



Solicitors Regulation Authority



SQE

SQE1 Functioning Legal Knowledge FLK1 sample questions

1 April 2024

SQE1 is the first part of the SQE assessment and tests the application of functioning legal knowledge. The structure of SQE1 is set out below. This is a computer-based single best answer multiple choice test.

We provide 130 SQE1 sample questions. These are split equally between FLK1 (65 questions) and FLK2 (65 questions). Each question is followed by five suggested answers. The correct answer is the best of the stated alternatives and is provided alongside the sample questions. There will only be one correct answer.

Purpose of the sample questions

The sample questions are designed to illustrate the kind of questions that appear on the FLK1 and FLK2 assessments and therefore assist both education providers and candidates plan SQE training and prepare for the assessment. The sample questions follow the same style and have been drafted in accordance with the same process as the questions used in the assessment.

The 130 sample questions do not represent all the material that is covered by the FLK and are not designed to be a replica of the SQE1 assessment itself, or to be a mock assessment. Sitting the actual SQE1 under timed and closed book assessment conditions cannot be replicated by working through the 130 sample questions.

As part of their preparation, candidates may want to consider the amount of time they have to complete SQE1 questions. As a reminder, each FLK consists of 180 questions. Each FLK is split into two sessions and the standard time allocated for each session is 2 hours 33 minutes with 90 questions in each session. Therefore, on average, candidates have approximately 1.7 minutes per question. Some questions will take more/less time to answer than others.

The cut off date for the law upon which candidates are examined in the SQE will be four calendar months prior to the date of the first assessment in an assessment window.

We continually keep the law and practice relevant to the sample questions under review and are aware that the law and practice can change within the four month period referred to above. The sample questions will always reflect the law that is examinable in the upcoming SQE1 assessment. If there is a change in the law within the four month period before an assessment, the sample questions will be amended to reflect the change in law after that assessment.

The pass mark

The pass mark for **each sitting** of the SQE1 assessment will be set by the Assessment Board. The pass mark is set for each sitting of the SQE1 assessment, taking into account the difficulty of the questions in the sitting. This ensures that the standard of the assessment remains consistent from one sitting to the next.

SQE1 structure and sample question mapping

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

1. Business Law and Practice; Dispute Resolution; Contract; Tort; Legal System of England and Wales; Constitutional and Administrative Law and EU Law and Legal Services.
2. Property Practice; Wills and the Administration of Estates; Solicitors Accounts; Land Law; Trusts; Criminal Law and Practice.

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



Question 1

An architect received a leaflet from website designers advertising their website design packages. On the back of the leaflet was a copy of the website designers' standard terms, which contained a limitation clause.

The architect wrote a letter to the website designers asking them to design his website and he attached to his letter a copy of his own standard terms and conditions, which did not contain a limitation clause. The architect received a quotation for £2,500 from the website designers.

The architect signed and returned a tear-off slip to the website designers which stated that he accepted the quotation on the website designers' standard terms and conditions.

Which of the following statements best describes the legal position?

- A. The terms on the leaflet constituted an offer which the architect accepted by asking for a quotation.
- B. The quotation constituted an offer which the architect accepted on the website designers' standard terms and conditions.
- C. The quotation constituted an offer which the architect accepted on the architect's standard terms and conditions.
- D. The letter from the architect to the web designers constituted an offer which the web designers accepted by sending a quotation.
- E. The letter from the architect to the web designers constituted a counter offer which the web designers accepted by sending a quotation.



Question 2

A company created a floating charge over all its assets in favour of a trade supplier, as security for sums due from time to time.

Five years later, the same company entered into a debenture with a bank, creating a floating charge over all the assets of the company, as security for a loan from the bank.

The trade supplier's charge was not registered at Companies House. However, before the debenture was signed, the company notified the bank that the trade supplier already held a valid floating charge over the company's assets. The debenture was duly executed, and was immediately registered at Companies House. The company went into administration ten months after entering into the debenture, with outstanding sums due and unpaid both to the trade supplier and to the bank.

Which creditor of the company has a prior claim to the company's assets?

- A. The bank, because the trade supplier's failure to register its charge makes the charge void against the company.
- B. The trade supplier, because the bank had actual notice of the existence of the trade supplier's charge.
- C. The bank, because the trade supplier's failure to register its charge makes the charge void against the administrator and the bank.
- D. The trade supplier, because the bank's charge was created less than 12 months before the company went into administration.
- E. The trade supplier, because the priority of floating charges is determined solely according to their dates of creation.



Question 3

A company is the claimant in an action for negligence against a defendant accountancy practice. The claimant seeks damages for allegedly negligent professional advice provided by the defendant to the claimant. Standard disclosure has been ordered.

A two page letter sent to the claimant's managing director by a financial adviser is included in the claimant's list of documents. The financial adviser is independent of both parties to the litigation. The letter was found in the office of the claimant's managing director, and the only copy is in the possession of the claimant's solicitor. It is clear that the letter was written with the sole purpose of giving advice about drafting the letter before claim in the present litigation.

