

Institute of Professional Legal Studies
Admissions Test December 2024
Section D – Numeracy

Question 1

Vivian McKee has agreed the sale of her house for £345,000. Her estate agent, Fletcher, usually charged 1.8% of the agreed sale price plus VAT (at a rate of 20%) as commission for successfully selling the property. However, when Vivian entered into the contract with her estate agent there was a promotion whereby, he would reduce his commission by 10% before VAT.

The amount outstanding on Vivian's mortgage was £25,000 which is one third of the original mortgage amount. She had to pay a fee of 0.5% of the total mortgage amount as an early repayment fee.

What is the total amount Vivian will have to pay to her estate agent and Mortgage company in fees?

- ☐ (a) £1,120.20
- ☐ (b) £6,831.80
- ☐ (c) £5,964
- ☐ (d) £7,081.80
- ☐ (e) £6,706.80

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Question 2

Your Master is working on a financial settlement case involving divorce proceedings. The court has ordered a financial split of a couple's total assets.

The couple, Laura and Michael's family home is worth £465,000, with a £17,000 outstanding mortgage on the property. Michael's Pension Pot is worth £175,000.

There is also a joint savings account which has a value of 40% of Michael's pension pot and a car which is jointly owned and has a value of 25 per cent of the joint savings account.

The court has ruled that the net assets should be split 60:40 in favour of Laura as a result of her lower earning capacity and greater need for future financial security.

Both Laura and Michael will also have to contribute equally towards a £6,500 legal bill.

How much should Laura receive after the proceedings have concluded?

- ☐ (a) £430,200
- ☐ (b) £280,950
- ☐ (c) £426,300
- ☐ (d) £433,250
- ☐ (e) £423,050

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Question 3

Stuart McMahon was a musician who died on 8th October 2023, and you are required to administer his estate. Inheritance tax is charged at a rate of 40% of the net value of all assets of an estate over £325,000. The net value is the gross value of the estate at the date of death minus any debts.

Stuart's home was valued at £655,000. The total left on the mortgage on the property was £64,000. Stuart had funds in his current account at Halifax Bank of £17,771. Stuart's personal belongings in the property included three guitars valued at £10,700 and a grand piano at £22,995.

Stuart had outstanding land and property rates to a total of £4,650 and credit card debts of £5,980.

How much inheritance tax is due on Stuart's estate?

- ☐ (a) £122,734.40
- ☐ (b) £148,334.40
- ☐ (c) £306,836.00
- ☐ (d) £106,400.00
- ☐ (e) £252,734.40

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Question 4

Capital Gains Tax is charged on the disposal of a chargeable asset by a chargeable person. In general, it is charged on the difference in the market value of an asset between the time that a person acquired it and sold it. If there are any costs associated with purchasing or selling the chargeable asset, then these costs are deductible before the Capital Gains Tax is calculated.

Lucas Smyth (chargeable person) purchased a painting (chargeable asset) for £73,000 at auction in April 2019. The purchase of the painting required a buyer's premium fee (20% of the purchase price) and the artist's resale right payment (4% of the purchase price.) The value of the painting increased after the artist's death in September 2024 by 40% of the original purchase price, when Lucas sold it for market value in October 2024.

Assume that Capital Gains Tax is payable at a rate of 10%.

There is an annual free tax allowance on Capital Gains, known as the annual exempt amount which is £3,000 per year.

How much Capital Gains Tax does Lucas have to pay?

- ☐ (a) £1,672.00
- ☐ (b) £8,168.00
- ☐ (c) £2,620.00
- ☐ (d) £868.00
- ☐ (e) £1,168.00

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Question 5

Sophie Hague is a self-employed influencer on social media and is seeking to calculate the necessary amount of income tax she will need to pay.

Income tax is calculated in 'bands' according to your net income, which is your gross income after any expenses have been deducted. This means that the rate of income tax you must pay on a portion of your income increases in staged amounts. For example, if you have an income that falls into band 4, you do not pay 45% tax on your whole salary you only pay a tax of 0% on the first £12,570 you earn and 20% on the next £37,700 you earn etc.

Sophie's gross income in the last financial year for her work on social media, consisting of paid advertisements and posts, was £215,750.

Sophie had the following expenses all of which meet the deductibility test for a self-employed person:

- i) Office premises rent of £19,500;
- ii) Canon PowerShot G7 Camera that cost £1,155.00;
- iii) Tripod for the camera that cost £55;
- iv) Travel expenses to shoot locations of £10,700;
- v) Editing Software that cost £180.

