

Candidate Number:

**QUB/Institute of Professional Legal Studies
and UU/Graduate School of Professional Legal Education**

**Admissions Test December 2014
Section D**

Please note: Where relevant, VAT is charged at 20%.

1. Steven McDonald was cycling to work one morning when he was knocked off his bicycle by a car which was emerging from a driveway and reversed into his path. Steven's bicycle was written off and Steven suffered serious leg injuries but the long-term prognosis is good. The car driver's insurance company admitted liability in full and paid Steven £22,750 for his personal injuries and £1,920 per month for loss of wages from 1st April 2013 to 31st August 2013. It paid him £3,600 for his bicycle. The insurance company also paid Steven's legal fees which amounted to £4,292 plus VAT for his solicitors, £1,750 plus VAT for his barrister, court fees of £615 and a fee of £180 for each of 3 medical reports. How much in total did the insurance company have to pay?

- (a) £43,740.40
- (b) £46,275.00
- (c) £44,005.40
- (d) £43,995.40
- (e) £44,355.40

2. To celebrate the tenth anniversary of the opening of her health and beauty spa, Jayne Cairns decides to run a special deal where normal prices are reduced for the month of December. Facial treatments are reduced by 15%, Indian head massages by 20% and both manicures and pedicures by 10%. Use of the sauna remains unchanged at £5 per 1 hour session. Three friends, Kate, Alice and Charlotte decide to take advantage of this promotion. All three use the sauna for 1 hour. Kate and Alice each have an Indian head massage which normally costs £45 while Charlotte has a deluxe facial which usually costs £60. Kate then has a pedicure which is priced at £21 normally, while Alice and Charlotte have a manicure each. A manicure normally costs £25. How much does the group of three save because of the promotion?

- (a) £251.00
- (b) £34.10
- (c) £31.60
- (d) £36.10
- (e) £201.90

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3. At the time of Wendy Davis's death, Inheritance Tax (IHT) is chargeable on all net estates over £325,000. In this question, the net estate is the gross value of the estate at the date of death minus any debts. For taxation purposes, the first £325,000 of the net estate is free of IHT, the remaining net estate is chargeable at 40%. Any money left by the deceased person to a charity in their will is exempt from IHT and reduces the assets upon which IHT will be calculated by that amount. When Wendy Davis dies, she leaves the following assets – a dwelling house worth £340,000, bank and building society accounts totalling £38,000 and £28,000 respectively, a shares portfolio worth £16,250, a vintage car valued at £32,500 and personal effects which are valued at £25,000. She leaves debts of £15,000. In her will, Wendy leaves a legacy of £14,000 to Concern Worldwide which is a registered charity, and the remainder to her nephew. How much Inheritance Tax will be payable on Wendy's Estate?

- (a) £50,300
- (b) £185,900
- (c) £55,900
- (d) £125,750
- (e) £180,300

4. Milly's 8th birthday is approaching. Milly would like to hold a party at TheWild, which is an outdoor children's adventure park. There will be 18 guests as well as Milly. Milly's mother Jane would like to host the party at home hiring outdoor play equipment from a company called Partyplay. Jane compares the cost of a party at TheWild and a party hosted at home. For TheWild, a pass costs £15.50 per participant. This price includes a 2 hour session in the park, a hot snack at the end of the session as well as a goody bag for each participant. In addition drinks cost 90p per guest. A birthday cake is not included in the price. Jane has ordered a cake costing £24.00 irrespective of where the party is held. For the home party, Partyplay provide a quotation of £245.00 for a bouncy castle and giant slide which will cater for up to 20 children. The cost of party bags works out at 80p per child. Milly will not receive a party bag if the party is held at home. Food will cost £35.00 for the home party. Soft drinks cost £3.50 per multi-pack. Jane buys four multi-packs. Which will be the cheaper option and by how much?

- (a) TheWild by £20.80
- (b) TheWild by £13.90
- (c) The home party by £3.20
- (d) The home party by £27.20
- (e) TheWild by £13.20

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5. James works for a digital media company. He has to travel to Paris for the 2014 digital media designers' conference. The company will reimburse his travel costs and expenses. James drives to the International Airport which is 46 miles from his home. He is able to claim 45p per mile. Parking at the airport costs £17.80 per full day. James is away for 4 full days and 3 nights. James books a return flight to Paris and pays with his credit card. Each flight costs £68.99. The airline charges a 2% fee on the total cost of the booked flights if bookings are made with credit cards. James's hotel in Paris costs 280 Euros per night. The exchange rate is 1.27 Euros to the pound. James is entitled to a living allowance of £48 per full day. How much does his travel costs and expenses claim amount to in pounds?

