

# ATTORNEYS' EXAMINATION

## PART 2 ESTATES

4 NOVEMBER 2020

14:00-16:15

Total: [100]

***Candidates are allowed 15 minutes to peruse the paper before starting to answer the questions. No candidate may start writing in the answerbook during this period. The examination of 2 hours then follows.***

1. Candidates must answer all the questions.
2. Candidates must remember that marks are awarded for good draftsmanship.
3. Candidates must invent their own facts wherever necessary.
4. Please write only in pen on the right-hand pages.
5. Except if a special reason exists, a candidate will not be required to do an oral in this part if 50% or more is attained. If a candidate achieves less than 40% he/she will not qualify for an oral and will have failed this section.

A and B were married in Community of Property to each other. A died on 13 March 2019. He is survived by his wife B, his major son C and D a major son from his former marriage. E, his minor son, predeceased him.

You find the following in his estate:

1. A's house at 27 Dale Avenue, Durban valued at R1 700 000,00. There is a bond over this property in favour of ABSA Bank. The amount outstanding on 13 March 2019 was R570 000,00. When the executor settled the bond the outstanding amount was R574 000,00.
2. Motor vehicle valued at R260 000,00.
3. Fixed deposit with Capitec Bank. The capital invested was R500 000,00. The executor collected a cheque for R517 000,00 which included interest of R11 000,00 up to 13 March 2019.
4. Household contents valued at R160 000,00.
5. Savings account in B's name with Style Bank in the sum of R16 780,00.
6. R66 000,00 due to Standard Bank Credit Card. A had an insurance policy with Standard Bank that settled the full amount outstanding.
7. SARS final assessment due by the deceased in the amount of R19 700,00.
8. Insurance policy with Sanlam on A's life in the sum of R2 000 000,00 with B as the nominated beneficiary.
9. Insurance policy with Old Mutual on A's life. The maturity value was R850 000,00 and the surrender value was R410 000,00. There was no nominated beneficiary.
10. Shares in XYZ (Pty) Ltd valued at R86 000,00 and sold by the executor for R90 000,00.
11. Shares in PQR Limited valued at R7 000,00 and sold by the executor for R9 000,00.
12. Insurance policy with Momentum on A's life in the sum of R1 000 000,00. A's son D paid the premiums and he was the beneficiary. The total amount of premiums paid by D to Momentum plus 6% interest was R38 160,00.
13. Administration expenses (excluding Master's Fees and Executor's fees which you must calculate) amount to R30 000,00.
14. Funeral expenses were donated by A's brother.

15. Proceeds of R367 000,00 from Samco provident fund.

In his Will which was accepted by the Master's office, A bequeathed his estate as follows:

1.1 To my wife B, my dwelling at 27 Dale Avenue, Durban.

1.2 The rest and residue of my estate I leave to my son D.

However, D prefers that his inheritance should be given to his half-brother C and therefore renounces his benefit as set out in paragraph 1.2 above.

Draft the entire Liquidation and Distribution Account in the estate of the late A to be submitted to the Master of the High Court. Ignore Vat and other CGT calculations (if any). Provide your own information where necessary.

### **QUESTION 2**

**[20]**

Paul Mkhize died intestate and is survived by his wife Zanele to whom he was married in community of property and who is 8 months pregnant with their child. He was also survived by the following people:

- (a) His parents, Eric and Judy;
- (b) His son Andy, who murdered him;
- (c) Andy's son Ben;
- (d) His son, Daniel, from a previous marriage;
- (e) His wife's daughter, Letta Ntuli, from a previous marriage.
- (f) His major daughter Caroline who has renounced any inheritance from Paul's estate;
- (g) Caroline's son Dennis.
- (h) His major adopted daughter Rose.
- (i) Rose's son George.

The joint distributable estate amount to R2 976 000.00 consisting of cash only.

Advise the Mkhize family as to who are Paul's heirs and what amount each will inherit. Give reasons where necessary.

### **QUESTION 3**

**[18]**

You are approached by Pamela Mali who recently got divorced from Zola Mali to draw a Will for her. She was awarded full guardianship of her three minor children. She advises

that she has a joint Will with her erstwhile husband. Draft a suitable Will for your client that would ensure that proper care is provided to the three minor children.

**QUESTION 4**

**[3]**

A Master's representative, who is appointed by the Master in terms of Section 18(3) of the Administration of Estates Act 66 of 1965 does not have to comply with all provisions of the Estates Act. Give three examples of the above.

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- THE END -

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