



Applaa SQE Practice Mock 24

Mock Practice Exam Booklet

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Section 1: Practice Questions

Question 1 — [FLK1 / Contract Law]

A shopkeeper (Olivia) places a vintage watch in the shop window with a price tag of £7,500. A customer (Lucas) 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 2 — [FLK1 / Dispute Resolution]

A business wants to apply for an interim injunction to prevent a competitor (Katelyn) 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 3 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Pinnacle Ventures Ltd, a promoter (Amelia) 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 Amelia 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 4 — [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 (Zachary) to raise capital of £7,500. 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 5 — [FLK1 / Tort Law]

A customer (Georgia) is walking down a warehouse aisle when a heavy crate falls from a high shelf and injures them. The claimant has no evidence of what exactly caused the crate to fall. Can the claimant rely on the doctrine of 'Res Ipsa Loquitur'?

- A:** No, because the claimant must prove the exact negligent act to bring a claim.
- B:** Yes, if the thing causing the accident was under the sole control of the defendant, and the accident is one that does not occur in the ordinary course of things without negligence.
- C:** No, because Res Ipsa Loquitur only applies to breach of contract claims.
- D:** Yes, but the claimant's damages are automatically capped at £10,000.
- E:** No, unless the defendant has already been convicted in a criminal court.

Question 6 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Beacon Solutions LLP, a promoter (Victoria) 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 Victoria 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 / Business Law and Practice]

A director of Pinnacle Ventures Ltd is considering entering into a contract on behalf of the company where they have a personal interest. Under Section 177 of the Companies Act 2006, what is the director's primary duty regarding this conflict?

- A:** They must resign immediately from the board of directors.
- B:** They must declare the nature and extent of their interest to the other directors before the transaction is entered into.
- C:** They must obtain a court order approving the transaction.
- D:** They must transfer their shares in the company to a blind trust.
- E:** They must obtain unanimous shareholder consent at a general meeting.

Question 8 — [FLK1 / Dispute Resolution]

A claimant (Fredrick) makes a valid CPR Part 36 settlement offer to the defendant (Zachary) of £350,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £402,499. 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 / Business Law and Practice]

Prior to the formal incorporation of Omega Holdings Ltd, a promoter (Diana) 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 Diana 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 10 — [FLK1 / Contract Law]

A builder (Liam) contractually agreed to construct a wall for a customer (Isabella) 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]

A seller (Yasmine) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Fredrick), 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 12 — [FLK1 / Tort Law]

A driver (Philip) crashes into a pedestrian (Xavier) 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 13 — [FLK1 / Tort Law]

A customer (Philip) is walking down a warehouse aisle when a heavy crate falls from a high shelf and injures them. The claimant has no evidence of what exactly caused the crate to fall. Can the claimant rely on the doctrine of 'Res Ipsa Loquitur'?

- A: No, because the claimant must prove the exact negligent act to bring a claim.
- B: Yes, if the thing causing the accident was under the sole control of the defendant, and the accident is one that does not occur in the ordinary course of things without negligence.
- C: No, because Res Ipsa Loquitur only applies to breach of contract claims.
- D: Yes, but the claimant's damages are automatically capped at £10,000.
- E: No, unless the defendant has already been convicted in a criminal court.

Question 14 — [FLK1 / Dispute Resolution]

A claimant (Yasmine) has applied for summary judgment against a defendant (Edward) 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 15 — [FLK1 / Tort Law]

An employee of Crown Estates Ltd negligently injures a customer (Emma) while driving a company delivery van to make a scheduled delivery. The customer sues Crown Estates 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 16 — [FLK1 / Dispute Resolution]

A claimant (Wendy) makes a valid CPR Part 36 settlement offer to the defendant (David) 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 17 — [FLK1 / Dispute Resolution]

A claimant (George) makes a valid CPR Part 36 settlement offer to the defendant (Zachary) of £25,000. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £28,749. 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 / Dispute Resolution]

A business wants to apply for an interim injunction to prevent a competitor (Wendy) 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 19 — [FLK1 / Legal System]

An environmental pressure group wishes to bring a judicial review application to challenge a government department's decision to construct a new airport runway. Under Section 31(3) of the Senior Courts Act 1981, what must the applicant show to be granted permission to bring the claim?

- A: They must have a direct financial interest in the outcome of the challenge.
- B: They must show they have 'sufficient interest' in the matter to which the application relates (standing).
- C: They must obtain a majority vote of the local residents in favor of the suit.
- D: They must have been directly physically injured by the government's action.
- E: They must deposit £9,500 as security for costs.

Question 20 — [FLK1 / Contract Law]

A builder (Oliver) 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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