Solicitors Regulation Authority | SQE

SQE1 Functioning Legal Knowledge FLK1 sample questions (pre-tested set)

28 November 2025

SQE1 is the first part of the SQE assessment and tests the application of functioning legal knowledge.

This set of sample questions have all been used in SQE1 assessments and have been selected to be representative of the SQE1 assessments, both in terms of their difficulty and length.

The below table shows the average score (i.e. the percentage of candidates that answered the question correctly) of the 130 pre-tested sample questions compared the actual SQE1 assessments (to and including SQE1 July 2025).

The answers to this set of sample questions, along with the average candidate score, are set out in the table on the last page.

Set of questions	**Percentage of candidates answering correctly**
Pre-tested sample questions:	
FLK1	57.0%
FLK2	49.2%
Average	53.1%
SQE1 assessments:	
FLK1	57.5%
FLK2	54.9%
Average	56.2%

Purpose of the sample questions

The sample questions are designed to illustrate the type of questions you can expect on the FLK1 and FLK2 assessments. They are designed to help both education providers and candidates plan their training and prepare for the assessments.

While the sample questions represent the types of questions used, they do **not** cover all assessment material contained in the FLK and are not designed to be a full mock exam. SQE1 is a timed and closed book assessment, which cannot be fully replicated by working through the sample questions.

As part of their preparation, candidates should be mindful of the assessment time limits: each FLK assessment is split into two sessions of 90 questions each, with 2 hours and 33 minutes per session. This averages to about 1.7 minutes per question, though some questions may require more or less time.

SQE1 structure

SQE1 involves two assessments. There are 360 questions in total - 180 in each assessment. They cover the following subject areas:

1. FLK1: Business Law and Practice; Dispute Resolution; Contract; Tort; Legal System of England and Wales (including Constitutional and Administrative Law and EU Law) and Legal Services.

2. FLK2: Property Law and Practice; Wills and the Administration of Estates; Solicitors Accounts; Land Law; Trusts; Criminal Liability and Criminal Law and Practice.

Ethics and Professional Conduct are examined pervasively across the two assessments above.

Question 46

A solicitor is employed by a firm of solicitors that is regulated by the Solicitors Regulation Authority (SRA) and is an 'exempt professional firm' for the purposes of financial services. The firm is not authorised by the Financial Conduct Authority. The solicitor is acting for a woman who is considering buying one of two neighbouring plots of farmland.

The woman would like advice on which of the two plots she should purchase and the solicitor refers the woman to a chartered surveyor who is 'tied' to a particular land agent. The woman selects, and decides to proceed with the purchase of, one plot of land on the basis of the advice she receives from the chartered surveyor. Neither the solicitor nor the firm receive a commission or other benefit as a result of referring the woman to the surveyor. The firm and the solicitor comply at all times with the SRA Financial Services (Conduct of Business) Rules and the SRA Financial Services (Scope) Rules.

Which of the following statements best describes why the solicitor is not in breach of the general prohibition under s.19 of the Financial Services and Markets Act 2000?

A. The plot of land is not a specified investment.

B. The solicitor is not acting in the course of business.

C. The solicitor can take advantage of the authorised third party exclusion.

D. The solicitor can take advantage of the introducing exclusion.

E. The solicitor's advice is exempt as the firm is regulated by the SRA.

Question 47

A painter goes to a shop, which has been trading for several years, for the first time. The painter hires a set of ladders and signs a collection slip setting out the agreed period and costs. After making payment and as he leaves the shop he sees a notice on the shop wall ('the Notice') which states:

"No liability is accepted for defective products hired."

Does the Notice form part of the contract between the painter and the shop for the hire of the ladders?

A. No, because the contents of the Notice are not incorporated into the contract.

B. Yes, because the Notice constitutes reasonable notice of its terms.

C. Yes, because the painter agrees to the terms of the Notice by signing the collection slip.

D. Yes, because having traded for several years, the shop will be able to prove a consistent course of dealing.

E. No, because the Notice constitutes a mere representation.

Question 48

Four chartered surveyors set up together in business as a Limited Liability Partnership ('the LLP'). Two of them are designated members and two are ordinary members of the LLP and all work full time. The members all meet formally once a month to discuss profit and loss, cash flow and financial forecasts. This financial information has indicated for the past 12 months that the LLP is unable to pay its debts. The LLP has continued in business, and the members have discussed ways of limiting costs. As a result they have made considerable reductions in office expenditure. At one meeting ('the Meeting') a few months ago, one of the ordinary members ('the Ordinary Member') suggested that they should obtain financial and/or legal advice on their position. This suggestion was rejected on the basis that it would be too expensive.

A liquidator is appointed on the insolvent winding up of the LLP. The liquidator considers it clear that at the date of the Meeting there was no reasonable prospect that the LLP would avoid insolvent liquidation and is considering whether to bring a claim for wrongful trading against all the members.

Which of the following must the Ordinary Member show to establish a defence against a claim by the liquidator?

A. That he took all reasonable measures to reduce expenditure incurred by the LLP.

B. That as he is not a designated member he benefits from limited liability and cannot be required to contribute to the assets of the LLP.

C. That he took every step to minimise the potential loss to the LLP's creditors.

D. That it was reasonable for the LLP to continue trading in the expectation that the LLP's business would recover.

E. That as he is not a designated member he did not have access to all information necessary to decide whether the business was insolvent.

Question 49

To progress a case before the court, the correct interpretation of a section in a statute is required and the judge considers his options under the rules of statutory interpretation. He decides to use the mischief rule.

Which of the following best describes how the judge will use the mischief rule in interpreting the statute?

A. He will consider the defect in common law which caused Parliament to pass the statute.

B. He will select an interpretation of the statute which addresses any initial absurdity.

C. He will refer to the record kept by parliamentary drafters who worked on the statute.

D. He will give to the words of the statute their ordinary and grammatical meaning.

E. He will make use of an academic textbook as an external aid to interpretation.

Question 50

A woman is driving her car along a road when she sees the warning light indicating low engine oil light up. The woman stops the car at the side of the road and turns on the car's hazard warning lights.

A passing motorist ('the Motorist') sees the woman's car and stops to offer his assistance. The Motorist has some spare engine oil and the woman agrees that he should pour some of this into the woman's car engine.

The oil warning light turns off and the woman assumes therefore that the car is fixed. She drives off but within 20 minutes her car engine seizes up, causing considerable damage to the car.

A garage carries out the repairs to the woman's car. She is told that the Motorist has used the wrong type of engine oil and this has caused the engine damage.

The woman wishes to bring a claim in negligence against the Motorist. She seeks advice from a solicitor who believes that there are no similar precedents or comparable cases by which to establish whether the Motorist owes the woman a duty of care. The solicitor's legal advice about what the court will consider is based on this belief.

What legal advice will the solicitor provide about what the court will consider when deciding whether the Motorist owes a duty of care in negligence to the woman?

A. Solely whether the Motorist could reasonably foresee that harm would be caused to the woman's property.

B. Solely whether the Motorist has a relationship of proximity with the woman and whether it is fair, just and reasonable to impose a duty on him.

C. Solely whether the Motorist could reasonably foresee that harm would be caused to the woman's property and whether he has a relationship of proximity with her.

D. Whether the Motorist could reasonably foresee that harm would be caused to the woman's property, whether he has a relationship of proximity with her and whether it is fair, just and reasonable to impose a duty on him.

E. Solely whether it is fair, just and reasonable to impose a duty on the Motorist to the woman.

Question 51

A limited company ('the Claimant') supplies bike stands at a cost of £15,000 including VAT to a sole trader ('the Defendant') who sells electric bikes. The Defendant is VAT registered. The Defendant fails to pay the amount due.

The Claimant instructs a solicitor who obtains a money judgment in the County Court for the full sum plus interest. The Defendant does not pay the judgment debt within 14 days as ordered by the court.

