



Applaa SQE Practice Mock 19

Mock Practice Exam Booklet

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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.
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Section 1: Practice Questions

Question 1 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Zenith Retail Ltd, a promoter (Harry) 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 Harry 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 2 — [FLK1 / Contract Law]

Arthur offered to sell a agricultural tractor to Beatrice for £500. Beatrice replied: 'I accept your offer, but I will pay £450.' Arthur did not respond. Two days later, Beatrice wrote to Arthur saying: 'I accept your original offer of £500.' Is there a binding contract between Arthur 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- B: Yes, because the original offer remained open and had not been revoked by the offeror.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 3 — [FLK1 / Contract Law]

A shopkeeper (Harry) places a vintage watch in the shop window with a price tag of £18,500. A customer (Victoria) 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 4 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Aura Goods Ltd, a promoter (Charlotte) 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 Charlotte 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 5 — [FLK1 / Contract Law]

Frank offered to sell a vintage watch to Katelyn for £500. Katelyn replied: 'I accept your offer, but I will pay £450.' Frank did not respond. Two days later, Katelyn wrote to Frank saying: 'I accept your original offer of £500.' Is there a binding contract between Frank and Katelyn?

- 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 (William) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Bob), 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 / Dispute Resolution]

A claimant (Zachary) has applied for summary judgment against a defendant (Oliver) 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 8 — [FLK1 / Dispute Resolution]

A claimant (Evelyn) makes a valid CPR Part 36 settlement offer to the defendant (Charlie) of £75,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £86,250. 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 9 — [FLK1 / Tort Law]

A driver (Wendy) crashes into a pedestrian (Katelyn) 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 10 — [FLK1 / Contract Law]

A builder (Charlie) contractually agreed to construct a wall for a customer (Ian) 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 11 — [FLK1 / Contract Law]

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

- 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 / Dispute Resolution]

A claimant (William) has brought an action against a defendant (Evelyn) in the County Court for breach of contract, claiming £45,000 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 13 — [FLK1 / Tort Law]

A driver (Beatrice) crashes into a pedestrian (Evelyn) 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 14 — [FLK1 / Dispute Resolution]

A claimant (Liam) makes a valid CPR Part 36 settlement offer to the defendant (Beatrice) of £9,500. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £10,925. 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 15 — [FLK1 / Legal System]

In a judicial review action, the High Court finds that a section of an Act of Parliament is incompatible with a right protected by the European Convention on Human Rights (ECHR). What is the legal effect of a Declaration of Incompatibility under Section 4 of the Human Rights Act 1998?

- A:** The Act of Parliament is immediately struck down and ceases to be law.
- B:** It does not affect the validity, continuing operation, or enforcement of the provision, but alerts Parliament to amend the law.
- C:** The case is referred automatically to the European Court of Justice in Luxembourg.
- D:** The monarch must immediately dissolve Parliament and call an election.
- E:** The claimant is automatically awarded £150,000 in damages.

Question 16 — [FLK1 / Tort Law]

A driver (Edward) crashes into a pedestrian (Matthew) 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 17 — [FLK1 / Dispute Resolution]

A claimant (Evelyn) makes a valid CPR Part 36 settlement offer to the defendant (Ian) of £220,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £252,999. 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 18 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Pinnacle Ventures Ltd, a promoter (Julia) 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 Julia 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]

Fredrick offered to sell a vintage watch to Nora for £500. Nora replied: 'I accept your offer, but I will pay £450.' Fredrick did not respond. Two days later, Nora wrote to Fredrick saying: 'I accept your original offer of £500.' Is there a binding contract between Fredrick and Nora?

- 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 20 — [FLK1 / Contract Law]

A builder (Xavier) contractually agreed to construct a wall for a customer (Nathan) 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.

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