



# Applaa SQE Practice Mock 137

Mock Practice Exam Booklet

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# Instructions & Study Method

Welcome to your Applaa offline practice booklet. Please follow these guidelines to maximize your learning outcome:

- 1. Distraction-Free Practice:** Solve the multiple-choice questions in Section 1 under timed conditions. Do not look for shortcuts or answers until you are completely done.
- 2. Check & Submit Online:** We have intentionally excluded the answer key from this printout. To get your score, see worked solutions, and track your progress metrics, open: <https://applaa.com/practice/check?exam=sqe&paper;=137> on any browser. Bubble in your answers in our digital check sheet.
- 3. Learn with Appy Buddy (AI Socratic Tutor):** Applaa is a 100% ad-free educational space. Our online AI Tutor guides you step-by-step through questions you get wrong, showing you how to solve them rather than just giving you the answer.

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# Section 1: Practice Questions

## Question 1 — [FLK1 / Contract Law]

A seller (Daniel) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Amelia), inducing them to buy it. The buyer subsequently discovers the fraud. Which of the following describes the remedies available under the Misrepresentation Act 1967?

- A: The contract is automatically void, and the seller must be prosecuted criminally.
- B: Rescission of the contract and/or damages under Section 2(1) of the Act.
- C: The buyer can only recover damages and has no right to rescind the contract under any circumstances.
- D: The contract is binding, and no remedy is available since the buyer should have checked the accounts (caveat emptor).
- E: The seller is required to perform specific performance of the turnover projection.

## Question 2 — [FLK1 / Dispute Resolution]

A claimant (William) has applied for summary judgment against a defendant (Penelope) under CPR Part 24. What is the test that the court must apply to determine whether summary judgment should be granted?

- A: The claimant must prove the case beyond all reasonable doubt.
- B: The defendant has no real prospect of successfully defending the claim, and there is no other compelling reason why the case should be disposed of at trial.
- C: The value of the claim must be less than £10,000.
- D: The defendant has failed to acknowledge service of the claim form within 14 days.
- E: The dispute involves questions of international law.

## Question 3 — [FLK1 / Contract Law]

A seller (Ryan) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Yasmine), inducing them to buy it. The buyer subsequently discovers the fraud. Which of the following describes the remedies available under the Misrepresentation Act 1967?

- A: The contract is automatically void, and the seller must be prosecuted criminally.
- B: Rescission of the contract and/or damages under Section 2(1) of the Act.
- C: The buyer can only recover damages and has no right to rescind the contract under any circumstances.
- D: The contract is binding, and no remedy is available since the buyer should have checked the accounts (caveat emptor).
- E: The seller is required to perform specific performance of the turnover projection.

**Question 4 — [FLK1 / Tort Law]**

A driver (Bob) crashes into a pedestrian (William) who is crossing the street, causing physical injuries. To establish negligence, the claimant must show that the defendant owed them a duty of care. How does the court establish if a duty of care exists for physical damage caused by positive actions?

- A: By applying the three-stage Caparo test including fair, just, and reasonable criteria in every case.
- B: By finding that the case falls within an established duty category (such as road users to other road users) where a duty is automatically owed (*Robinson v Chief Constable of West Yorkshire*).
- C: By checking if the defendant signed a voluntary duty registration form.
- D: By proving the defendant intended to cause physical harm.
- E: By allocating the claim to the Fast Track under CPR guidelines.

**Question 5 — [FLK1 / Dispute Resolution]**

A claimant (Ian) has brought an action against a defendant (Lucas) in the County Court for breach of contract, claiming £220,000 in damages. The defendant has filed a defense. In accordance with the Civil Procedure Rules (CPR), which track will this claim be allocated to?

- A: Small Claims Track
- B: Fast Track
- C: Intermediate Track
- D: Multi-Track
- E: Commercial Court Track

**Question 6 — [FLK1 / Contract Law]**

A seller (Fiona) negligently makes a false statement of fact regarding the turnover of a business to a buyer (David), inducing them to buy it. The buyer subsequently discovers the fraud. Which of the following describes the remedies available under the Misrepresentation Act 1967?

- A: The contract is automatically void, and the seller must be prosecuted criminally.
- B: Rescission of the contract and/or damages under Section 2(1) of the Act.
- C: The buyer can only recover damages and has no right to rescind the contract under any circumstances.
- D: The contract is binding, and no remedy is available since the buyer should have checked the accounts (*caveat emptor*).
- E: The seller is required to perform specific performance of the turnover projection.

**Question 7 — [FLK1 / Contract Law]**

Beatrice offered to sell a agricultural tractor to Bob for £5,000. Bob replied: 'I accept your offer, but I will pay £4,500.' Beatrice did not respond. Two days later, Bob wrote to Beatrice saying: 'I accept your original offer of £5,000.' Is there a binding contract between Beatrice and Bob?

