



Applaa SQE Practice Mock 160

Mock Practice Exam Booklet

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- 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.
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Section 1: Practice Questions

Question 1 — [FLK1 / Dispute Resolution]

A claimant (Zachary) has brought an action against a defendant (Isabella) 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 2 — [FLK1 / Contract Law]

A shopkeeper (Zoe) places a designer coat in the shop window with a price tag of £45,000. A customer (Emma) 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 3 — [FLK1 / Dispute Resolution]

A claimant (Thomas) makes a valid CPR Part 36 settlement offer to the defendant (Harry) of £5,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £5,750. 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 4 — [FLK1 / Dispute Resolution]

A claimant (Noah) has applied for summary judgment against a defendant (Bob) 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 5 — [FLK1 / Contract Law]

Victoria offered to sell a yacht to Sophia for £20,000. Sophia replied: 'I accept your offer, but I will pay £18,000.' Victoria did not respond. Two days later, Sophia wrote to Victoria saying: 'I accept your original offer of £20,000.' Is there a binding contract between Victoria and Sophia?

- 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 6 — [FLK1 / Contract Law]

A seller (Olivia) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Kate), 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 / Business Law and Practice]

A director of Vanguard Industries plc (a private company limited by shares) wants to allot new shares to a new investor (Wendy) to raise capital of £95,000. 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 8 — [FLK1 / Business Law and Practice]

A director of Vanguard Industries plc (a private company limited by shares) wants to allot new shares to a new investor (Katelyn) 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 9 — [FLK1 / Dispute Resolution]

A claimant (Isabella) makes a valid CPR Part 36 settlement offer to the defendant (Diana) of £35,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £40,250. 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 10 — [FLK1 / Tort Law]

An employee of Vanguard Industries plc negligently injures a customer (Sophia) while driving a company delivery van to make a scheduled delivery. The customer sues Vanguard Industries plc. 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.

Question 11 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Summit Logistics Ltd, a promoter (Daniel) 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 Daniel 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 / Contract Law]

A builder (Liam) contractually agreed to construct a wall for a customer (Diana) 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 13 — [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 (Sophia) to raise capital of £18,500. 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 14 — [FLK1 / Tort Law]

A claimant was injured when a defendant (Fiona), who was engaged in delivering expired pharmaceuticals, caused an accident. The defendant admits they owed the claimant a duty of care and breached it, but argues that the claimant's own negligence contributed to the injury. Under the Law Reform (Contributory Negligence) Act 1945, what is the legal effect of contributory negligence?

- A:** It acts as a complete defense, and the claimant receives no damages.
- B:** It reduces the claimant's damages to the extent that is just and equitable, reflecting the claimant's share of responsibility.
- C:** It has no effect on damages but requires the claimant to pay the defendant's legal costs.
- D:** It shifts the burden of proof to the claimant to show that they took all reasonable precautions.
- E:** It renders the claim null and void, requiring allocation to criminal arbitration.

Question 15 — [FLK1 / Contract Law]

A shopkeeper (Edward) places a designer coat in the shop window with a price tag of £9,500. A customer (Zachary) 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 16 — [FLK1 / Contract Law]

Henry offered to sell a piece of machinery to Beatrice for £150,000. Beatrice replied: 'I accept your offer, but I will pay £135,000.' Henry did not respond. Two days later, Beatrice wrote to Henry saying: 'I accept your original offer of £150,000.' Is there a binding contract between Henry and Beatrice?

- 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 17 — [FLK1 / Business Law and Practice]

A director of Zenith Retail Ltd (a private company limited by shares) wants to allot new shares to a new investor (Olivia) to raise capital of £55,000. 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 18 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Titan Infrastructure plc, a promoter (Katelyn) 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 Katelyn 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 19 — [FLK1 / Contract Law]

A shopkeeper (Nathan) places a vintage watch in the shop window with a price tag of £55,000. A customer (Arthur) 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 20 — [FLK1 / Contract Law]

Fiona offered to sell a delivery van to Sophia for £1,500. Sophia replied: 'I accept your offer, but I will pay £1,350.' Fiona did not respond. Two days later, Sophia wrote to Fiona saying: 'I accept your original offer of £1,500.' Is there a binding contract between Fiona and Sophia?

- 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.

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