On what basis can the claimant claim a right to withhold inspection of the letter?

- A. The letter is no longer in the control of the party disclosing it.
- B. The letter is subject to legal advice privilege.
- C. It would be disproportionate to the issues in the case to permit inspection of the letter.
- D. The letter is subject to litigation privilege.
- E. The letter was written after the cause of action accrued.



Question 4

Last month a cycling enthusiast incorporated an online bicycle accessories shop. He is the sole director and he and a friend are the only shareholders.

Prior to incorporation of the company, the enthusiast negotiated a contract with a provider of cycling clothing. The contract was signed, prior to the receipt of the certificate of incorporation, by the enthusiast in his own name, on behalf of the company.

With whom, if anyone, does the benefit of the contract reside?

- A. The company only.
- B. The shareholders only.
- C. The enthusiast only.
- D. The enthusiast and the company jointly.
- E. No one, the contract is void.



Question 5

A woman in the UK asserts that her rights under Article 8 of the European Convention on Human Rights (ECHR) have been infringed by a public authority. Although she wishes to protest, she is unwilling to bring court proceedings under the Human Rights Act 1998 (HRA) against the public authority, because of the publicity she might receive, and because of the possible cost. The woman's wealthy cousin is not affected by the alleged infringement, but says she would be willing to bring proceedings on behalf of the woman.

Can the cousin bring legal proceedings as the woman's representative under the HRA?

- A. Yes, because family representatives are specifically granted standing under the HRA.
- B. Yes, because the HRA provides that proceedings may be brought by a representative where anonymity is a serious concern for the victim.
- C. No, because only a victim of the infringement can bring an action and the cousin is not a victim.
- D. Yes, because the court will be satisfied that the cousin, as a representative, is able to meet the expenses of the proceedings.
- E. No, because a representative can only bring an action under the HRA where it replaces numerous individuals making identical claims.

Question 6

The directors of a private limited company plan to sell some land which is owned by the company. The proposed purchaser of the land is known to all the directors, and is the father of one of the directors. The company's directors are all also shareholders in the company.

The land has recently been independently valued at £70,000 and it is agreed that this will be the sale price.

The company's most recent set of annual accounts states net profits of £770,000 and net assets of £600,000. The company has adopted the Companies (Model Articles) Regulations 2008 (unamended) as its articles of association.

Does the proposed sale of land require shareholder approval?

- A. No, because the transaction falls under the directors' general authority to manage the company's business.
- B. No, because the transaction involves the sale and purchase of land which is a non-cash asset.
- C. No, because the transaction involves the sale and purchase of an asset at its fair market value.
- D. Yes, because the transaction involves the sale and purchase of land whose value exceeds 10% of the company's asset value.
- E. Yes, because the company's directors are all also shareholders in the company.



Question 7

The owner of a Greek restaurant orders wall tiles that include a border design showing the Greek flag. After the tiles have been fitted, the owner notices that the tiles are decorated with the flag of Uruguay. The owner wants the tiles to be replaced.

In a claim for breach of contract which of the following measure of damages is the court most likely to award?

- A. Expectation.
- B. Reliance.
- C. Cost of cure.
- D. Loss of amenity.
- E. Mental distress.



Question 8

In March 2023, a claimant brought a claim against his plumber for a breach of contract alleged to have taken place in June 2017. The plumber operated as a sole trader.

In August 2023, the plumber died. The plumber's assets are being dealt with by her personal representatives.

In October 2023, the claimant applied to substitute the plumber's personal representatives for the deceased plumber in the claim, so that the claim could continue.

What powers does the court have to make a substitution for the plumber as a deceased party in the claim?

- A. The court can order a new party to be substituted because the relevant limitation period was current when the claimant applied for the substitution.
- B. The court cannot order a new party to be substituted because the relevant limitation period has expired.
- C. The court can order a new party to be substituted because the relevant limitation period was current when the proceedings were started.
- D. The court can order a new party to be substituted because the relevant limitation period was current when the plumber died.
- E. The court cannot order a new party to be substituted because liability remains with the plumber's business.



Question 9

A man is given a bicycle as a gift. He later agrees to sell the bicycle for £25 to a woman but no payment has yet been made. He subsequently discovers that the bicycle is worth £390. He informs the woman that he no longer wishes to sell the bicycle because he was mistaken about its value.

What advice should the woman be given?

- A. There is a contract because there is executed consideration.
- B. There is a contract because sufficient consideration has been promised.
- C. There is no contract because the consideration is insufficient.
- D. There is no contract because adequate consideration has not been promised.
- E. There is no contract because the consideration promised is only executory.



Question 10

A decision is made by the Court of Appeal (Civil Division) in favour of the claimant. The defendant wishes to obtain permission to appeal.

Which of the following courts have the power to grant permission to appeal?

