creditors is a significant responsibility of an estate trustee. Ensuring that all debts of the deceased are settled before any assets are distributed to beneficiaries is crucial to fulfilling the trustee's fiduciary duty. This task requires the trustee to identify and pay all legitimate claims against the estate, allowing for a transparent and fair distribution of the remaining assets. In summary, while making funeral arrangements is a task that an estate trustee might engage in, the core functions of the estate trustee include paying off creditors and managing the estate overall, making the responsibility of handling creditor payments a fundamental part of the role.

2. What is the function of a continuing power of attorney?

- A. To assign temporary agency in real estate transactions**
- B. To provide authority that continues after the grantor becomes mentally incapacitated**
- C. To restrict decision-making ability during illness**
- D. To prepare the estate for an executor**

A continuing power of attorney serves the crucial function of granting authority to an appointed individual to make decisions on behalf of the grantor, and most importantly, this authority persists even after the grantor becomes mentally incapacitated. This means that if an individual is no longer able to make their own decisions due to mental incapacity, the person designated as their attorney can step in to manage their affairs, ensuring that the grantor's financial and personal needs are attended to without interruption. The continuing power of attorney is distinct from other types of powers of attorney as it specifically addresses the situation where the grantor may not be able to give consent or make decisions themselves, thus providing vital support and continuity in decision-making during a potentially vulnerable time. This legal arrangement is particularly important for the elderly or those with chronic illnesses, ensuring that their wishes are respected and their affairs are managed according to their needs.

3. What responsibility does a trustee have in a testamentary trust?

- A. Distributing assets directly to beneficiaries without oversight**
- B. Managing the trust assets and ensuring proper distribution**
- C. Advising beneficiaries on investment strategies**
- D. Resolving disputes among beneficiaries**

A trustee in a testamentary trust has the responsibility of managing the trust assets and ensuring proper distribution to the beneficiaries, as established by the terms of the trust. This includes a range of duties, such as making investment decisions, maintaining accurate records, and ensuring that distributions are made in accordance with the instructions laid out in the will or trust document. This management role promotes the interests of the beneficiaries and upholds the intentions of the person who created the trust. By acting as a fiduciary, the trustee must make decisions that are in the best interests of the beneficiaries, which reinforces the trust's purpose of providing for them over time. The proper oversight and management of the trust assets benefit all parties involved by fostering accountability and transparency within the administration of the trust. The other options pertain to roles that do not fully encapsulate the trustee's overarching responsibilities or delve into areas that may not be typical for a trustee. For instance, distributing assets directly to beneficiaries without oversight would fail to address the necessary management and adherence to the trust's terms. Advising on investment strategies may not fall under a trustee's formal duties, as this usually requires specialized financial knowledge beyond the basic trustee responsibilities, and it could lead to conflicts of interest. Lastly, while resolving

4. What occurs in the event of a lapse in a will?

- A. A beneficiary becomes ineligible**
- B. A new trustee is appointed**
- C. A potential heir is contested**
- D. All assets are sold**

In the context of wills and estates, a lapse occurs when a beneficiary named in a will dies before the testator or when the beneficiary is otherwise unable to inherit for any reason. When this happens, the gift to that beneficiary typically fails, which results in the beneficiary becoming ineligible to receive the specified gift. In most cases, the laws governing wills dictate that if a named beneficiary lapses, the assets that would have gone to that beneficiary either fall into a residue clause (if there is one) or are redistributed according to the intestacy laws if there is no specific provision in the will about how to handle such a situation. The key principle here is that once a beneficiary lapses, they no longer have a claim to the inheritance outlined in the will, leading to their ineligibility. Options that involve the appointment of a new trustee, contesting heirs, or the sale of all assets do not directly relate to the concept of a lapse in a will, making them less applicable in this context. A lapse in a will specifically addresses beneficiaries and the consequences of their inability or ineligibility to accept a gift.

- 5. What does the principle of testamentary freedom in Ontario Estates Law signify?**
- A. It allows any individual to rewrite their will at any time**
 - B. It gives individuals the right to dispose of their property as they wish upon death**
 - C. It ensures all property is divided equally among heirs**
 - D. It mandates the use of a legal advisor when creating a will**

The principle of testamentary freedom in Ontario Estates Law fundamentally signifies that individuals have the right to dispose of their property as they wish upon their death. This principle allows testators (those making a will) the autonomy to decide how their assets will be distributed, which reflects their personal wishes and preferences. This freedom is rooted in the respect for individual autonomy in estate planning, providing the assurance that one's intentions regarding their property will be honored after death. It empowers individuals to choose beneficiaries, determine specific gifts or bequests, and establish conditions for how and when assets may be distributed. As long as the will complies with legal requirements and does not contravene public policy, the testamentary wishes of the deceased are respected. This principle does not guarantee equal distribution of property among heirs nor does it require the involvement of a legal advisor in the will-making process. Although individuals can choose to rewrite their wills as circumstances change, this is a separate concept from the core idea of testamentary freedom, which emphasizes the right to decide on property distribution upon death.

