Kandidate kry 15 minute om die vraestel deur te lees voor hulle begin skryf. Geen kandidaat mag tydens hierdie tyd in die antwoordboek begin skryf nie. Die eksamen van 2 uur volg dan.

1. Kandidate moet al die vrae beantwoord.

2. Kandidate moet daarop let dat punte vir goele opstelwerk toegekend word.

3. Waar nodig, moet kandidate hulle eie feite versin.

4. Skryf asseblief slegs in pen op die regterkantse bladsye.

5. Tensy daar 'n spesiale rede bestaan, word 'n kandidaat nie vir 'n mondeling in hierdie deel ingeroop as 50% en meer behaal is nie. Indien 'n kandidaat minder as 40% behaal sal hy/sy nie kwalifiseer vir 'n mondeling nie en sal hierdie deel druip.

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.
Pierre Nel, a widower and retired farmer, died of a heart attack on 1 July 2010. When he retired from farming, he moved to town and let his farm to his neighbour, Jack Frost, who always paid the rental before due date. The rental amounted to R50 000.00 p.a., payable six monthly in arrear at the end of June and December of each year. The lease terminated on 31 December 2010.

When the late Mr Nel retired, he sold his livestock and implements by public auction for R2 000 000.00 netto. The deceased invested the amount received from the auctioneers in a 6 month fixed deposit with ABC Bank. He renewed the deposit on 1 April 2010 for a further 6 months at an interest rate of 10% p.a., the interest being payable on maturity.

Apart from the above farm and fixed deposit, the deceased owned the following assets:

1. Erf 5225 Bloemfontein, valued by an appraiser for R1 500 000.00.
2. 2008 Range Rover valued by the appraiser for R480 000.00. The executor sold this vehicle out of hand for R460 000.00 on 15 October 2010, and the proceeds were paid into the estate banking account on the same day.
3. His clothing and personal effects which were of no commercial value.

Mr Nel did not believe in either life insurance or debt. The only liabilities of his estate, apart from administration costs and possible estate duty, were BAVBO for funeral expenses of R12 000.00 and SARS for the final income tax assessment of R5 000.00.
Mr Nel in his will appointed attorneys XYZ as his executors, and he exempted them from furnishing security. The said attorneys are registered as VAT vendors, but the deceased was not. The will states that the executor is entitled to charge professional fees in addition to the executor’s remuneration.

In his will Mr Nel further bequeathed his farm to his major son Pieter, and he left the residue of his estate to his daughter Susan, who is a divorcée. The market value of the farm was determined by the appraiser as R2 100 000.00.

REQUIRED:

Draw the first and final liquidation and distribution account as at 31 December 2010, omitting the heading and the executor’s certificate. Specify the administration costs as far as it is possible to do so, and make calculated estimates for those items which cannot be precisely specified. Administration costs amount to R292 000.00 in total.

QUESTION 2

X dies without a will and is survived by:

- W1, his first wife from whom he was divorced.
- W2, his second wife, to whom he was married in community of property at the time of his death.
- E and F, the children of his predeceased son D born out of his marriage to W1.
- C, born out of wedlock from an extra-marital affair between X and one Z.
- A and B, his two children born out of his marriage to W2.
- K and M, the children of W2 from her previous marriage to her late first husband H1.

The net joint estate of X and W2 amounts to R4 000 000.00 (four million rand).
REQUIRED:
Explain how the amount of R4 000 000.00 is to be distributed. Give only the monetary values and motivate your distribution. Should any of the abovementioned parties be excluded from sharing in the estate, identify such party/parties and motivate such exclusion.

QUESTION 3
You are consulted by Mary Ndhlovu in connection with her will. She is a spinster and resides in an upmarket sectional title unit of which she is the registered owner. Her elderly mother, who is financially independent, resides with her. Mary wants to bequeath the property to her younger sister, but she has two concerns. Firstly, her sister is engaged to be married to a young man who, in Mary's opinion, is "an irresponsible little stud with a cavalier attitude towards life". Secondly, if she should predecease her mother, her mother would have no suitable place of abode. Mary wants to bequeath the rest of her estate to her church.

REQUIRED:
Draw a will of at least two pages in length for Mary with due regard to her concerns about her mother and her misgivings regarding her future brother in law. Mary is not in favour of the creation of a trust.

QUESTION 4
After you have finalised the administration of a deceased estate, but before obtaining your discharge as executor, the deceased's spouse stumbles upon an additional asset which nobody knew she had, namely an old share certificate of 100 shares in Rand Holdings Limited, worth a mere R900.00. The surviving spouse was the sole heir in terms of the deceased's will. What will you do as the executor?