- A. The Court of Appeal only.
- B. The Supreme Court only.
- C. The House of Lords only.
- D. The Court of Appeal and the Supreme Court.
- E. The Court of Appeal and the House of Lords.



Question 11

A man runs a very popular farmers market on a small farm on the edge of a village every Thursday. This results in the village becoming very busy on Thursdays when many of its roads are blocked by parked cars. Because of this, on Thursdays, a woman who runs a business in the village is unable to deliver her goods and she loses trade as a result.

Which cause of action should the woman pursue in tort?

- A. Private nuisance.
- B. Public nuisance.
- C. Rylands v Fletcher.
- D. Negligence.
- E. Occupiers' liability.

Question 12

An ordinary trading partnership has three partners: the senior partner, the managing partner, and the junior partner. The three partners share income profits equally and capital profits in accordance with their capital contributions as follows:

Senior partner: 50%

Managing partner: 30%

Junior partner: 20%

Five years ago, the firm purchased office premises. The premises have just been sold for a profit, realising a chargeable gain.

Who will be liable to pay tax on the gain realised on the sale?

- A. Each partner will be liable to pay Capital Gains Tax on one third of the gain and the firm will have no liability.
- B. The firm will be liable to pay Corporation Tax on the entire gain and the partners will have no liability.
- C. Each partner will be liable to pay Income Tax on one third of the gain and the firm will have no liability.
- D. The senior partner will be liable to pay Capital Gains Tax on 50% of the gain, the managing partner on 30% of the gain and the junior partner on 20% of the gain.
- E. The senior partner will be liable to pay Income Tax on 50% of the gain, the managing partner on 30% of the gain and the junior partner on 20% of the gain.



Question 13

A company has an accounting reference date of 31 December. It commenced trading in April, so that its first accounting period ended on 31 December of the year in which it commenced trading. During this first accounting period, the company made neither a trading profit nor a trading loss. However, the company did make a chargeable gain of £75,000 in the November, from the sale of a freehold property. The company made no capital losses during this first accounting period.

In its second accounting period, which ended on 31 December the following year, the company made a trading loss of £45,000. The company made no capital gain and no capital loss during the second accounting period.

Can the trading loss of £45,000 made in the second accounting period be set off against the chargeable gain of £75,000 from the first accounting period?

- A. Yes, because no trading or capital losses were incurred in the first accounting period.
- B. No, because a trading loss can only be set off against trading profits from an earlier accounting period.
- C. Yes, because the chargeable gain occurred within the 12 month period ending immediately before the accounting period in which the trading loss was incurred.
- D. No, because the company was not carrying on business for a full 12 month period before the accounting period in which the trading loss was incurred.
- E. No, because a trading loss can only be carried forward and set off against trading profits from a subsequent accounting period.



Question 14

A private limited company was incorporated with the Companies (Model Articles) Regulations 2008 ('the Model Articles') as its articles of association, but following further investment from some new shareholders, has recently adopted amended articles of association. The amended articles of association ('the New Articles') are based on the Model Articles but also include some special articles.

What must be filed with the Registrar of Companies following the adoption of the New Articles?

- A. The board minutes proposing the changes to the Model Articles and the shareholders' resolution to adopt the New Articles.
- B. The shareholders' resolution to adopt the New Articles and the prescribed fee.
- C. The New Articles and the prescribed fee.
- D. The shareholders' resolution to adopt the New Articles and the New Articles.
- E. The board minutes proposing the changes to the Model Articles and the New Articles.



Question 15

In the course of a trial various arguments are put to the judge as to the exact meaning of a particular section of a relevant statute. When deciding the case, the judge first looks at the natural ordinary meaning of the words used. However, such an interpretation of those words results in an absurd meaning being given to the section. The judge therefore, in coming to his decision, interprets the words in a different way which does not result in an absurd meaning.

What method of statutory interpretation has the judge used?

- A. The literal rule.
- B. The mischief rule.
- C. The extrinsic evidence rule.
- D. The golden rule.
- E. The intrinsic evidence rule.



Question 16

Following a series of terrorist explosions in central London, the government invoked emergency prerogative powers. These powers enabled the government to take control over commercial buildings damaged in the explosions. The powers also enabled the government to deny the occupiers access to those buildings while forensic teams undertook the lengthy process of gathering evidence.

Recognising the impact on the occupiers of such buildings, Parliament passed legislation creating a compensation scheme allowing those affected to claim for any costs and losses incurred while those buildings are under the government's control.

Notwithstanding this new legislation, the government is continuing to use the prerogative powers in order to avoid paying any such compensation under the statutory scheme.

Which of the following statements best summarises the legal position?

- A. Where there is overlap between a prerogative power and a statute, neither prevails; the courts look to the common law for guidance.
- B. Where there is overlap between a prerogative power and a statute, the statute prevails.
- C. Where there is overlap between a prerogative power and a statute, the prerogative power prevails.
- D. Where there is overlap between a prerogative power and a statute, the judge hearing the matter may refer to proceedings in Parliament for guidance.
- E. Where there is overlap between a prerogative power and a statute, the judge hearing the matter may refer to a higher court for guidance.