- A: Yes, because the second letter constituted a valid acceptance of the original offer.
- B: Yes, because the original offer remained open and had not been revoked by the offeror.
- C: No, because the counter-offer of the lower price killed the original offer, meaning it could no longer be accepted.
- D: No, because a contract for sale of goods must be made in writing signed by both parties.
- E: Yes, because the offeror's silence on the counter-offer constituted acceptance of the lower price.

**Question 8 — [FLK1 / Business Law and Practice]**

A director of Beacon Solutions LLP (a private company limited by shares) wants to allot new shares to a new investor (Oliver) to raise capital of £250,000. The company has only one class of ordinary shares. Under the Companies Act 2006, which of the following is correct regarding the director's authority to allot these shares?

- A:** The director has automatic statutory authority to allot the shares without shareholder approval under Section 550, unless restricted by the articles.
- B:** The director must always obtain authorization by ordinary resolution of the shareholders under Section 551.
- C:** The director must obtain authorization by special resolution of the shareholders to allot any shares.
- D:** The director requires the approval of the Board of Trade before allotting any class of shares.
- E:** Authority is only required if the allotment would cause the company to exceed its authorised share capital as stated in the memorandum.

**Question 9 — [FLK1 / Contract Law]**

A shopkeeper (Xavier) places a designer coat in the shop window with a price tag of £45,000. A customer (Rose) enters the shop, places the cash on the counter, and demands to buy the item. The shopkeeper refuses to sell it. Is there a binding contract?

- A:** Yes, because placing the item in the window was a unilateral offer that was accepted by the customer's cash payment.
- B:** No, because the display of goods in a shop window is an invitation to treat, not an offer. Refusing to sell does not breach any contract (Fisher v Bell).
- C:** Yes, because consumer protection laws force retailers to sell all displayed items automatically.
- D:** No, because contracts for sales in shops require a written signed document.
- E:** Yes, because the shopkeeper was silent when the customer entered, constituting acceptance.

**Question 10 — [FLK1 / Contract Law]**

A shopkeeper (Uma) places a laptop in the shop window with a price tag of £15,000. A customer (Bob) enters the shop, places the cash on the counter, and demands to buy the item. The shopkeeper refuses to sell it. Is there a binding contract?

- A:** Yes, because placing the item in the window was a unilateral offer that was accepted by the customer's cash payment.
- B:** No, because the display of goods in a shop window is an invitation to treat, not an offer. Refusing to sell does not breach any contract (Fisher v Bell).
- C:** Yes, because consumer protection laws force retailers to sell all displayed items automatically.
- D:** No, because contracts for sales in shops require a written signed document.
- E:** Yes, because the shopkeeper was silent when the customer entered, constituting acceptance.

**Question 11 — [FLK1 / Business Law and Practice]**

Prior to the formal incorporation of Beacon Solutions LLP, a promoter (Liam) signed a contract 'on behalf of the company' to purchase machinery from a supplier. The company is now incorporated. Which of the following best describes the liability of Liam and the company on this pre-incorporation contract?

- A:** The company is automatically bound by the contract upon incorporation, and the promoter is released.
- B:** The contract is completely void and unenforceable by any party.
- C:** The promoter is personally liable and entitled under the contract, subject to any agreement to the contrary, under Section 51 of the Companies Act 2006.
- D:** The company and the promoter are jointly and severally liable automatically.
- E:** The company can unilaterally ratify the contract without the supplier's agreement.

**Question 12 — [FLK1 / Business Law and Practice]**

Prior to the formal incorporation of Pinnacle Ventures Ltd, a promoter (David) signed a contract 'on behalf of the company' to purchase machinery from a supplier. The company is now incorporated. Which of the following best describes the liability of David and the company on this pre-incorporation contract?

- A:** The company is automatically bound by the contract upon incorporation, and the promoter is released.
- B:** The contract is completely void and unenforceable by any party.
- C:** The promoter is personally liable and entitled under the contract, subject to any agreement to the contrary, under Section 51 of the Companies Act 2006.
- D:** The company and the promoter are jointly and severally liable automatically.
- E:** The company can unilaterally ratify the contract without the supplier's agreement.

**Question 13 — [FLK1 / Dispute Resolution]**

A claimant (Amelia) has brought an action against a defendant (Caleb) in the County Court for breach of contract, claiming £5,000 in damages. The defendant has filed a defense. In accordance with the Civil Procedure Rules (CPR), which track will this claim be allocated to?

