



# Applaa SQE Practice Mock 162

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;=162> 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 / Tort Law]

An employee of Atlas Transport Ltd negligently injures a customer (Nathan) while driving a company delivery van to make a scheduled delivery. The customer sues Atlas Transport Ltd. 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 2 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Summit Logistics Ltd, a promoter (Sophia) 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 Sophia 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 3 — [FLK1 / Dispute Resolution]

A claimant (George) has applied for summary judgment against a defendant (Frank) 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 4 — [FLK1 / Contract Law]**

Caleb offered to sell a office building to Philip for £45,000. Philip replied: 'I accept your offer, but I will pay £40,500.' Caleb did not respond. Two days later, Philip wrote to Caleb saying: 'I accept your original offer of £45,000.' Is there a binding contract between Caleb and Philip?

- 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 5 — [FLK1 / Business Law and Practice]**

A director of Aura Goods Ltd (a private company limited by shares) wants to allot new shares to a new investor (Diana) 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 6 — [FLK1 / Dispute Resolution]**

A claimant (Ian) makes a valid CPR Part 36 settlement offer to the defendant (Kate) of £500,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £575,000. 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 7 — [FLK1 / Contract Law]**

A seller (Diana) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Jack), 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 8 — [FLK1 / Business Law and Practice]**

A director of Meridian Group Ltd (a private company limited by shares) wants to allot new shares to a new investor (Julia) 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 seller (Kevin) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Arthur), 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 10 — [FLK1 / Contract Law]**

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

- 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 11 — [FLK1 / Dispute Resolution]**

A claimant (Edward) has applied for summary judgment against a defendant (Charlotte) 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 12 — [FLK1 / Business Law and Practice]**

A director of Nexus Media plc (a private company limited by shares) wants to allot new shares to a new investor (Helen) 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 13 — [FLK1 / Tort Law]**

An employee of Vanguard Industries plc negligently injures a customer (Amelia) 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 14 — [FLK1 / Tort Law]**

A driver (Xavier) crashes into a pedestrian (Benjamin) 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 15 — [FLK1 / Business Law and Practice]**

A director of Zephyr Services LLP (a private company limited by shares) wants to allot new shares to a new investor (Emma) 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 16 — [FLK1 / Contract Law]**

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

- 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 / Contract Law]**

A shopkeeper (Harry) places a laptop in the shop window with a price tag of £22,000. 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 18 — [FLK1 / Contract Law]**

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

- 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 19 — [FLK1 / Contract Law]**

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

Prior to the formal incorporation of Epsilon Foods plc, a promoter (Ryan) 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 Ryan 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.

# Submit Answers & Check worked Solutions

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