The Claimant accurately informs the solicitor that the Defendant rents a very expensive apartment, her business is doing well and she also leases an industrial unit where she sells and stores all of her stock. She also pays money monthly into a bank account in the joint names of her and her spouse which has a current balance of £30,000.

What is the best method of enforcing the judgment to recover some or all of the judgment debt?

A. A warrant of control.

B. An attachment of earnings order.

C. A charging order over the apartment.

D. A third party debt order.

E. A writ of control.

Question 52

A solicitor working in a large firm becomes aware that a client whom she is representing in the purchase of a property is involved in money laundering.

She makes a disclosure to the nominated officer at the firm. The nominated officer considers the information provided with the disclosure and agrees that there is evidence of money laundering.

To whom must the nominated officer report the evidence of money laundering?

A. The National Crime Agency.

B. The Law Society.

C. The Solicitors Regulation Authority.

D. The Financial Conduct Authority.

E. The solicitor acting for the seller of the property.

Question 53

A man visits a solicitor. The man informs the solicitor that he is a director of a company ('the Company') in which he is also employed. He explains that the Company is wholly owned by a US company ('the Parent'), and that all the other directors of the Company are officers of the Parent and reside in the USA. The man resides in England.

The man explains that the Parent has requested that the Company purchases a particular property in London ('the Property') from which the Company will operate to expand its existing business.

The man further explains that the board of directors of the Company ('the Board') has met to consider the Parent's request and has resolved to proceed with the purchase of the Property as they have determined that such a purchase would promote the success of the Company. The solicitor is asked to advise on the purchase of the Property.

Which of the following statements best explains who is the solicitor's client?

A. The Parent, because the Company is wholly owned by it.

B. The man, because he is the director of the Company who is resident in England.

C. The Company, because it is the Company that will be purchasing the Property.

D. The Parent, because the Parent requested that the Company purchase the Property.

E. The Board, as it has resolved to proceed with the purchase of the Property.

Question 54

A woman owned a pet shop which she ran as a sole trader. She decided to sell the pet shop and become a partner in a dog grooming salon which has been operating for a number of years. When the woman joined the partnership, she took out a loan of £10,000 at an annual interest rate of 10% to purchase her partnership share. The loan is still outstanding in full. In the 2024/25 tax year the woman's share of partnership profits was £38,000.

It took longer than the woman anticipated to find a buyer for the pet shop but she completed the sale on 6 April 2024 making a profit on the sale of £10,000.

In 2024/25 the personal allowance is £12,570 and the basic rate of Income Tax is 20%. The basic rate tax band is £0 - £37,700.

What is the woman's liability for Income Tax in the 2024/25 tax year?

A. £4,886

B. £5,086

C. £7,086

D. £6,886

E. £5,286

Question 55

A recruitment company wishes to buy a small kettle from a retail company ('the Retailer') for the use of its employees.

When the office manager of the recruitment company first visits the Retailer's premises the kettle is not in stock. The Retailer therefore orders one from the wholesalers and the office manager later returns to the Retailer to collect it.

After being used twice the kettle does not work.

What claim does the recruitment company have?

A. The kettle is not of satisfactory quality under the Consumer Rights Act 2015.

B. The kettle is not fit for particular purpose under the Consumer Rights Act 2015.

C. The kettle is not of satisfactory quality under the Sale of Goods Act 1979.

D. The kettle is not fit for particular purpose under the Supply of Goods (Implied Terms) Act 1973.

E. The kettle is not of satisfactory quality under the Supply of Goods and Services Act 1982.

Question 56

A government department has recently been created to tackle the rising terrorist threat in the UK. The civil servants working within the new department ('the Staff') are involved in the handling of secret material relevant to national security, and have been selected from existing civil service employees. All the Staff brought into the new department were existing members of the largest national civil service trade union ('the Union').

Six months into their new posts, after an escalation in industrial action by some civil service trade unions, the Staff are told that they have been banned from being members of the Union with immediate effect. No consultation with either the Staff or the Union has taken place. The Union did not participate in the recent industrial action. The Staff wish to bring a claim under the Human Rights Act 1998, alleging that their Article 11 rights to freedom of assembly and association, as enshrined within the European Convention on Human Rights, have been infringed.

Which of the following statements represents the best advice to the Staff about the protection offered by Article 11?

A. Article 11 rights are qualified rights whose exercise may be subject to restrictions which are imposed in the interests of national security.

B. Article 11 rights are limited rights whose exercise may be subject to restrictions which are imposed in the interests of the social and economic well-being of the country.

C. Article 11 rights are absolute in respect of the right of the individual to form and join trade unions for the protection of their own interests.

D. Article 11 rights are qualified rights and consultation is a necessary condition for any restriction on the right to form and join trade unions to be deemed proportionate.

E. Article 11 rights are limited rights and are not subject to restriction when exercised by the armed forces, the police or the administration of the state.

Question 57

A claimant issues a claim for breach of contract against a defendant. The defendant fails to serve its defence within the time limit required and the claimant enters judgment in default of a defence.

The defendant applies to set aside the default judgment and the application is heard in the County Court before a District Judge at a hearing centre outside London.

The District Judge refuses to grant the application. The defendant is granted permission to appeal and appeals against the order made by the District Judge.

Who will hear the defendant's appeal?

A. High Court Judge in the High Court.

B. Circuit Judge in the County Court.

C. Justices of Appeal in the Court of Appeal.

D. Master in the County Court.

E. District Judge in the High Court.

Question 58

A woman owns premises from which she runs her business of providing spa facilities and beauty treatments to the public. A customer was injured whilst using one of the showers in the spa when several tiles fell off the shower wall onto her feet.

The shower had been recently refurbished by independent contractors specialising in installing commercial spa facilities. They had been recommended by the woman's experienced surveyor who inspected and approved the completed works.

The tiles fell off the wall because the independent contractors used inadequate tile adhesive to fix the tiles to the wall.

Which of the following best describes the woman's potential liability under the Occupiers' Liability Act 1957?

A. She is not liable because she reasonably engaged competent contractors and had the work checked afterwards.

B. She is not liable because the independent contractors had control over the premises when the negligent work was carried out.

C. She is liable because the customer was a visitor to the premises.

D. She is liable because the woman and the independent contractors are both occupiers.

E. She is liable because the tiles are a danger on the premises.

Question 59

A paralegal has been employed for 18 months at a law firm. She appeared as a witness in a colleague's successful claim under the Equality Act 2010 ('the Act') against the firm at the Employment Tribunal. The paralegal and the colleague continue to work for the firm after the claim concluded.

A few months later, the firm pays a discretionary bonus to staff in their salary to thank them for their hard work that financial year. The paralegal and the colleague do not receive a bonus unlike all other staff. They are the only employees to have been involved in Employment Tribunal proceedings against the firm. The paralegal raises the matter with her line manager but with no success, which leaves her feeling humiliated.

The paralegal seeks advice on whether she can bring a claim under the Act for the failure to pay her the discretionary bonus.

Is the firm likely to be in breach of its duties under the Act by not paying the paralegal the discretionary bonus?

A. No, as the bonus is at the firm's discretion only and not a contractual term.

B. Yes, there is a likely claim of direct discrimination.

C. Yes, there is a likely claim of victimisation.

D. Yes, there is a likely claim of harassment.

E. No, as the paralegal has not worked at the firm for two years.

Question 60

Three solicitors set up in partnership six months ago. They shared profits equally and ran their business from an office owned personally by one of the partners which he bought seven months ago. The partner who owned the office has now died. At the date of his death, the partnership business was valued at £900,000 and the office was valued at £700,000.

Which of the following best describes the availability of Business Relief (BR) for Inheritance Tax in respect of the deceased partner's interest in the partnership business and in the office?

A. The interest in the partnership business and the office will both qualify for BR at a rate of 100%.

B. The interest in the partnership business will qualify for BR at a rate of 100% and the office will qualify for BR at a rate of 50%.

C. The interest in the partnership business will qualify for BR at a rate of 100% and the office will not qualify for BR.

