



Applaa SQE Practice Mock 35

Mock Practice Exam Booklet

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Section 1: Practice Questions

Question 1 — [FLK1 / Business Law and Practice]

Prior to the formal incorporation of Aura Goods Ltd, a promoter (James) 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 James 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 / Dispute Resolution]

A claimant (Beatrice) makes a valid CPR Part 36 settlement offer to the defendant (Charlie) 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 3 — [FLK1 / Dispute Resolution]

A claimant (James) makes a valid CPR Part 36 settlement offer to the defendant (Kevin) of £18,500. The defendant rejects the offer. The case goes to trial, and the claimant wins, obtaining judgment of £21,275. 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 4 — [FLK1 / Tort Law]

An employee of Zenith Retail Ltd negligently injures a customer (Sophia) while driving a company delivery van to make a scheduled delivery. The customer sues Zenith Retail 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 / Tort Law]

A driver (William) crashes into a pedestrian (Amelia) 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 6 — [FLK1 / Tort Law]

A driver (Nora) crashes into a pedestrian (Yasmine) 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 7 — [FLK1 / Tort Law]

An employee of Omega Holdings Ltd negligently injures a customer (Laura) while driving a company delivery van to make a scheduled delivery. The customer sues Omega Holdings 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 8 — [FLK1 / Dispute Resolution]

A claimant (Nathan) has brought an action against a defendant (Xavier) in the County Court for breach of contract, claiming £350,000 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 9 — [FLK1 / Business Law and Practice]

A director of Nova Capital 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 10 — [FLK1 / Dispute Resolution]

A claimant (Beatrice) has applied for summary judgment against a defendant (Nathan) 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 11 — [FLK1 / Contract Law]

A builder (Samuel) contractually agreed to construct a wall for a customer (Rose) 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 12 — [FLK1 / Contract Law]

A seller (Caleb) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Uma), 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 13 — [FLK1 / Contract Law]

Uma offered to sell a vintage watch to Sophia for £150,000. Sophia replied: 'I accept your offer, but I will pay £135,000.' Uma did not respond. Two days later, Sophia wrote to Uma saying: 'I accept your original offer of £150,000.' Is there a binding contract between Uma and Sophia?

- 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 / Contract Law]

A builder (Zoe) contractually agreed to construct a wall for a customer (Helen) 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 15 — [FLK1 / Tort Law]

A customer (Thomas) 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 16 — [FLK1 / Business Law and Practice]

A director of Alpha Trading Ltd (a private company limited by shares) wants to allot new shares to a new investor (Georgia) 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 17 — [FLK1 / Contract Law]

A seller (Georgia) negligently makes a false statement of fact regarding the turnover of a business to a buyer (Charlotte), 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 18 — [FLK1 / Tort Law]

A customer (Charlie) 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 19 — [FLK1 / Dispute Resolution]

A business wants to apply for an interim injunction to prevent a competitor (David) 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 20 — [FLK1 / Contract Law]

Georgia offered to sell a sports car to Samuel for £45,000. Samuel replied: 'I accept your offer, but I will pay £40,500.' Georgia did not respond. Two days later, Samuel wrote to Georgia saying: 'I accept your original offer of £45,000.' Is there a binding contract between Georgia 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.

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