Question 17

A solicitor is dealing with a negligence case for a client. At the outset the solicitor gave a written estimate of likely total costs of £15,000 including counsel's fees and other disbursements. A few weeks later the solicitor decides that expert evidence is also needed and the cost of this will be an additional £3,000.

Which of the following best explains what the solicitor should do next?

- A. The solicitor does not need to do anything because the client was informed that it was only an estimate at the outset.
- B. The solicitor does not need to do anything because experts' costs are awarded by the court.
- C. The solicitor does not need to do anything because he is not obliged to tell the client about third party costs.
- D. The solicitor should write to the client to inform him about the cost of the expert and ask for his instructions because a solicitor must get prior approval for every item of expenditure.
- E. The solicitor should write to the client to inform him about the cost of the expert and ask for his instructions because the original estimate is no longer accurate.



Question 18

A non-UK national living in the UK has allegedly committed a serious crime in his country of origin. His country of origin is not a signatory to the European Convention on Human Rights ('the Convention').

The UK government has issued an order for the deportation of the man to his country of origin. However, the man asserts that evidence will be used against him in respect of the alleged crime which has been obtained by the use of torture. The man appeals under the Convention against the deportation order in the High Court and the High Court accepts the man's assertion.

Which of the following best explains whether the High Court would uphold the deportation order?

- A. It would not uphold the order because the Convention provides that member countries must secure the Convention rights for everyone within their jurisdiction.
- B. It would not uphold the order because the merits of deportation decisions involving the human rights of nationals from non-signatory countries must be considered by the European Court of Human Rights.
- C. It would uphold the order because the UK government is not responsible for how another sovereign state obtains evidence for use in criminal trials.
- D. It would uphold the order because non-UK nationals do not benefit from UK human rights protection.
- E. It would uphold the order because the man has allegedly committed a serious crime and the Convention is not intended to protect criminals.

Question 19

A man instructs his solicitor to act for him in the purchase of the entire issued share capital of a private limited company from another company. The solicitor advises on the share purchase and helps to prepare and negotiate all the necessary documentation.

Neither the solicitor nor his firm is authorised by the Financial Conduct Authority to carry on a 'regulated activity' as defined in the Financial Services and Markets Act 2000 and related secondary legislation.

Has the solicitor breached the general prohibition against carrying on a regulated activity?

- A. Yes, because the solicitor has given advice on the purchase of shares in a specific company and no exclusion or exemption applies.
- B. Yes, because the transaction involves the purchase of the entire issued share capital of the company and no exclusion or exemption applies.
- C. No, because an exemption applies to professional firms which are supervised by the Solicitors Regulation Authority when they engage in corporate work.
- D. No, because an exclusion applies if the transaction relates to the purchase of any number of shares in a private limited company.
- E. No, because an exclusion applies if the transaction involves at least 50% of the voting shares in the company.



Question 20

A claimant is bringing a claim against a defendant, seeking damages for breach of contract. The claimant alleges that the parties agreed to an oral amendment to the contract. The defendant denies that the parties had any such agreement. The only evidence on this issue, which will determine the outcome of the claim, is the conflicting oral evidence of the claimant and the defendant.

Which of the following best describes the burden of proof, if any, which the court will apply in deciding the issue?

- A. The burden lies with the defendant to disprove the claimant's allegation beyond reasonable doubt.
- B. The burden lies with the defendant to disprove the claimant's allegation on the balance of probabilities.
- C. Neither party bears the burden of proof and the judge will order a retrial if the judge cannot be sure which party's evidence is correct.
- D. The burden lies with the claimant to prove the allegation on the balance of probabilities.
- E. The burden lies with the claimant to prove the allegation beyond reasonable doubt.



Question 21

A man is using his new mountain bike which is a state of the art product. It has a specially developed metal frame which enhances the bike's performance over rough terrain. However, due to metal corrosion in some of the screws, which was unforeseeable, the handle bar snaps in two when the man is using it. He breaks both wrists.

Which of the following best explains whether the man can recover damages for his injuries under the Consumer Protection Act 1987?

- A. Yes, he can because the bike is defective.
- B. Yes, he can because there has been a breach of the duty of care.
- C. Yes, he can because his injuries are not too remote.
- D. No, he cannot because the injuries were not foreseeable.
- E. No, he cannot because damages for personal injuries are not awarded under the Consumer Protection Act.

Question 22

A claim for damages for professional negligence is settled on terms that the defendant surveyor must pay to the claimant damages of £60,000 together with the claimant's legal costs, to be assessed on the standard basis.

A year ago, the claimant had entered into a written conditional fee agreement with her solicitor which provided for a success fee of 90%. The solicitor has calculated his professional charges at £20,000 before addition of the success fee and VAT.

What sum may the solicitor charge the client for his professional fees, net of VAT?