D. The interest in the partnership business will not qualify for BR and the office will qualify for BR at a rate of 50%.

E. Neither the interest in the partnership business nor the office will qualify for BR.

Question 61

A customer buys a television from a shopkeeper on 24 December. It is a gift for his daughter. He does not inform the shopkeeper that it is a gift for someone else.

When his daughter opens the box she discovers the television is defective. She travels to the shop on 26 December and asks for a replacement or refund. The shopkeeper refuses.

What advice should be given to the daughter?

A. The daughter has rights under the contract because she suffered a detriment in travelling to the shop.

B. The daughter has rights under the contract because on an objective test the television was likely to have been purchased as a gift for a third party.

C. The daughter has a right under the contract to have the television replaced only.

D. The daughter has no rights under the contract because she was not a party to it.

E. The daughter has no rights under the contract because it is a domestic agreement between members of a family.

Question 62

During a visit to her uncle, a woman is badly bitten by his dog. Her finger is severed in the incident and she requires surgery to reattach her finger. She is advised by her doctor that it will not be possible to gauge whether the surgery has been successful for six months and a further operation may be needed. She will also require physiotherapy.

The woman gives careful thought to claiming compensation from her uncle. She concludes that she will pursue a claim.

The uncle wishes to avoid the costs and delay of court proceedings and would prefer that the claim is resolved now through alternative dispute resolution (ADR). The uncle puts forward a close friend who is suitably qualified to conduct a mediation. The uncle says that his friend has excellent qualifications and that they will not find anyone able to exercise better judgement. The woman is uncomfortable about the proposed appointment and is worried that she will not secure full compensation if she does not issue formal court proceedings. The woman decides that mediation is not appropriate and she would like to instruct a solicitor to issue proceedings.

Which of the following statements best explains why the woman should decline to participate in ADR as proposed by the uncle?

A. The mediator will not be truly independent because he is a friend of the uncle and has been selected by him.

B. The woman will have to be unrepresented in mediation and will not therefore have the benefit of legal expertise in presenting her case.

C. The mediator has the authority to impose a settlement on the woman and she is concerned she will not receive full compensation.

D. The woman will be required to meet her own costs of mediation whereas she can recover all her costs if she is successful in court proceedings.

E. The costs of mediation are likely to be disproportionately high compared to the cost of resolving her claim through the court.

Question 63

A local council introduces a ban on school-age children entering coffee shops, shopping centres and cinemas between 8am and 6pm on school days. This decision is an attempt to reduce high levels of truancy in city centre schools. It is made under legislation giving local authorities full discretionary powers to introduce measures aimed at improving educational attainment and it is introduced without public consultation.

Local businesses are outraged by this decision and seek legal advice. Many of them rely on trade from local school children, and since school lessons finish by 3.30pm they cannot see how the ban until 6pm can be justified. No human rights issues are at stake.

Which of the following statements best summarises the basis on which this decision could be challenged through judicial review?

A. If the decision does not give sufficient weight to the interests of the local businesses.

B. If the decision does not result in a demonstrable improvement in educational attainment by local school children.

C. If the decision is one which is not the most cost effective in the circumstances.

D. If the decision goes significantly beyond what local authorities are doing elsewhere to address the same issue.

E. If the decision is so outrageous in its defiance of logic that no sensible person could have arrived at it.

Question 64

To fund a breach of contract claim a claimant enters into a damages-based agreement with a firm of solicitors set at 20%. The claimant's solicitors pay disbursements of £5,000. The action is settled. A settlement order is drawn up under which the defendant agrees to pay the claimant damages in the sum of £150,000 and agrees to pay the claimant's solicitors' costs of £10,000 plus disbursements of £5,000. The defendant pays the amounts due to the claimant's solicitors.

The claimant's solicitors calculate the amount they can deduct under the damages-based agreement. The solicitors will remit the balance to the claimant.

What sum will the claimant receive from his solicitors?

A. £130,000

B. £120,000

C. £115,000

D. £148,000

E. £117,000

Question 65

An adult man is killed in a car accident. A woman is liable in negligence for causing the accident and the man's death.

The man was married at the time of his death and is survived by his wife and their one-year old son. The man is also survived by both his parents. The man's wife, son and parents are all dependent on the man.

The man had made a will leaving all his estate to his wife and son.

Who is entitled to claim bereavement damages for the man's death under the Fatal Accidents Act 1976?

A. The man's parents only.

B. The man's wife only.

C. The man's son only.

D. The man's wife and son only.

E. The man's parents, wife and son.

Question 66

A woman does not make any disposals for Capital Gains Tax (CGT) purposes in the 2024/25 tax year. She made £2,000 losses for CGT purposes in the 2023/24 tax year.

Which of the following statements best describes the woman's CGT position?

A. She can carry forward both her £2,000 losses and her 2024/25 annual exemption indefinitely until she has an opportunity to use them.

B. She can carry forward her £2,000 losses indefinitely until she has an opportunity to use them and can carry forward her 2024/25 annual exemption to 2025/26 only.

C. She can carry forward her £2,000 losses to 2025/26 only and can carry forward her 2024/25 annual exemption indefinitely until she has an opportunity to use it.

D. She can carry forward her £2,000 losses to the 2025/26 tax year only and cannot carry forward her 2024/25 annual exemption at all.

E. She can carry forward her £2,000 losses indefinitely until she has an opportunity to use them and cannot carry forward her 2024/25 annual exemption at all.

Question 67

A woman ('the Claimant') instructs a solicitor to issue a claim for damages against a firm of financial advisers ('the Defendant') on the basis that it provided her with negligent advice when she was its client. The claim is valued in excess of £100,000.

The Defendant instructs a solicitor and a defence is filed and served. On the same day that the defence is filed and served, the Defendant's solicitor makes a Part 36 offer of £125,000 ('the Offer') on behalf of her client. The relevant period for acceptance of the Offer is 21 days.

One week after expiry of the relevant period the Defendant's solicitor meets in conference with Counsel to discuss the case. Two weeks after the expiry of the relevant period the Defendant's solicitor receives a letter from the Claimant stating that she no longer has solicitors acting on her behalf. Her letter also includes notice of acceptance of the Offer with confirmation that her notice of acceptance has also been filed with the court.

Which of the following statements describes the most likely costs consequences in the case?

A. The Claimant will pay the Defendant's costs of the case on the standard basis.

B. The Claimant will pay the Defendant's costs of the case on the indemnity basis.

C. The Defendant will pay the Claimant's costs on the standard basis to the expiry of the relevant period, and thereafter the Claimant will pay the Defendant's costs on the standard basis.

D. The Defendant will pay the Claimant's costs of the case on the standard basis.

E. The Defendant will pay the Claimant's costs on the indemnity basis to the expiry of the relevant period, and thereafter the Claimant will pay the Defendant's costs on the indemnity basis.

Question 68

A self-employed builder who wishes to buy goods from a building supplies company contacts a solicitor for advice about the one page written contract that the company has sent to him. The reverse of the contract states the company's standard written terms of business. The builder has been asked to sign, date and return the contract to the company if he wishes to use the company to supply goods. The builder has received no other communication from the company.

The solicitor reads the contract, including the terms shown on the reverse. He correctly states the terms have been incorporated but identifies that one of the standard written terms of business seeks to exclude a type of liability which cannot be excluded under any circumstances.

Which of the following terms is the solicitor referring to?

A. Exclusion of liability for misrepresentation made by the company before the contract was entered into.

B. Exclusion of liability for breach of the statutory implied term that the goods will be fit for a particular purpose.

C. Exclusion of liability for breach of the statutory implied term that the seller has title to the goods at the time of sale.

D. Exclusion of liability for breach of the statutory implied term that the goods supplied will be of satisfactory quality.

E. Exclusion of liability for breach of the statutory implied term that the goods sold by description will correspond with that description.

Question 69

A motorist negligently causes a collision with another car which is driven by a woman. As a result of the negligent collision, the woman suffers several losses.