- (a) £1,106.76
- (b) £1,285.34
- (c) £1,104.00
- (d) £1,086.06
- (e) £1,053.36

6. Alan Martin borrowed £16,280 from the Bank of Utopia on 18th January 2014. Simple interest is chargeable on the loan at a rate of £4.33 per day. How much must Alan pay on 22nd November 2014 to repay all that he owes to the bank? Interest is chargeable for 18th January but not for 22nd November.

- (a) £1,333.64
- (b) £1,337.97
- (c) £1,7617.97
- (d) £1,7747.87
- (e) £1,7613.64

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7. A solicitor acting for the Plaintiff who was injured in an accident at work instructs an engineer to carry out a site inspection, write a report and attend court to give evidence. The engineer charges travelling expenses of 43p per mile (mileage is calculated by reference to the distance to and from the engineer's office); a fee of £725 for writing a report, and £375 per half day for attending court. A half day for these purposes is deemed to be any court session, or part thereof, from 10.30 am to 1.00 pm or from 2.00 pm to 4.30 pm. The site is 40 miles from the engineer's office. He travels there and back on two occasions to carry out a full inspection. He completes his report. He attends court at 10.30 am on the first day and remains there until 3.45 pm when he is released until the following day. On the second day he attends at 10.30 am. He starts giving evidence at 11.00 am and finishes at 3.00 pm. The court is 15 miles from the engineer's office. What is the total charged by the engineer?

- (a) £2,272.30
- (b) £2,319.60
- (c) £2,285.20
- (d) £1,569.60
- (e) £1,594.60

8. Farmer Scott decides that he is going to sell all his livestock by auction and move to Florida where he will set up a diving school. He owns Sorcerer Rocco, a prize bull, which is valued by the auctioneer at £12,500 and a herd of 48 cows. In addition he owns 462 sheep and two pot-bellied pigs. The auctioneer's fees are set as follows: cattle (cows and bulls) at 1.75% per head, sheep at 0.6% per head and pigs 0.8% per head. VAT is added to these fees. At auction Sorcerer Rocco is sold for 20% more than the reserve price of £12,500. Half the cows are sold at £1,050 per head. The other half are sold at £1,200 per head. 450 sheep are sold for £80 per head, the remaining 12 sheep are sold at £500 per head. One pig is sold for £600. The other pig is sold for 50% more than this price. What is the total payable to the auctioneer?

- (a) £1,471.50
- (b) £1,722.60
- (c) £1,713.30
- (d) £1,765.80
- (e) £1,760.04

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9. Lynda is selling her house at £72,000. She is purchasing a new property at £176,000. Lynda's solicitor is charging her professional fees amounting to 0.5% of the sale price and 0.5% of the purchase price. The solicitor charges VAT on his professional fees. Lynda also has to pay outlays as follows: Stamp Duty which is charged at a rate of 1% of the purchase price for Lynda's new house, £380 for searches and property certificates and £372.50 for Land Registry fees. What is the total cost of professional fees, VAT and outlays?

- (a) £3,752.50
- (b) £3,628.00
- (c) £4,000.50
- (d) £3,620.50
- (e) £2,240.50

10. Helen bought a property which she intends to let. The property requires some renovation work before it can be let. Helen incurs the following expenses:

- Repairs: £650
- Paint: 7 buckets at £22 per bucket
- Curtains: 3 pairs at £95 per pair
- Carpet: 20 sq metres @ £11 per sq metre and
18 sq metres @ £8.50 per sq metre
- Painting: £620

Helen lets the property through a letting agent at £425 per month. The letting agent receives a 10% fee per month for the letting services provided which is deducted before the remainder is placed in Helen's bank account every month.

By the end of which period will Helen have fully recovered the costs of renovation in relation to the property?

- (a) 5 months
- (b) 7 months
- (c) 8 months
- (d) 6 months
- (e) 10 months