- A. £15,000
- B. £18,000
- C. £30,000
- D. £35,000
- E. £38,000



Question 23

In an appeal before the Court of Appeal, the appellant relies in argument on an earlier decision of the Judicial Committee of the Privy Council (JCPC) which indicates that the appeal should be allowed. The respondent relies in argument on an earlier decision of the Court of Appeal which indicates that the appeal should not be allowed.

How should the Court of Appeal treat the two decisions to which it has been referred?

- A. The court should consider itself bound by the earlier decision of the JCPC.
- B. The court should consider itself bound by the earlier decision of the Court of Appeal.
- C. The court should consider itself bound by both earlier decisions and must transfer the appeal to a higher court.
- D. The court should treat both earlier decisions as having persuasive value only and must decide which of the two to follow.
- E. The court should treat both earlier decisions as without precedent value and should make its decision without regard to either.



Question 24

A political party decides to hold a meeting in the central square of a provincial city. One of its leaders is expected to make a speech which will annoy many members of the local population.

Which of the following statements best describes the powers of the police in this situation?

- A. The Chief Constable may impose conditions in relation to the meeting in order to prevent serious disorder.
- B. The organisers must obtain permission to hold the meeting from the Chief Constable.
- C. The Chief Constable can prohibit the meeting if he has insufficient resources to police it.
- D. The meeting can only be regulated by the police if more than 200 persons attend.
- E. Any police officer can insist that the meeting cease.

Question 25

Three clients decide to go into business together. They each invest equal amounts of capital in the business, and agree to share the profits equally. After two years, the business has made a loss and the clients no longer believe the business is viable.

Have the three clients been working in partnership together?

- A. Yes, because they are in business together and intended to make a profit even though they have made a loss.
- B. Yes, because they agreed to invest equal amounts of capital in the business.
- C. No, because they have not entered into a written partnership agreement.
- D. No, because they have not registered themselves as a partnership.
- E. No, because they agreed to share profits equally but did not agree how to share losses between them.



Question 26

A company has created a fixed charge in favour of its bank over machinery owned by the company and used in the company's factory. The company is solvent. The fixed charge has been correctly registered at Companies House. The company now wishes to sell some of the machinery and seeks legal advice on how to proceed.

What advice should the company receive in relation to the sale of the machinery?

- A. The company can proceed to sell the machinery freely because the charge has not yet crystallised.
- B. The company can only sell the machinery if it does so with the consent of the bank as chargeholder.
- C. The company can only sell the machinery if the bank is a party to the sale because the bank has legal title to the machinery.
- D. The company can only sell the machinery with the consent of its unsecured creditors.
- E. The company can proceed to sell the machinery once it has registered the sale at Companies House.



Question 27

A company ('the Retailer') entered into a contract with another company ('the Supplier') to purchase 30,000 flat-pack boxes at a price of £60,000. The Retailer paid a deposit of £20,000.

When delivered, the boxes were defective and the Supplier was unable to supply replacement boxes. The Retailer rejected the boxes and did not pay the balance of the purchase price. To avoid incurring further losses, the Retailer obtained replacement boxes from another supplier for £70,000.

The Retailer has followed all appropriate pre-action procedures, and the Retailer's solicitor is now ready to draft and issue a claim form.

Ignoring interest, what sum can the Retailer properly claim against the Supplier?

- A. £70,000
- B. £10,000
- C. £30,000
- D. £20,000
- E. £60,000



Question 28

A junior employee at a summer camp for young people has been convicted of an assault on a participant in the camp. The victim is suing the camp organisers for damages for psychological trauma on the basis that they are vicariously liable for the actions of the employee.

Which of the following best describes whether vicarious liability will apply?

- A. Vicarious liability will apply if the employee's act is sufficiently closely connected to his employment.
- B. Vicarious liability cannot apply to criminal behaviour.
- C. Vicarious liability will apply only if the assault occurred in working hours.
- D. Vicarious liability can only apply to senior employees.
- E. Vicarious liability will not apply because the employer obtained no benefit.



Question 29

A solicitor acts for a client in relation to the acquisition of a private limited company. Two days before the transaction is due to complete the solicitor suspects that his client will be using the transaction to launder money. The solicitor reports this to the nominated officer who makes a suspicious activity report to the relevant authority.

What action should the solicitor now take?

- A. Proceed with the transaction as the solicitor has made the disclosure to the nominated officer.
- B. Proceed with the transaction only after receiving authorisation to do so from the nominated officer.
- C. Proceed with the transaction after a period of three working days if no response is received from the relevant authority.
- D. Explain to the client that the solicitor cannot proceed with the transaction as a suspicious activity report has been made.
- E. Explain to the client that a suspicious activity report has been made and then proceed with the transaction.



Question 30

In March a buyer entered into a contract for the purchase of a children's nursery because of a fraudulent statement made by the seller in January about the previous year's sales figures.

In April, after purchasing the nursery, the buyer employed a builder to carry out extensive building works to the nursery including demolishing outbuildings and adding an extension.