She suffers serious hand and arm injuries which will require extensive physiotherapy. The woman intends to pay for private physiotherapy as the waiting list on the National Health Service is many months long. Her car is badly damaged and requires substantial repairs. Her laptop is on the passenger seat of the car and is damaged beyond repair. The woman uses the laptop for business purposes. The woman's antique engagement ring worth £10,000 is destroyed in the accident as the diamonds in it shatter in the force of the collision.

The woman brings a claim in negligence for all these losses. The motorist accepts liability for the collision but disputes quantum.

In addition to liability for the personal injury and the damage to the car, what other losses is the motorist liable for?

A. The woman's private physiotherapy treatment, her laptop and antique ring.

B. The woman's private physiotherapy treatment only.

C. The woman's antique ring and laptop only.

D. The woman's laptop only.

E. The woman's antique ring and private physiotherapy treatment only.

Question 70

A woman works for a local charity for disabled people. The main function of the charity is to arrange transport for disabled people in and around the community. The charity uses one particular firm of taxi drivers to carry out this function.

The woman reads in a newspaper about recent legislation which requires taxi drivers to help disabled people when using their taxis. The woman looks up the legislation and finds as follows:

Taxis and Private Hire Vehicles (Disabled Persons) Act 2022
2022 CHAPTER 29
An Act to make provision relating to the carrying of disabled persons by taxis and private hire vehicles. [28th April 2022]

The woman wants to know what is the significance of the date 28th April 2022 and telephones the charity's solicitor for legal advice.

What should the solicitor advise?

A. It is the date the most recent draft of the statute was presented to the House of Commons.

B. It is the provisional date set for the statute coming into force.

C. It is the date the statute received Royal Assent.

D. It is the commencement date of the statute.

E. It is the date on which the statute passed its Committee Stage in the House of Commons.

Question 71

A paralegal is employed by a firm of solicitors, which is authorised as a legal services body.

The paralegal has not worked in a solicitors' firm before and has no other relevant work experience. She works in the civil litigation debt recovery department and her work is directly supervised by a practising solicitor in the department.

Will the paralegal be subject to regulation by an approved legal regulator?

A. Yes, by the Solicitors Regulation Authority.

B. Yes, by the Legal Services Board.

C. Yes, by the Law Society.

D. No, as a paralegal, she is not subject to regulation.

E. No, as she is directly supervised by a practising solicitor.

Question 72

A new firm of solicitors is voluntarily registered for Value Added Tax (VAT) and makes only standard-rated supplies. During the relevant VAT period it charges output tax of £10,000 on its services and it pays input tax of £20,000 on goods it buys for the purposes of its business and on its heating bills.

Which of the following statements best describes the firm's position at the end of the relevant VAT period?

A. The firm does not have to pay any VAT and cannot reclaim any VAT.

B. The firm can reclaim £10,000 VAT.

C. The firm can reclaim £20,000 VAT.

D. The firm must pay £10,000 VAT.

E. The firm must pay £20,000 VAT.

Question 73

A solicitor employed by a firm is acting for a client in the purchase of a new build residential property for £350,000. Contracts were exchanged a few months ago, the building works have finished and the completion date is set for next week.

Six weeks ago, a suspicious activity report (SAR) was correctly submitted online to the appropriate authority by the firm's nominated officer as a result of information obtained by the solicitor that the client is concerned in money laundering. The SAR included a request for permission to proceed with completion of the purchase of the property.

A refusal of consent to complete the purchase was received five weeks ago. There has been no further communication from the appropriate authority or any application by them to the court since. No action has been taken against the client or his assets, and the client has not been informed that he is under investigation for money laundering.

Will the nominated officer commit an offence under the Proceeds of Crime Act 2002 if he gives consent to the solicitor to proceed with the purchase next week?

A. Yes, because a refusal to consent has been received.

B. Yes, because the refusal to consent has not been reversed within the following 31 days.

C. No, because it has been more than 31 days since the submission of the SAR.

D. No, because the client has not been informed that he is being investigated for money laundering and no action has been taken against the client or his assets.

E. No, because it has been more than 31 days since the refusal to consent was received.

Question 74

A woman is given a new electronic tablet ('the Tablet') as a birthday present from her friend. The friend bought it from a local retailer ('the Retailer'). The Retailer was unaware that the friend was buying it as a present for the woman.

When the woman tries to use the Tablet, she is unable to switch it on as there is a fault with the power button. The woman does not want to tell her friend that the Tablet does not work because it is a birthday present and so takes the Tablet to a local repair shop.

The shop repairs the fault in the Tablet for a charge of £150, which the woman pays. The woman wishes to sue the Retailer in negligence to recover the £150.

Can the woman recover the £150 repair costs in negligence from the Retailer?

A. No, because the defect in the Tablet is unforeseeable loss.

B. Yes, because the Tablet was faulty.

C. Yes, because the repair costs are consequential economic loss.

D. No, because the repair costs are pure economic loss.

E. Yes, because the Retailer is strictly liable for the repair costs.

Question 75

A private limited company ('the Seller') entered into a contract with another private limited company ('the Buyer') for the sale of 8,000 Christmas trees at a price of £160,000. The contract provided for interest at 7% per annum to be paid on all overdue payments.

The Seller delivered the trees in accordance with the contract, but the Buyer has not paid the price. The Seller has complied with the necessary pre-action requirements and now wishes to issue proceedings against the Buyer for the outstanding sum due, and interest on that sum. The Seller's solicitor is drafting the claim form.

Which claim for interest should be included in the claim form?

A. Interest at 8% per annum under section 35A of the Senior Courts Act 1981 or section 69 of the County Courts Act 1984.

B. Interest at 7% per annum under the contract.

C. Interest at 8% per annum over the Bank of England base rate under the Late Payment of Commercial Debts (Interest) Act 1998.

D. Interest at 10% per annum under section 35A of the Senior Courts Act 1981 or section 69 of the County Courts Act 1984.

E. Interest at 1% per annum over the Bank of England base rate under either section 35A of the Senior Courts Act 1981 or section 69 of the County Courts Act 1984.

Question 76

A solicitor is representing a client at an arbitration hearing which will include the examination of witnesses. A legal representative ('the Representative') acts for the opposing party in the arbitration.

The client sees the Representative speaking to a witness for the opposing party outside the hearing room. The client overhears the Representative telling the witness what questions to expect during her cross-examination and the answers she should give to those questions.

The client mentions this to the solicitor and instructs the solicitor to have similar conversations with witnesses giving evidence on the client's behalf.

Which of the following is relevant to whether the solicitor is permitted to have such conversations?

A. The opposing party in the arbitration is engaging in such conduct.

B. Such conversations will be subject to legal privilege.

C. Conducting an arbitration is not a reserved legal activity.

D. Such conversations may influence the substance of the witnesses' evidence.

E. The solicitor has been instructed by the client to have such conversations.

Question 77

A private limited company is in insolvent liquidation. The liquidator has sold the company's property and is distributing the proceeds to those entitled. The value of the company's net property for the purposes of the Insolvency Act 1986 ('the Net Property') is £100,000. The liquidator has not yet made any distributions to the following creditors:

- the company's bank, which is owed £110,000 and which holds a valid floating charge created six years ago over all the company's property
- numerous unsecured creditors who together are owed a total of £50,000

The company only has ordinary shares in issue. The company's three shareholders each paid £5,000 for their ordinary shares (£15,000 in total).

How should the liquidator distribute the Net Property?

A. The liquidator should ring-fence a prescribed part of the Net Property for distribution to the bank and distribute the balance to the unsecured creditors.

B. The liquidator should distribute all of the Net Property to the bank, because it is valued at under £800,000.

C. The liquidator should ring-fence a prescribed part of the Net Property for distribution to the unsecured creditors and distribute the balance to the bank.

D. The liquidator should distribute all of the Net Property to the bank, because the floating charge holder is not an associate of the company.

E. The liquidator should ring-fence a prescribed part of the Net Property for distribution to the shareholders and distribute the balance to the bank.

