



# Applaa SQE Practice Mock 250

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;=250> 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 / Contract Law]

A shopkeeper (Matthew) places a designer coat in the shop window with a price tag of £45,000. A customer (Caleb) 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 / 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 (Harry) 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 3 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Titan Infrastructure plc, 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 4 — [FLK1 / Contract Law]**

A seller (Mila) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Edward), 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 5 — [FLK1 / Contract Law]**

Yasmine offered to sell a office building to Quinn for £500. Quinn replied: 'I accept your offer, but I will pay £450.' Yasmine did not respond. Two days later, Quinn wrote to Yasmine saying: 'I accept your original offer of £500.' Is there a binding contract between Yasmine 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 6 — [FLK1 / Contract Law]**

A shopkeeper (Victor) places a designer coat in the shop window with a price tag of £500,000. A customer (Uma) 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 7 — [FLK1 / Contract Law]**

A shopkeeper (Thomas) places a vintage watch in the shop window with a price tag of £220,000. A customer (Kate) 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 8 — [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 (William) to raise capital of £500,000. 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 (Xavier) has brought an action against a defendant (Charlie) 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 10 — [FLK1 / Contract Law]**

A seller (Nathan) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Beatrice), 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 11 — [FLK1 / Contract Law]**

A shopkeeper (Frank) places a designer coat in the shop window with a price tag of £180,000. A customer (Uma) 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 12 — [FLK1 / Contract Law]**

A builder (Laura) 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 / Contract Law]**

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

- 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 14 — [FLK1 / Dispute Resolution]**

A claimant (Bob) has applied for summary judgment against a defendant (Mila) 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 / Contract Law]**

A builder (Kate) contractually agreed to construct a wall for a customer (Liam) 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 16 — [FLK1 / Tort Law]**

A driver (Bob) crashes into a pedestrian (Liam) 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 / Business Law and Practice]**

Prior to the formal incorporation of Summit Logistics Ltd, a promoter (Kate) 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 Kate 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 18 — [FLK1 / Contract Law]**

Olivia offered to sell a sports car to Quinn for £150,000. Quinn replied: 'I accept your offer, but I will pay £135,000.' Olivia did not respond. Two days later, Quinn wrote to Olivia saying: 'I accept your original offer of £150,000.' Is there a binding contract between Olivia 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 / Tort Law]**

An employee of Delta Builders Ltd negligently injures a customer (Bob) while driving a company delivery van to make a scheduled delivery. The customer sues Delta Builders 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 20 — [FLK1 / Business Law and Practice]**

Prior to the formal incorporation of Vanguard Industries plc, a promoter (Alice) 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 Alice 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.

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