

University of Phoenix – FP/101: Week 5 Quiz

Please complete the following quiz questions using the separate answer key worksheet. Be sure to respond to all of the questions, and include your name in your answer sheet. Then, save and upload your answer sheet only to the Week 5 Quiz assignment area.

There are **10 questions** in the Week 5 Quiz and it is due by Sunday, 11/2/14. If you have any questions, please contact your instructor. Do not leave your quiz to the last minute – give yourself the gift of time and a clear mind. Good luck!

1. Why should you never designate minor children as your primary beneficiary, but instead put assets intended for them into a trust?
 - a. Because they cannot be trusted to manage their own money
 - b. Because their guardians will likely mismanage the funds
 - c. Because minors cannot legally inherit money
 - d. Because the money will be held in probate court for over a year

2. When you have a will, what is the name of the court procedure that the will has to go through before assets are given to the beneficiaries?
 - a. Beneficiaries court
 - b. Death court
 - c. Probate court
 - d. Estate court

3. Having a durable, rather than traditional, power of attorney for health care (PoA) in place is a good idea in the event that
 - a. your physician may recommend medical treatments that you are not able to afford
 - b. your family is opposed to some of your wishes or is divided about them
 - c. you only want certain doctors to treat you in a medical emergency
 - d. you want the PoA to remain in effect even if you become incapacitated

4. How are an advance directive and durable power of attorney (PoA) for health care related?
 - a. A durable PoA for health care allows someone to pay for the cost of the care outlined in an advance directive.
 - b. An advance directive is an agreement signed by the durable PoA for health care that lists each of your doctors that can be paid for medical services.
 - c. A durable PoA for health care identifies the person who will advise medical personnel to follow what you outline in your advance directive.
 - d. An advance directive outlines what medical treatment you consent to, and the durable PoA for health care is the person who will deliver that treatment.

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5. What is the main difference between a will and a living will?
- A will outlines how your belongings are passed on to others, and a living will outlines how the people mentioned in your will can use those belongings.
 - A living will explains who will make decisions for you in medical situations, and a will explains who should receive your assets.
 - A will lists all your personal belongings, and a living will lists all your medical contacts.
 - A living will outlines what medical treatments you want, and a will outlines how your belongings are passed on to others.
6. The person who creates a durable power of attorney for health care is known as the
- grantor
 - donor
 - executor
 - guardian
7. How does a durable power of attorney for health care (PoA) differ from a traditional power of attorney?
- A durable PoA needs to be witnessed or notarized, but a traditional PoA does not.
 - A traditional PoA terminates when a person dies or becomes incompetent, but a durable PoA remains in effect even after a person becomes incapacitated.
 - A durable PoA does not need to be written by an attorney; however, a traditional PoA is only binding if it is drafted by an attorney.
 - A traditional PoA only grants authority over financial decisions, while a durable PoA allies to both financial and health care decisions.
8. Funding a revocable living trust involves which of the following:
- Writing a will to handle your 401k and other non-property assets
 - Assigning title of your assets to the trust
 - Adding an incapacity clause
 - None of the above
9. What is the difference between a will and an advance directive?
- A will is used to distribute your property after your death; an advance directive allows you to specify, in writing, your health care preferences for the time when you no longer have the capacity to provide consent.
 - An advance directive terminates if you become incompetent, while a will continues in force even if you become incapacitated.
 - A will describes your preferences regarding treatment if you are faced with a serious accident or illness; an advanced directive specifies what physicians are allowed to treat you.
 - An advanced directive appoints someone to act on your behalf in financial or medical matters; a will specifies how your assets will be distributed on your death.
10. The legal document that lets you transfer assets to your beneficiaries without having those assets pass through probate is called
- a living will
 - a holographic will
 - a bypass trust
 - a living revocable trust