Question 78

A footballer aged 17 enters into a long-term contract with an agent to negotiate commercial contracts on his behalf as a professional football player. The footballer's parents are not co-signatories to the contract. A month later, when the footballer is still 17, the footballer decides that he no longer wants the agent to represent him and that he wants to bring the contract to an end.

Can the footballer terminate the contract?

A. No, because he is of full capacity being over 16 years of age.

B. No, because it is a commercial contract and not a consumer contract.

C. No, because he is a minor and it is a contract for necessaries.

D. Yes, because he is a minor and it is not a contract for necessaries.

E. Yes, because his parents were not co-signatories to the contract.

Question 79

The law on Land Transaction Tax in Wales is under review with proposals being made to increase the tax to be paid for properties used as holiday homes.

A woman registered to vote and living in Wales, but who is English, wishes to express her opposition to the proposed changes. She intends to write to her elected representative who sits on the body which has power to vote on this matter.

She would like to know whether she should write to her Member of Parliament at Westminster ('MP') or to her Member of Senedd Cymru ('MS').

Which elected representative(s) should the woman write to?

A. To her MP because it concerns a reserved matter of the UK Parliament.

B. To her MS because it concerns a devolved power of Senedd Cymru.

C. To her MP because it concerns a conferred power of the UK Parliament.

D. To both her MP and her MS because it concerns a joint power of the UK Parliament and Senedd Cymru.

E. To her MS because it concerns a reserved power of Senedd Cymru.

Question 80

A man is arrested and detained at a police station on suspicion of common assault which is a summary only offence. The man is homeless and has no income.

The man is not legally represented during his interview under caution, in which he denies the offence. After the interview the man is told that he will be charged with the offence. The man states that he now wants legal advice as he does not want the police to charge him.

Is the man entitled to publicly funded legal advice at the police station?

A. No, because the offence for which he has been arrested is a summary only offence.

B. Yes, because he has no address in England and Wales.

C. Yes, because he has been arrested and is in custody at a police station.

D. Yes, because he satisfies the means test.

E. No, because the interview under caution has already taken place.

Question 81

For the last 24 years a man has run a business from premises on the outskirts of a village. The man obtained planning permission for this business use when he started his business. The only house in the immediate vicinity of the man's business has been owned and occupied by a woman for the last 22 years.

The noise from the man's business has always been considerable but the woman did not complain because her father was great friends with the man. The woman's father died three months ago and she has now brought an action in private nuisance against the man. It is accepted that the noise levels, which have not changed since the business started, constitute an actionable nuisance unless the man can raise a successful defence.

Can the man successfully use the defence of prescription?

A. No, because the claim only became actionable when the woman complained about the noise.

B. Yes, because the man has run his business for more than 20 years without complaint.

C. No, because the defence does not apply to private nuisance.

D. Yes, because the man has obtained planning permission.

E. No, because the woman came to the nuisance after the man had begun running his business.

Question 82

A solicitor is acting on behalf of a claimant in her claim against a local firm of accountants ('the Defendant'). The claimant's claim is that she acted on negligent advice provided by the Defendant. All appropriate pre-action procedures have been followed and proceedings have been issued and served.

The solicitor receives an email from the firm of solicitors acting for the Defendant which explains that the solicitor who had conduct of the matter has been absent from the office due to ill health. The firm has filed the acknowledgment of service with the court on behalf of the Defendant but requires an extension of time in order to prepare and file their client's defence.

The claimant's solicitor agrees to an extension of seven days for the filing of the defence and the court is notified in writing.

On the date that the agreed seven day extension period is due to expire, the Defendant's solicitor requests a further extension to the time for filing the defence.

What is the maximum further extension, if any, to which the claimant's solicitor can agree without the permission of the court?

A. A further seven day extension.

B. A further 14 day extension.

C. A further 21 day extension.

D. A further 28 day extension.

E. No further extension is permitted.

Question 83

A private limited company has unamended model articles as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008. The company has issued ordinary shares only and has no shareholders' agreement. Its most recent set of accounts show that the company did not make a profit or a loss in the most recent accounting period, although it has distributable profits of £50,000 carried forward from previous accounting periods. The shareholders want the company to declare a dividend out of these profits, but the directors intend to retain the profits within the company to finance an expansion of the company's trade.

Can the shareholders compel the directors to recommend a dividend?

A. Yes, because the directors have a duty to act in the best interests of the shareholders.

B. Yes, because the shareholders have the power to require payment of a dividend by ordinary resolution.

C. Yes, because the shareholders have a right to receive a dividend if the company has distributable profits.

D. No, because only the directors have the power to recommend the payment of a dividend.

E. No, because the directors can only recommend a dividend out of profits of the most recent accounting period.

Question 84

A sole trader, who operates as a builders' merchant, enters into a contract with a company to hire a forklift truck. The terms of the contract are in writing and the sole trader is given the opportunity to read the contract in full before he signs it.

The sole trader does not read the contract but does sign it. The signature clause provides in bold and capital letters:

"I/WE HAVE READ THE CONTRACT IN FULL AND UNDERSTAND ITS TERMS."

The contract states that the hire of the forklift truck is for a fixed three year term and that there is a fee payable to the company if the sole trader wishes to terminate it early ('the Clause').

The sole trader tries to return the forklift truck six months after signing the contract when he finds a cheaper alternative. The company requires the sole trader to pay the stipulated fee for early termination.

The sole trader then reads the contract. He claims that the Clause was not incorporated into the contract because he had not read it and had not dealt with the company before.

Was the Clause incorporated into the contract?

A. Yes, because the sole trader had signed the contract.

B. No, because the Clause was not specifically drawn to the sole trader's attention before signature.

C. No, because there was no previous course of dealing between the sole trader and the company.

D. Yes, because the sole trader was acting in his capacity as a business not as a consumer.

E. No, because the sole trader did not read the Clause until some months after the contract was signed.

Question 85

A local authority has statutory power to compulsorily purchase land for the purpose of building residential houses and access roads to the houses. The local authority approves a development plan and intends to acquire the land needed for the development plan by way of compulsory purchase. The development plan includes a new housing estate and a large cinema and shopping complex, with a dual carriageway passing through the new housing estate to provide the necessary access.

A local resident, whose land would be compulsorily purchased under the development plan, wishes to bring judicial review proceedings against the local authority to challenge the development plan.

Which of the following best explains whether the local resident can bring judicial review proceedings?

A. He can do so because the facts suggest the local authority may have acted illegally.

B. He cannot do so because planning decisions are not subject to judicial review proceedings.

C. He can do so because the facts suggest the local authority's actions may be procedurally unfair.

D. He cannot do so because proceedings cannot be brought by a single resident.

E. He cannot do so because the local authority is acting within its statutory powers.

Question 86

A private limited company is proposing to allot some ordinary shares to a man for a cash payment. The company only has ordinary shares in issue and has unamended model articles as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008.

Once the allotment has been completed, the man will have 30% of the issued share capital of the company. He is not and will not become a director of the company.

Which of the following benefits will be conferred on the man by the allotment of shares?

A. The power to appoint additional directors.

B. A contractual right to dividends.

C. A right of first refusal if another shareholder wishes to sell his or her shares.

D. The power to stop the company changing its name.

E. Guaranteed repayment in full of all amounts paid up on the shares in the event that the company is wound up.

Question 87

A solicitor is instructed by a claimant in a personal injury claim. The matter proceeds to trial where the solicitor appears before a male District Judge in the County Court at a hearing centre which is located outside London.

How should the solicitor address the judge?

A. Your Honour.

B. Judge.

C. Your Worship.

D. Master.

E. Sir.

Question 88

A buyer visits the premises of a caravan seller and sees a vintage caravan. The following day the buyer sends an email to the seller offering to buy the vintage caravan for £12,000, and the seller accepts the buyer's offer by email a few minutes later. The buyer has not yet paid for the vintage caravan nor collected it.

Neither party is aware that the vintage caravan had been destroyed in a flood the previous night after a violent storm.