- A:** Small Claims Track
- B:** Fast Track
- C:** Intermediate Track
- D:** Multi-Track
- E:** Commercial Court Track

**Question 14 — [FLK1 / Contract Law]**

A builder (Fiona) contractually agreed to construct a wall for a customer (Sophia) for £5,000. Halfway through the job, the builder states they cannot finish unless the customer pays an extra £1,000. The customer agrees. After completion, the customer refuses to pay the extra £1,000. Under *Williams v Roffey Bros*, is the promise to pay the extra £1,000 binding?

- A:** No, because performing an existing contractual duty can never be good consideration.
- B:** Yes, if the customer obtained a practical benefit (such as avoiding a penalty clause to a third party) and there was no economic duress.
- C:** No, because a promise to pay more must be approved by the County Court under CPR regulations.
- D:** Yes, because oral contracts are automatically binding regardless of consideration.
- E:** No, because it violates Section 52 of the Law of Property Act 1925.

**Question 15 — [FLK1 / Dispute Resolution]**

A claimant (Arthur) makes a valid CPR Part 36 settlement offer to the defendant (Zoe) of £22,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £25,299. What is the primary costs consequence under Part 36?

- A:** The claimant must pay the defendant's costs on the indemnity basis.
- B:** The defendant must pay the claimant's costs on the indemnity basis, plus interest on those costs, from the expiry of the relevant offer period.
- C:** The court will split the trial costs equally between both parties.
- D:** All costs recovery is capped at the Small Claims Track limit.
- E:** The defendant is immune to costs penalties because they defended the claim in good faith.

**Question 16 — [FLK1 / Business Law and Practice]**

A director of Epsilon Foods plc (a private company limited by shares) wants to allot new shares to a new investor (Grace) to raise capital of £350,000. The company has only one class of ordinary shares. Under the Companies Act 2006, which of the following is correct regarding the director's authority to allot these shares?

- A:** The director has automatic statutory authority to allot the shares without shareholder approval under Section 550, unless restricted by the articles.
- B:** The director must always obtain authorization by ordinary resolution of the shareholders under Section 551.
- C:** The director must obtain authorization by special resolution of the shareholders to allot any shares.
- D:** The director requires the approval of the Board of Trade before allotting any class of shares.
- E:** Authority is only required if the allotment would cause the company to exceed its authorised share capital as stated in the memorandum.

**Question 17 — [FLK1 / Dispute Resolution]**

A claimant (Zachary) has brought an action against a defendant (Quinn) in the County Court for breach of contract, claiming £350,000 in damages. The defendant has filed a defense. In accordance with the Civil Procedure Rules (CPR), which track will this claim be allocated to?

- A: Small Claims Track
- B: Fast Track
- C: Intermediate Track
- D: Multi-Track
- E: Commercial Court Track

**Question 18 — [FLK1 / Contract Law]**

A seller (Julia) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Victor), inducing them to buy it. The buyer subsequently discovers the fraud. Which of the following describes the remedies available under the Misrepresentation Act 1967?

- A: The contract is automatically void, and the seller must be prosecuted criminally.
- B: Rescission of the contract and/or damages under Section 2(1) of the Act.
- C: The buyer can only recover damages and has no right to rescind the contract under any circumstances.
- D: The contract is binding, and no remedy is available since the buyer should have checked the accounts (caveat emptor).
- E: The seller is required to perform specific performance of the turnover projection.

**Question 19 — [FLK1 / Contract Law]**

A seller (Nathan) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Caleb), inducing them to buy it. The buyer subsequently discovers the fraud. Which of the following describes the remedies available under the Misrepresentation Act 1967?

- A: The contract is automatically void, and the seller must be prosecuted criminally.
- B: Rescission of the contract and/or damages under Section 2(1) of the Act.
- C: The buyer can only recover damages and has no right to rescind the contract under any circumstances.
- D: The contract is binding, and no remedy is available since the buyer should have checked the accounts (caveat emptor).
- E: The seller is required to perform specific performance of the turnover projection.

**Question 20 — [FLK1 / Tort Law]**

An employee of Zephyr Services LLP negligently injures a customer (Helen) while driving a company delivery van to make a scheduled delivery. The customer sues Zephyr Services LLP. What is the legal doctrine that allows the employer to be held liable, and what is the test?

- A: Res Ipsa Loquitur; requires showing the van was in a defective condition.
- B: Vicarious liability; requires showing that the employee committed a tort in the course of their employment.
- C: Strict liability; requires showing the employer acted with malicious intent.
- D: Privity of liability; requires a signed agreement between the employer and the customer.
- E: Contributory liability; requires allocating the claim to the Multi-Track.

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Simply bubble in your choices (e.g. A, B, C, D) and get instantly scored! You can then review the explanations or chat with Appy Buddy (AI Socratic tutor) to understand complex concepts.