



Applaa SQE Practice Mock 176

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 / Contract Law]

Ian offered to sell a agricultural tractor to Liam for £95,000. Liam replied: 'I accept your offer, but I will pay £85,500.' Ian did not respond. Two days later, Liam wrote to Ian saying: 'I accept your original offer of £95,000.' Is there a binding contract between Ian and Liam?

- 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- B: Yes, because the original offer remained open and had not been revoked by the offeror.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 2 — [FLK1 / Dispute Resolution]

A claimant (Arthur) has brought an action against a defendant (Evelyn) in the County Court for breach of contract, claiming £7,500 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 3 — [FLK1 / Business Law and Practice]

A director of Falcon Security Ltd (a private company limited by shares) wants to allot new shares to a new investor (Evelyn) to raise capital of £35,000. 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 4 — [FLK1 / Tort Law]

An employee of Nova Capital Ltd negligently injures a customer (Julia) while driving a company delivery van to make a scheduled delivery. The customer sues Nova Capital 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 5 — [FLK1 / Dispute Resolution]

A business wants to apply for an interim injunction to prevent a competitor (Charlie) from using its trade secrets. According to the guidelines in *American Cyanamid Co v Ethicon Ltd*, what is the first question the court must consider?

- A: Whether the applicant is willing to pay the court fees.
- B: Whether there is a serious question to be tried.
- C: Whether the defendant has a criminal record.
- D: Whether damages would be an adequate remedy for either party.
- E: Whether the trial can be completed within 6 months.

Question 6 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Atlas Transport Ltd, a promoter (Frank) 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 Frank 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 7 — [FLK1 / Dispute Resolution]

A claimant (Evelyn) has brought an action against a defendant (Sophia) in the County Court for breach of contract, claiming £18,500 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 8 — [FLK1 / Contract Law]

A shopkeeper (Thomas) places a laptop in the shop window with a price tag of £25,000. A customer (Frank) 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 9 — [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 (Zachary) to raise capital of £150,000. 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 10 — [FLK1 / Business Law and Practice]

A director of Apex Retail plc (a private company limited by shares) wants to allot new shares to a new investor (Zoe) 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 11 — [FLK1 / Contract Law]

Grace offered to sell a sports car to Beatrice for £1,500. Beatrice replied: 'I accept your offer, but I will pay £1,350.' Grace did not respond. Two days later, Beatrice wrote to Grace saying: 'I accept your original offer of £1,500.' Is there a binding contract between Grace 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 12 — [FLK1 / Business Law and Practice]

A director of Pinnacle Ventures Ltd (a private company limited by shares) wants to allot new shares to a new investor (Julia) to raise capital of £220,000. 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 / Dispute Resolution]

A claimant (Mia) has brought an action against a defendant (Samuel) in the County Court for breach of contract, claiming £55,000 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 / Dispute Resolution]

A claimant (Samuel) has brought an action against a defendant (Victoria) in the County Court for breach of contract, claiming £55,000 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 15 — [FLK1 / Tort Law]

A driver (Penelope) crashes into a pedestrian (Nathan) 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 16 — [FLK1 / Contract Law]

A builder (Olivia) contractually agreed to construct a wall for a customer (Xavier) 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 17 — [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 (Mia) to raise capital of £12,000. 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 / Contract Law]

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

- 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 / Business Law and Practice]

A director of Delta Builders Ltd (a private company limited by shares) wants to allot new shares to a new investor (Caleb) to raise capital of £120,000. 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 20 — [FLK1 / Tort Law]

A driver (Caleb) crashes into a pedestrian (Bob) 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.

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