Is there an enforceable contract between the seller and the buyer?

A. Yes, because the rule of caveat emptor applies to the contract.

B. No, because although there was an agreement between the seller and the buyer, the buyer has not provided any consideration.

C. No, because the contract has been frustrated as the vintage caravan no longer exists.

D. Yes, because there was an agreement between the seller and the buyer and the buyer has provided consideration.

E. No, because the contract is void for common mistake as the vintage caravan no longer exists.

Question 89

A non-governmental organisation (NGO) was created under statute with responsibilities for providing free after-school activities for children of single parent working families from the most economically deprived cities in the UK.

It relies on central government for the bulk of its funding. Spending cuts in last year's budget forced the NGO to significantly reduce the scope of its after-school activities. Seven months ago, it wrote to the parents of several children explaining that it would no longer be able to provide any after-school care for their children. It did not explain its decision beyond saying that the needs of some families were greater than others.

The parents have just applied to the High Court for permission to proceed to a full judicial review of the NGO's decision but the High Court has refused the application.

Which of the following reasons would best justify this refusal?

A. The NGO has responsibility for allocating limited resources and its decisions cannot be judicially reviewed.

B. The parents should sue the NGO for breach of contract instead.

C. The NGO is not part of the executive and as such is not a public body.

D. The parents have not applied as soon as possible or within three months of the decision.

E. The parents have no obvious substantive grounds on which to argue that the NGO has acted unlawfully.

Question 90

A woman is given a new microwave as a birthday present from a friend. The friend had bought it from a local retailer. The microwave had been manufactured in China and then imported into the UK by a Welsh company.

When the woman is using the microwave, it bursts into flames due to faulty wiring. This causes the woman serious burns.

Which of the following statements best explains who could be liable under the Consumer Protection Act 1987?

A. The retailer only.

B. The manufacturer only.

C. The importer only.

D. The retailer, the manufacturer and the importer.

E. The manufacturer and the retailer only.

Question 91

A solicitor is employed by a law firm. Neither the solicitor nor her firm are authorised by the Financial Conduct Authority to make financial promotions in accordance with the Financial Services and Markets Act 2000 and associated secondary legislation (FSMA).

The solicitor takes part in a half marathon. At the end of the run the solicitor talks to another runner who admires the solicitor's sunglasses. The solicitor explains that the sunglasses are manufactured by a private limited company in which she recently invested some of her own money. She explains that the company is now expanding its operations and is looking for further investment.

The runner states that he is considering investing in shares in a company that is involved in the fitness industry, and that he would be interested in learning more about the company with a view to investing in it.

The solicitor gives the runner details of the company and recommends that he considers shares in that company as a potential investment. The runner does not know that she is a practising solicitor.

Has the solicitor engaged in unlawful financial promotion in breach of FSMA?

A. No, because the solicitor's communications were not made in the course of business.

B. Yes, because the solicitor's communications amount to an inducement to engage in an investment activity.

C. No, because the solicitor's communications are exempt as they relate to the purchase of shares in a body corporate.

D. No, because the solicitor's communications are exempt as a solicited non-real time promotion.

E. Yes, because the solicitor's communications are not part of any other professional services provided to the runner.

Question 92

A solicitor in a firm believes that he has identified an opportunity to generate new work based on his personal experience of problems with his internet provider. The solicitor had signed a contract with an internet provider ('the Provider') for an ultrafast fibre-optic internet connection to be provided to his home. The Provider breached the contract by not performing the contract by the agreed date. The solicitor successfully negotiated significant compensation from the Provider.

The solicitor knows that some of his neighbours who live on the same street have also signed a contract with the Provider and may have experienced similar problems. He suspects that there may be other such neighbours who have also signed contracts with the Provider whom he does not know about. The neighbours include both a former client and current client of the solicitor.

The solicitor plans to write to all of his neighbours informing them of their potential legal claim against the Provider and offering them his services. A separate department within the solicitor's firm will consider the provisions of data protection legislation, but the solicitor is considering whom he can contact without breaching his duty under the SRA Code of Conduct for Solicitors, RELs, RFLs and RSLs ('the Code').

According to the Code, whom (if anyone) can the solicitor contact by letter?

A. All of his neighbours.

B. None of his neighbours.

C. His neighbours who he knows have a contract with the Provider only.

D. His current and former clients and his neighbours who he knows have a contract with the Provider only.

E. His neighbours who are his current and former clients only.

Question 93

A private limited company has three directors. Two of the directors hold executive roles and are also shareholders. The third director is a non-executive director and has recently decided she wishes to resign as director.

The two executive directors have asked the third director to stay for at least a month in order to give them time to find a replacement. The third director insists she wants to leave straight away and submits written notice of her resignation to the company to take effect immediately.

The company has unamended model articles as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 ('the Model Articles').

Can the third director resign with immediate effect?

A. Yes, because a director can resign their office by written notice to the company to take effect at any time.

B. No, because the shareholders have not approved the third director's resignation.

C. No, because a board resolution is needed to remove a director.

D. Yes, because the third director does not have to make arrangements for any shares in the company to be sold.

E. No, because the Model Articles require a director to give at least one month's notice of resignation.

Question 94

A claimant based in England owns a national chain of pet shops. It has issued a claim for unspecified damages against one of its suppliers (the defendant) which is also based in England. The claim is in respect of dog toys which the claimant alleges were neither of satisfactory quality nor fit for purpose.

The claim form has been issued but has not yet been served. The claimant believes it needs more time to prepare the particulars of claim. The claimant wants to know whether the particulars of claim must be served with the claim form or if they can be served separately and what the time limits for service are. There are no grounds for alternative service, nor for any extension of time for service.

Which of the following statements correctly sets out the rules on service of the particulars of claim in these circumstances?

A. The particulars of claim may be served within 14 days after service of the claim form, provided that the claim form is served on the defendant no later than four months after issue of the claim form.

B. The particulars of claim may be served within 14 days after service of the claim form, provided that the particulars of claim are served on the defendant no later than four months after issue of the claim form.

C. The particulars of claim may be served within 14 days after service of the claim form, provided that the particulars of claim are served on the defendant no later than six months after issue of the claim form.

D. The particulars of claim must be served at the same time as the claim form, and both the claim form and the particulars of claim must be served within four months of the date of issue of the claim form.

E. The particulars of claim must be served at the same time as the claim form, and both the claim form and the particulars of claim must be served within six months of the date of issue of the claim form.

Question 95

A partnership agrees to pay £15,000 to a company to hire a large hall in London for an exhibition on 1 March. £5,000 is payable on 14 February and the balance is due on 28 February. The partnership does not make the payment of £5,000.

On 26 February, the company spends £2,000 on contractors who set up the hall with equipment, tables, chairs and display boards.

On 27 February, a major water leak takes place at the hall, through no fault of the company. The contract is frustrated.

The partnership is concerned that the company may seek to recover a payment from it and takes legal advice on its potential liability.

What sum, if any, is it most likely a court will order the partnership to pay to the company?

A. £5,000, being the amount payable prior to the date of the frustrating event.

B. £7,000, being the amount payable and the expenses incurred prior to the date of the frustrating event.

C. £13,000, being the total amount due under the contract less the expenses incurred prior to the date of the frustrating event.

D. £2,000, being the amount of expenses incurred prior to the date of the frustrating event.

E. Nothing, all monies due to be paid under the contract cease to be payable.

Question 96

A man and a woman visit a theme park owned and maintained by a company. The man buys two tickets for them to gain entry. On the reverse of the tickets, the company has placed a disclaimer of liability for personal injury, which says: "No liability for death or personal injury howsoever caused."

The woman goes for a ride on the rollercoaster. The carriage she is riding in becomes detached from its tracks because of negligent maintenance and she is thrown to the ground. She suffers personal injury and seeks advice from a solicitor about claiming compensation for her injuries. The solicitor considers whether a duty under the Occupiers' Liability Act 1957 ('the Act') may exist.