- 6. What is a deemed disposition concerning capital gains?**
- A. It involves reporting gains and losses after the sale of property**
 - B. It requires reporting capital gains and losses arising as a result of death**
 - C. It means no tax reporting is necessary**
 - D. It is only applicable to living individuals**

A deemed disposition in the context of capital gains refers specifically to the situation where property is considered to have been sold, and consequently, any resulting capital gain or loss must be reported for tax purposes, even if no actual sale has taken place. This is particularly relevant at the time of an individual's death. When a person dies, the Canada Revenue Agency (CRA) treats all of their capital property as if it has been disposed of at fair market value immediately before death, which can trigger capital gains tax liabilities. The obligation to report capital gains and losses stemming from this concept is crucial for proper tax compliance. This requirement allows the estate to settle any tax obligations before the distribution of assets to beneficiaries. Thus, understanding that a deemed disposition occurs upon death is key in estate planning and for heirs who may be liable for any tax incurred from the disposition of capital assets. This context underscores why reporting capital gains and losses that arise at death is essential in the process of administering an estate. Other options do not capture the specific tax implications associated with death and the concept of deemed disposition as accurately as the correct choice does.

7. What does renouncing an appointment as estate trustee imply for the individual?

- A. They retain control over the estate**
- B. They withdraw from acting in the trustee role**
- C. They can later reclaim the position**
- D. They must notify all beneficiaries**

Renouncing an appointment as estate trustee means that the individual formally decides to withdraw from the responsibilities and duties associated with that role. By making this decision, the person is indicating that they will not take on the obligations of administering the estate, which include managing the deceased's assets, paying debts, and distributing the estate according to the will or laws of intestacy. This action frees the individual from any legal duties or responsibilities that would have come with being the estate trustee. It is important to note that this renunciation is typically a formal process that might involve filing a document with the court or notifying the relevant parties involved in the estate. While an individual may wish to reclaim their position later, renouncing does not inherently provide this option, as it signifies a clear intention to disengage from the role. The duty to notify beneficiaries is also not a requirement of renouncing the position itself; however, there may be broader implications and expectations around communication in the context of estate management. Thus, renouncing an appointment definitively indicates a withdrawal from the trustee role, allowing another qualified individual to potentially step in and serve as the estate trustee.

8. Which of the following correctly describes a valid will?

- A. A document that specifies the distribution of assets without any legal validation**
- B. A document created without the presence of witnesses**
- C. A document that is legally enforceable and accurately reflects the wishes of the testator**
- D. A document that requires no formal structure or format**

A valid will is a document that is legally enforceable and accurately reflects the wishes of the testator. This means that for a will to be considered valid, it must meet certain legal requirements outlined by the law. In Ontario, for example, a will needs to be made by a person who is of sound mind, generally at least 18 years old, and must be written, signed by the testator, and witnessed by two individuals who also sign the document. The importance of accurately reflecting the wishes of the testator cannot be overstated, as this ensures that the distribution of assets aligns with the intentions of the person making the will. A will that does not conform to these legal standards would be subject to challenges and may not be upheld in court, rendering it invalid. The other options do not encapsulate the requirements for a valid will. A document that lacks legal validation cannot be considered a true will because it would not hold up in a legal context. Similarly, a will created without witnesses misses a critical requirement that provides evidence of authenticity and the intent of the testator. Lastly, while some informal wills may be recognized in specific circumstances (like a holographic will), typically there is a formal structure and format required for a will to be

9. In regard to asset distribution, what does executor's discretion typically allow?

- A. Strictly following instructions from beneficiaries**
- B. Making fair and just decisions based on circumstances**
- C. Disregarding the interests of dependents**
- D. Delegating all decisions to legal counsel**

The executor's discretion typically allows for making fair and just decisions based on the circumstances surrounding the estate. This is crucial because executors often face unique challenges that require them to assess the needs of the beneficiaries, the value of the assets, and the overall intentions of the testator (the person who made the will). Executors must balance these considerations while adhering to the terms of the will. The law recognizes that while executors should strive to follow the instructions laid out in the will, they also need the flexibility to adapt to unforeseen circumstances, such as changes in the needs of beneficiaries or the value of the assets. This discretion helps ensure that the estate is managed responsibly and equitably, taking into account the various interests of all involved parties. The other options do not align with the role of an executor. Strictly following instructions from beneficiaries could lead to decisions that do not align with the testator's wishes. Disregarding the interests of dependents is not permissible, as executors have a duty to consider both the will's directives and the rights of dependents. Delegating all decisions to legal counsel would negate the executor's responsibility and the personal discretion granted to them under the law. Thus, the correct answer reflects the balance of authority and

10. What is the status of a fraudulent will in the estate distribution process?

- A. A fraudulent will is considered valid**
- B. A fraudulent will is invalid, reverting to previous valid wills or intestacy rules**
- C. A fraudulent will can be contested successfully**
- D. A fraudulent will only affects certain beneficiaries**

The status of a fraudulent will significantly impacts the estate distribution process. A fraudulent will is one that has been created or changed based on deceit, misrepresentation, or coercion. In such cases, the law does not recognize the fraudulent will as valid. When a will is ruled fraudulent, it becomes void, meaning it holds no legal effect. As a result, the estate cannot be distributed according to the fraudulent will. Instead, the estate reverts to the terms of any previous valid wills made by the deceased. If no prior valid wills exist, the estate will be distributed according to intestacy rules, which govern how the estate of a person who dies without a valid will is divided among their heirs according to the law. This understanding is crucial, as it underscores the importance of genuine and properly executed wills in the estate planning process. Invalidating a will due to fraud prevents misuse of the estate plan and protects the rights of beneficiaries intended by the deceased.

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.

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

<https://ontarioestateslaw.examzify.com>

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

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