In May the buyer discovered the fraudulent statement was false and decided that he wished to rescind the contract.

Could the buyer rescind the contract?

- A. No, because rescission is not an available remedy for misrepresentation.
- B. No, because a third party has acquired rights.
- C. No, because the buyer has affirmed the contract.
- D. No, because restitution is impossible.
- E. No, because there is a statutory bar under the Misrepresentation Act 1967.



Question 31

A disabled employee at a firm of solicitors has requested that the firm buy some computer software for him to use at work. This software enables a person with the employee's disability to use a computer more effectively. The partners in the firm want advice on their obligations under the Equality Act 2010 ('the Act').

What must the partners in the firm do to meet their obligations under the Act?

- A. They must make substantial adjustments to ensure that the disabled employee is not placed at a disadvantage compared to those who are not disabled.
- B. They must make reasonable adjustments to ensure that the disabled employee is not placed at a substantial disadvantage compared to those who are not disabled.
- C. They must make adjustments to ensure that the disabled employee is not placed at a significant disadvantage compared to those who are not disabled.
- D. They must make significant adjustments to ensure that the disabled employee is not placed at a disadvantage compared to those who are not disabled.
- E. They must make adjustments to ensure that the disabled employee is not placed at an unreasonable disadvantage compared to those who are not disabled.

Question 32

A solicitor in a law firm has received a phone call from the managing director of a private limited company incorporated in the UK, which is a new client. The managing director wants to know why the solicitor's firm is asking for documents to verify the identity of the company's shareholder. The company's shareholder lives in Brazil and owns and holds the entire shareholding of the company.

Which of the following responses best explains the advice the solicitor should give to the managing director?

- A. The solicitor is under an obligation to identify and verify the identity of the company's shareholder because the shareholder lives outside the UK.
- B. The solicitor is under an obligation to identify and verify the identity of the company's shareholder because the shareholder lives in Brazil.
- C. The solicitor is under an obligation to identify and verify the identity of the company's shareholder because the shareholder owns more than 25% of the shares.
- D. The solicitor is under an obligation to identify and verify the identity of the company's shareholder because of the structure of the company and the way the shares are held by the shareholder.
- E. The solicitor is under an obligation to identify and verify the identity of the company's shareholder because there is only one shareholder in the company.

Question 33

A man engaged an estate agent to sell his property. The terms of their agreement were contained in a written document. The agreement provided for payment of commission to the estate agent on completion of a sale, provided that the estate agent introduced the purchaser.

The sale of the property completed and a dispute arose as to whether the estate agent had introduced the purchaser. The estate agent brought proceedings against the man for payment of the commission alleged due under the written agreement. The proceedings were successful at trial, resulting in an award of damages to the estate agent of £12,000.

What, if any, order for costs might be expected in the circumstances of this case?

- A. No order for costs because the claim arose from a consumer contract within the meaning of the Consumer Rights Act 2015.
- B. An order in favour of the estate agent confined to reimbursement of court fees paid because the claim is a small claim.
- C. No order for costs because the claim is a small claim.
- D. An order in favour of the estate agent for fixed recoverable costs only.
- E. An order in favour of the estate agent for costs on the standard basis, summarily assessed at the conclusion of trial.



Question 34

A company buys drums of an industrial cleaning acid from a woman and stores them in its factory. The drums are not suitable for the storage of the acid and the acid leaks causing damage to the floor of the factory.

A company employee sees that damage to the floor is being caused by the leak but fails to move the drums. The drums could have been moved at no cost to the company. The company claims £5,000 which is the cost of the repair to the floor. The woman refuses to pay that amount arguing the damages payable should be lower.

Will the woman succeed in her argument?

- A. Yes, because the company is under a duty to minimise its losses by moving the drums.
- B. Yes, because the company is guilty of contributory negligence by not moving the drums.
- C. No, because the woman must compensate the company for all losses flowing from the breach.
- D. No, because the woman must compensate the company for all losses that are in the reasonable contemplation of the company.
- E. Yes, because there is a break in the chain of causation.

Question 35

A solicitor has been instructed by a client company that is suffering cash flow difficulties. The solicitor has been instructed by the client to advise on its directors' duties in respect of monitoring the company's financial position. In the course of discussions, the client mentions that it is considering attempting to improve its financial position by investing in equity securities and asks whether the solicitor can recommend any stockbrokers.

The solicitor's brother is a partner in a firm of stockbrokers which is authorised by the Financial Conduct Authority and which has made substantial returns for the solicitor and other clients.

The solicitor has concluded that making the referral would:

- (i) not in any way compromise his independence as the client's legal advisor; and
- (ii) be in the best interests of the client because the stockbrokers are the best available in this field.

The solicitor will not get a financial benefit from the referral. The solicitor knows that the brother would be grateful for the business introduction.

Which of the following steps should the solicitor take next?