Which of the statements below best describes the company's duty, if any, to the woman under the Act?

A. The company does not owe her a duty because of the disclaimer.

B. The company owes her a duty to ensure its ride is safe.

C. The company does not owe her a duty because the ride is not premises under the Act.

D. The company owes her a duty to ensure she is reasonably safe in using the ride.

E. The company does not owe her a duty because she did not buy a ticket.

Question 97

A solicitor is employed to provide legal advice to the staff teams in the House of Commons. The solicitor is asked to prepare a note explaining the doctrine of Parliamentary Sovereignty, to be included in a guide for visitors to the House.

The solicitor considers some illustrations of Parliamentary Sovereignty, to explain how it can be said that Parliament is the supreme legal authority in the UK. He mistakenly includes an exercise of power which does not illustrate the doctrine.

Which of the following examples of the exercise of Parliamentary power has the solicitor mistakenly included?

A. Parliament can regulate and change succession to the British throne.

B. Parliament can modify or replace its own procedure for passing legislation.

C. Parliament can pass entrenched legislation which cannot be repealed.

D. Parliament can pass legislation on matters that have been devolved to the Scottish Parliament.

E. Parliament can pass legislation which has retrospective effect.

Question 98

A firm of solicitors enters into a conditional fee agreement ('the Agreement') with a client. The client is the claimant in an action for damages for breach of contract ('the Claim') against a defendant. The Agreement provides that the claimant will pay her solicitors a success fee of 50% ('the Success Fee') if the Claim succeeds. On the advice of her solicitors, the claimant also takes out an after the event insurance policy.

Which costs will potentially be recoverable by the claimant from the defendant if the Claim succeeds at trial?

A. The claimant's solicitors' fees and disbursements, excluding both the Success Fee and the cost of the after the event insurance policy.

B. The claimant's solicitors' fees and disbursements, including the Success Fee but excluding the cost of the after the event insurance policy.

C. The claimant's solicitors' fees and disbursements, excluding the Success Fee but including the cost of the after the event insurance policy.

D. The claimant's solicitors' fees, including the Success Fee but excluding their disbursements and the cost of the after the event insurance policy.

E. The claimant's solicitors' fees and disbursements, including both the Success Fee and the cost of the after the event insurance policy.

Question 99

A private limited company has four ordinary shareholders. Shareholder 1 and Shareholder 2 each own 30% of the company's ordinary shares; Shareholder 3 and Shareholder 4 each own 20% of the company's ordinary shares. The company has unamended model articles as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008.

Recently, the shareholders all received proper notice of a members' meeting. The meeting was convened to seek shareholder approval of a proposal to enter into a service contract with one of the company's directors for a fixed term of five years. A request for a poll vote at the members' meeting was properly made.

Only Shareholder 1 and Shareholder 3 attended the meeting, and no proxies were appointed by those not attending. When the resolution was put to the meeting, Shareholder 1 voted for it, giving his consent to the proposed five year fixed term of the service contract. Shareholder 3 voted against the resolution.

Has the shareholder resolution been passed on a poll vote?

A. No, because the resolution was not approved by at least 50% of the company's shareholders.

B. No, because the resolution was not approved by more than 50% of the company's shareholders.

C. Yes, because the resolution was approved by more than 50% of votes cast by the shareholders attending the meeting and entitled to vote.

D. No, because the resolution was not approved by more than 50% of the company's shareholders attending the meeting and entitled to vote.

E. Yes, because the resolution was approved by at least 50% of votes cast by the shareholders attending the meeting and entitled to vote.

Question 100

A solicitor acts for a man who runs a shop and who is a defendant in a debt claim issued and served three months ago.

The man accepts that the claimant supplied and delivered goods to him and that the invoice for those goods of £14,000 remains unpaid. However, the man alleges that the goods were faulty and unfit for use and he was therefore unable to open his shop due to a lack of stock. He is bringing a counterclaim for the loss of profits incurred as a result. The counterclaim has a value of £12,000.

Both parties seek interest and costs. The trial estimate is half a day and neither party will be calling expert evidence.

Which track is the court most likely to allocate the case to and why?

A. The intermediate track, due to the combined value of the claim and counterclaim.

B. The fast track, due to the value of the claimant's claim.

C. The small claims track, due to the estimated length of trial.

D. The small claims track, due to the difference in value between the two claims.

E. The fast track, due to both parties claiming interest and costs.

Question 101

A 25 year old man is injured in a road traffic accident caused by a negligent lorry driver. The man is knocked unconscious and is taken to hospital. He does not regain consciousness as he has suffered serious head injuries. He remains unconscious for six months, after which time he dies of his injuries.

The man had been an avid football fan, attending all home and away matches of his local team. He was employed as a zookeeper.

The man's mother, in her capacity as the executor of his estate, wishes to bring a claim in negligence against the lorry driver for compensation. She is correctly advised that the claim is likely to succeed and that the estate will be awarded damages to the date of the man's death.

For which of the following heads of damage will the estate recover compensation?

A. Loss of amenity and loss of earnings only.

B. Pain and suffering, and loss of earnings only.

C. Loss of amenity only.

D. Pain and suffering, loss of amenity and loss of earnings.

E. Pain and suffering only.

Question 102

A woman owns a profitable business as a sole trader. She runs her business from the family home which is owned by her husband in his sole name. The family's only source of income is from the woman's business. The husband does not have a paid job, being the full time carer for the couple's four children.

The woman needs to borrow £10,000 to expand her business. A family friend agrees to lend her the money, provided the woman's husband agrees to guarantee the loan.

A meeting is arranged between the woman, the family friend and the husband. Before the meeting takes place, the woman stresses to her husband the importance to the family of getting the loan. The family friend's wife and adult son also attend the meeting and hear the husband verbally agreeing to personally guarantee repayment of the loan. Following the meeting, the family friend makes the loan of £10,000 to the woman.

The woman cannot now repay the loan and the family friend wants to enforce the guarantee against the husband.

What advice should the family friend receive in relation to the guarantee?

A. It is not binding because it must be evidenced in writing and signed by the husband.

B. It is not binding because it must be evidenced in writing and executed by the husband as a deed.

C. It is binding because it was freely given by the husband in the presence of two witnesses.

D. It is binding because the giving of the loan was conditional on the giving of the guarantee.

E. It is not binding because there is an irrebuttable presumption that the husband was subjected to undue influence by the woman.

Question 103

A Member of Parliament (MP) for the party in opposition makes a statement at a parliamentary select committee. In the statement he refers to evidence given to him by an undercover journalist which is critical of the working practices of a large company, which he names. The MP's statement is reported widely in the press. The company's response is that the journalist has wholly misrepresented its working practices. As a consequence, the company wants to bring defamation proceedings against the MP and the journalist.

The MP believes that he is protected from such a claim by parliamentary privilege. He contacts the Privileges Committee to clarify the position.

Is the MP protected by parliamentary privilege for the statement he made at the parliamentary select committee?

A. No, parliamentary privilege only covers statements made by MPs of the party in government.

B. No, parliamentary privilege only covers statements made in parliamentary select committees when national security issues are being discussed.

C. No, parliamentary privilege only covers statements made by ministers in response to specific questions in the House of Commons chamber.

D. Yes, parliamentary privilege covers all proceedings in Parliament.

E. Yes, parliamentary privilege covers any statement made by an MP which arises from his work in Parliament, regardless of the setting.

Question 104

A solicitor works in a litigation department at a firm of solicitors. She realises that two of her matters are listed for hearings of 30 minutes each, in the same court centre on the same morning, but before different judges. The first hearing is scheduled to start at 10.30am ('the First Hearing'). The second hearing is scheduled to start at 11am ('the Second Hearing').

The solicitor intends to attend both hearings as she believes she would be the best person to represent the clients as she is familiar with both matters. She also believes that the First Hearing will finish early enough for her to get to the Second Hearing on time. She therefore wants to avoid increasing the costs for either client by instructing a barrister to attend one of the hearings.

The solicitor appears at the First Hearing. She finds that it takes longer than anticipated to persuade the judge to rule in favour of her client and the hearing lasts the full 30 minutes.

The solicitor is ten minutes late for the Second Hearing. The judge severely reprimands the solicitor for keeping numerous people waiting, indicating that he does not want to listen to her reasons for being late. After hearing arguments on the merits, the judge rules against the solicitor's client. The judge makes a wasted costs order against the solicitor in respect of the time the other side were kept waiting until the solicitor's arrival.

Was the solicitor in breach of the SRA Code of Conduct for Solicitors, RELs, RFLs and RSLs by being late for the Second Hearing?

A. Yes, as she was wasting the court's time.

B. Yes, as her actions created a conflict of interest between her two clients.

C. No, as she was acting in the best interests of her clients to save costs.

D. No, as the court failed to give proper consideration to why she was late.

E. No, as the court has sanctioned her behaviour with a wasted costs order.

Question 105

A private limited company issued ordinary shares to five shareholders for nominal value on incorporation several years ago. Four of those shareholders are also directors of the company.

The fifth shareholder, a man, only has 10% of the ordinary shares. He has never been a director nor involved in the management of the company.

There have been no changes to the company's share capital since incorporation.

The company has always made a profit and has distributed a large proportion of those profits annually to the shareholders.

This year the directors resolved to award themselves a substantial pay rise, far in excess of the market rate. As a result, the company made very little profit and no dividends have been declared by the directors this year.

The man consults a solicitor about what his remedy is likely to be if he is successful in an action for unfair prejudice under the Companies Act 2006.

If the man is successful in an action for unfair prejudice, which of the following is the most likely remedy that will be ordered by the court?

A. That the company buy back the man's shares at fair value.

B. That the company buy back the man's shares at nominal value.

C. That the man be appointed to the board with immediate effect and cannot be removed from office by the other shareholder directors.

D. That the company be wound up.

E. That any future pay rises for directors be aligned with market rates.

Question 106

A 17 year old motorist sustains a broken leg as a result of a road traffic accident when he is driving his car. The accident is caused by the negligent driving of the driver of the other vehicle ('the Woman').

At the age of 22, the motorist seeks legal advice for the first time from a solicitor as to whether he can bring a claim against the Woman for the injuries sustained in the accident.

Which of the following represents the advice that the solicitor should provide to the motorist?

A. A claim can be brought against the Woman because the limitation period is six years from the date of the accident.

B. A claim cannot be brought against the Woman because the limitation period is three years from the date of the accident.

C. A claim can be brought against the Woman because the limitation period is three years from the date the motorist first seeks legal advice.

D. A claim can be brought against the Woman because the limitation period is six years from the date of the motorist's 18th birthday.

E. A claim cannot be brought against the Woman because the limitation period is three years from the date of the motorist's 18th birthday.

Question 107

A company enters into a contract with a supplier for the purchase of some bricks to be delivered to the company by a stated date ('the Delivery Date'). The company's terms (accepted by the supplier) state the time for delivery is: "of the essence" ('the Term').

Two weeks before the Delivery Date, the supplier tells the company that it will not be able to deliver the bricks by the Delivery Date.

The company seeks legal advice as it wants to immediately terminate the contract before the Delivery Date and buy the bricks elsewhere. The type of bricks ordered are only available from another source at a higher price. The company therefore also wishes to claim damages from the supplier.

Which of the following statements best represents the advice the solicitor should give the company?

A. The contract can be terminated immediately and damages claimed from the supplier without having to wait for the Delivery Date to pass, as the Term is likely to be a condition.

B. The contract cannot be terminated until after the supplier has failed to deliver by the Delivery Date but damages can be claimed immediately, as the Term is likely to be a condition.

C. The contract cannot be terminated and damages cannot be claimed until after the supplier has failed to deliver by the Delivery Date, as the Term is likely to be a condition.

D. The contract can be terminated immediately and damages claimed from the supplier without having to wait for the Delivery Date to pass, as the Term is likely to be an innominate term.

E. The contract cannot be terminated until after the supplier has failed to deliver by the Delivery Date but damages can be claimed immediately, as the Term is likely to be an innominate term.

Question 108

A man has recently qualified at the firm of solicitors where he was an apprentice solicitor. He will continue to be employed by the firm, working in the private client department where his work as a solicitor will involve drafting wills and obtaining grants of probate. He will also assist in the residential conveyancing department one day a week where he will assist on completions and post-completion work, including making applications for registration of the transfer of title documentation to the Land Registry.

Which area(s) of the man's work will be considered to be a reserved legal activity?

A. Drafting wills only.

B. Drafting wills and obtaining grants of probate only.

C. Drafting wills, obtaining grants of probate and making applications for registration.

D. Obtaining grants of probate and making applications for registration only.

E. Making application for registration only.

Question 109

The leader of a pressure group has organised a procession through a busy city centre. In order to obtain maximum exposure whilst minimising disruption to the public, the procession will take place at 11am on a Saturday. The leader expects around 200 of his group's members to attend.

Three weeks before the procession, the leader realises he has not notified the authorities that it will be taking place. He therefore writes a letter to the city council informing it of the date, time, route and the number of people he expects to be involved in the procession, and delivers this letter by hand the same day. The leader has included his name, address and telephone contact details in the letter.

Which of the following best explains whether the leader has complied with any legal requirements to give notice of the procession?

A. Yes, the letter provides sufficient information to the appropriate authority and has been delivered in accordance with the deadlines.

B. Yes, the letter provides sufficient information to the appropriate authority and there are no deadlines for delivery.

C. No, the letter has been delivered in accordance with the deadlines and to the appropriate authority but provides insufficient information.

D. No, the letter has been delivered in accordance with the deadlines and provides sufficient information but has been delivered to the wrong authority.

E. No, the letter provides sufficient information, but it has been delivered outside the deadlines and to the wrong authority.

Question 110

A company ('the Employer') employs a man and a woman as builders. The Employer is carrying out the refurbishment of a hotel. The man and the woman are both working on the hotel refurbishment and their work involves erecting steel rods into the original ceiling to support it.

One day the woman arrives at the hotel site unfit for work, having consumed a lot of alcohol the previous evening. She installs one of the steel rods carelessly which results in part of the ceiling collapsing onto the man who suffers serious injuries.

Which of the following best explains who the man can sue for compensation for his injuries?

A. The Employer only because it is solely vicariously liable.

B. The woman only because she is solely liable in negligence.

C. The woman because she is solely liable in negligence and the Employer because it is both liable in negligence and vicariously liable.

D. The woman and the Employer because both are liable solely in negligence.

E. The woman because she is solely liable in negligence and the Employer because it is solely vicariously liable.

Answers

Question	Answer	% of candidates who answered correctly	Question	Answer	% of candidates who answered correctly
46	A	53%	86	D	51%
47	A	76%	87	B	53%
48	C	51%	88	E	54%
49	A	67%	89	D	60%
50	D	70%	90	D	59%
51	E	32%	91	A	72%
52	A	86%	92	E	66%
53	C	90%	93	A	43%
54	A	29%	94	B	54%
55	C	60%	95	D	55%
56	A	34%	96	D	62%
57	B	81%	97	C	58%
58	A	74%	98	A	66%
59	C	63%	99	C	38%
60	E	30%	100	B	62%
61	D	76%	101	A	39%
62	A	78%	102	A	51%
63	E	39%	103	D	59%
64	A	33%	104	A	48%
65	B	45%	105	A	61%
66	E	35%	106	E	70%
67	C	61%	107	A	66%
68	C	40%	108	D	49%
69	A	47%	109	D	61%
70	C	48%	110	C	45%
71	A	62%			
72	B	68%			
73	E	30%			
74	D	56%			
75	B	71%			
76	D	80%			
77	C	33%			
78	D	78%			
79	B	67%			
80	C	62%			
81	B	77%			
82	C	47%			
83	D	58%			
84	A	76%			
85	A	44%			

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