- A. Cease to act for the client.
- B. Refer the client to an individual at the stockbrokers other than the solicitor's brother.
- C. Get written confirmation from the brother that the solicitor will not get a financial benefit in return for the business referral.
- D. Inform the client that the solicitor's brother is a partner of the stockbrokers.
- E. Ask somebody else in the solicitor's firm to refer the client to the stockbrokers.



Question 36

A client objects to a decision which has been made to grant planning permission for the building of a supermarket on land near his home. The client has discovered that the chairman of the planning committee that made the decision is a non-executive director of the supermarket chain in question.

Which of the following best describes the status of this decision?

- A. Only where the facts suggest to the court that there was in fact a conflict of interest and that the decision was in fact biased will the decision be held unlawful.
- B. If the client can prove that a fair minded and informed observer would naturally conclude that there was a conflict of interest, the decision will be held to be automatically biased and thus unlawful.
- C. For the decision to breach the rule against bias and thus be held unlawful, the client must prove to the court on a balance of probabilities that the chairman was actually biased.
- D. Only if the facts suggest to the court that a fair minded and informed observer would conclude that the decision was biased will the decision be held unlawful.
- E. If the facts suggest to the court that a fair minded and informed observer would conclude that there was a real possibility of bias, the decision will be held unlawful.



Question 37

A solicitor is advising a client on an employment contract in respect of a position that the client has been offered in a start-up company. The client currently has a permanent position at an established company.

The following day the solicitor sits next to a new acquaintance at a golf club dinner. The new acquaintance tells the solicitor that he is concerned that the business he works for is bound for financial failure because its key customer is to be taken into receivership shortly. The new acquaintance then tells the solicitor the name of the business he works for. Much to the solicitor's surprise it is, by coincidence, the start-up company.

Is the solicitor obliged to inform the client of the reported concerns about the financial prospects of the start-up company?

- A. No, because the information was obtained in the course of the solicitor's personal life and therefore does not impact on his professional obligations.
- B. No, because the duty of confidentiality overrides the duty of disclosure.
- C. No, because information obtained from clients must be kept confidential unless disclosure is required or permitted by law or the client consents.
- D. Yes, because the information is material to the client's matter.
- E. Yes, because the duty of disclosure overrides the duty of confidentiality.



Question 38

A man is employed by a roofing company to repair roofs. The role requires him to wear special gloves in order to protect his hands when he handles roof tiles. Whilst standing on some scaffolding, negligently erected by the roofing company, he falls off, suffers serious injury to his head and brings a claim. He carelessly failed to wear the gloves at the time.

Which of the following best describes whether the company can successfully claim contributory negligence on the part of the roofer?

- A. The company cannot claim contributory negligence because the roofer's carelessness did not cause or contribute to the injury.
- B. The company cannot claim contributory negligence because the roofer did not owe the company a duty of care.
- C. The company can claim contributory negligence because the roofer's carelessness caused or contributed to the injury.
- D. The company can claim contributory negligence because the roofer's carelessness materially increased the risk of injury.
- E. The company can claim contributory negligence because the roofer owed the company a duty of care.



Question 39

A solicitor acts for a client who is raising finance secured against his home to fund his new business. The solicitor will be providing advice and preparing all the necessary documentation in connection with the mortgage.

The client asks the solicitor to explain the key differences between a repayment mortgage and an endowment mortgage. Neither the solicitor nor his firm is authorised by the Financial Conduct Authority to carry on a regulated activity.

Can the solicitor give the explanation requested about the types of mortgages?

- A. Yes, because such advice is a necessary part of the provision of his legal services.
- B. Yes, because he is subject to the Solicitors' Financial Services (Scope) Rules and therefore falls within an exemption from the Financial Services and Markets Act 2000.
- C. Yes, because the provision of generic advice is outside the scope of the Financial Services and Markets Act 2000.
- D. No, because such advice does not fall within an exemption from the Financial Services and Markets Act 2000.
- E. No, because he is not authorised by the Financial Conduct Authority to give advice in respect of either type of mortgage.



Question 40

The UK government has introduced a Parliamentary Bill ('the Bill') to repeal a UK statute. The government is able to command a majority in the House of Commons, but the Bill is opposed in the House of Lords. The Parliament Acts 1911 and 1949 are invoked in order to pass the Bill into law.

What further steps are required for the Bill to become law?

- A. The Bill will require approval in the House of Commons, and to receive Royal Assent.
- B. The Bill will require approval in the House of Commons and the House of Lords, and to receive Royal Assent.
- C. The Bill will require approval in the House of Commons and in a UK referendum.
- D. The Bill will require approval in the House of Commons, the House of Lords and in a UK referendum, and to receive Royal Assent.
- E. The Bill will require approval in the House of Commons, the House of Lords and in a UK referendum.



Question 41

A man and a woman who had never met each other were at a swimming pool. The man had a lesson from a qualified instructor but due to the negligence of the instructor the man struggled in the deep end of the pool and drowned. The woman saw the entire incident and developed traumatic neurosis as a result.

Can the woman recover damages against the instructor for the traumatic neurosis?

- A. Yes, because the instructor breached the duty of care he owed to the man and his negligence caused the woman loss.
- B. Yes, because the instructor breached the duty of care which he owed to the woman and his negligence caused her loss.
- C. Yes, because the woman is suffering from a medically recognised condition.
- D. No, because the instructor did not owe the woman a duty of care.
- E. No, because the woman's loss is too remote.



Question 42

A large public limited company (PLC) leases a vending machine to a small village school. The school has failed to make a payment of £300 due under the lease agreement for the machine. PLC has commenced a claim against the school in the County Court.

The school is defending the claim on the basis that sums are not due, because the vending machine no longer works. PLC has instructed its solicitor to compile a list of documents containing 267 pages of emails and to seek expert evidence on vending machines from two different experts.

Are these instructions likely to be consistent with the overriding objective of the Civil Procedure Rules?

- A. No, because the overriding objective requires the parties to help the court deal with cases justly and at proportionate cost.
- B. No, because the overriding objective requires the parties to help the court deal with cases quickly.
- C. Yes, because the overriding objective applies only to the courts, not the parties.
- D. Yes, because the overriding objective requires proportionality only in regards to the relative merit of a claim, not in regards to the relative value of the claim.
- E. Yes, because the overriding objective applies only to pre-action conduct.



Question 43

A debtor owes an unsecured creditor £5,000 due to be repaid today. The debtor tells the creditor that he can only repay £4,000 and asks that the creditor agree to this being in full and final settlement of the whole amount. Fearing that the debtor, who also has other unsecured creditors, is about to be made bankrupt, the creditor agrees.

Can the creditor enforce the payment of the remaining £1,000?

- A. Yes, because the agreement to accept less than the full amount was extracted under duress.
- B. Yes, because the debtor provided no consideration in return for the agreement to accept less than the full amount.
- C. No, because the creditor has waived entitlement to claim the full amount.
- D. No, because the creditor obtained a legal benefit in receiving £4,000 rather than nothing.
- E. No, because the creditor obtained a practical benefit in receiving £4,000 rather than nothing.



Question 44

A driver drives negligently as a result of which he has an accident. A passenger in his car is hurt in the accident. The passenger had a serious pre-existing back condition of which the driver is aware. This condition is exacerbated by the accident and the passenger becomes paralysed.

Which of the following statements best describes whether the passenger can claim damages for his paralysis from the driver?

- A. The passenger can claim damages for his paralysis from the driver because the paralysis was in the contemplation of the parties as possible at the time of the accident.
- B. The passenger can claim damages for his paralysis from the driver because the driver must take the passenger as he finds him.
- C. The passenger cannot claim damages for his paralysis from the driver because it was not reasonably foreseeable that paralysis would result from the accident.
- D. The passenger cannot claim damages for his paralysis from the driver because the paralysis did not result from the accident in the normal course of events.
- E. The passenger cannot claim damages for his paralysis from the driver because the passenger is partially responsible for the paralysis because of his pre-existing condition.

Question 45

A woman owns shares in a private limited company. The shares are not in an Individual Savings Account (ISA). In the 2023/24 tax year the woman receives a dividend of £5,000. Her only other source of income is her salary, and her taxable income, including the dividend, is £41,000.

In 2023/24 the personal allowance is £12,570, basic rate tax band is £12,571-£50,270 and the dividend allowance is £1,000.

How much Income Tax, if any, should the woman pay on the dividend?

- A. None, because the dividend was paid by a private limited company whose payment of Corporation Tax on its distributable profits satisfies the woman's liability for Income Tax.
- B. None, because her taxable income, including the dividend, does not exceed the upper threshold for basic rate tax.
- C. She should pay Income Tax at the Income Tax basic rate on the entire dividend because it exceeds her annual dividend allowance.
- D. She should pay Income Tax at the appropriate dividend tax rate on the proportion of the dividend that exceeds her annual dividend allowance.
- E. She should pay Income Tax at the Income Tax additional rate on the proportion of the dividend that exceeds her annual dividend allowance.

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 2023/24 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 2023 making a profit on the sale of £10,000.

In 2023/24 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 2023/24 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.



Answers

Question	Answer	Question	Answer
1	B	46	A
2	C	47	A
3	D	48	C
4	C	49	A
5	C	50	D
6	D	51	E
7	C	52	A
8	C	53	C
9	B	54	A
10	D	55	C
11	B	56	A
12	D	57	B
13	C	58	A
14	D	59	C
15	D	60	E
16	B	61	D
17	E	62	A
18	A	63	E
19	E	64	A
20	D	65	B
21	A		
22	E		
23	B		
24	A		
25	A		
26	B		
27	C		
28	A		
29	B		
30	D		
31	B		
32	C		
33	D		
34	A		
35	D		
36	E		
37	D		
38	A		
39	C		
40	A		
41	D		
42	A		
43	B		
44	B		
45	D		

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