The income tax bands for the financial year are:

Band 1: £0-12,570	0%
Band 2: £12,571-£50,270	20%
Band 3: £50,271- £125,140	40%
Band 4: Over £125,140	45%

How much tax will Sophie Hague have to pay?

- ☐ (a) £31,590
- ☐ (b) £26,559
- ☐ (c) £64,047
- ☐ (d) £78,262.50
- ☐ (e) £40,774.50

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Question 6

Damien Smith is a self-employed barrister, who is instructed in criminal work.

He was instructed by the Public Prosecution Service to appear in the Magistrates' courts in Northern Ireland for 156 days of the last financial year. He gets paid £300 for a full day in court and £150 for a half day in court.

In addition, mileage is payable at £0.45 per mile for return travel to courts outside of Belfast city centre.

99 of Damien's court appearances were held in Laganside Courts in Belfast city centre. Of these court appearances, 58 appearances were a full day sitting and the remainder of the appearances were a half day sitting.

Damien's remaining court appearances took place in various other courts around the country. Damien appeared in Court in Omagh on 17 occasions, in Enniskillen on 11 occasions and Craigavon on 29 occasions.

The mileage to these courts from the Bar Library in Belfast is as follows:

Omagh	68 miles
Enniskillen	83 miles
Craigavon	30 miles

For the appearances in Omagh, 9 of these appearances were half days and the remainder full days. For the appearances in Enniskillen, 8 of these appearances were full days and the remainder half days and for Craigavon, 17 of these appearances were full days and the remainder half days.

Damien's food expenses for these court appearances were £399.

What was Damien's total income in the previous financial year for his work for the Public Prosecution Service minus his food expenses for the last financial year?

- ☐ (a) £39,296.10
- ☐ (b) £37,851.00
- ☐ (c) £16,145.10
- ☐ (d) £37,973.55
- ☐ (e) £38,372.55

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Question 7

Lorraine Matthews was involved in a Road traffic accident in March 2024 where she sustained a broken wrist resulting in 75 per cent reduced mobility.

The case went to a contested hearing. Lorraine was ultimately successful at the hearing and claimed for the following financial losses:

15 sessions of physiotherapy at a cost of £60 per session.

Loss of earnings of £750 per week for 12 weeks.

Golf membership of £535 for the year which had to be paid up front at the start of the year in January.

Gym membership of £40 per month for 5 months.

The judge awarded Lorraine £40,000 to compensate her for her injuries. The judge also awarded all of the expenses and financial losses Lorraine claimed for except the golf membership fee was reduced to equate to the cost of only 4 months. The loss of earnings figure was reduced by a quarter to account for the fact that Lorraine would have been able to do some work despite the impaired mobility.

The Judge also found that Loraine was 20% contributory negligent in the car accident and so reduced the final amount the Defendant had to pay to 80% instead of 100%.

How much did the Judge award?

- ☐ (a) £38,315.66
- ☐ (b) £34,822.66
- ☐ (c) £38,422.66
- ☐ (d) £43,308.33
- ☐ (e) £48,028.30

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Question 8

Cormac McCarthy is a sole trader running a business that sells medical supplies. During the Covid pandemic, Cormac was very busy supplying stock to various businesses throughout Northern Ireland. Cormac delivered disposable gloves in different sizes to a plastic manufacturing company known as Quality Composites Ltd but claims that it has not paid in full for the goods delivered. The case was heard by the District Judge.

Cormac's claim relates to one invoice, no.30502, which was due on 20th August 2024 and has not been paid. Quality Composites Ltd allege that only part of the order was delivered. Invoice no.30502 details the following:

	Unit Price	Net Amount	VAT Rate
280 blue disposable gloves pack of 100- L-	£12.50	£3,500	20.00
200 blue disposable gloves pack of 100- XL	£12.50	£2,500	20.00
Delivery Fee		£20.00	20.00
Total		£6,020	
Total VAT		£1,204	

Cormac also claimed daily interest on the debt from the day after it was due until the date of judgment, today, 18th December 2024. Yearly interest was calculated as 8% of the amount claimed.

The Judge awarded Cormac the delivery fee and the full amount for the disposable gloves in the large size but after hearing the evidence found that only 40 per cent of the extra-large gloves had actually been delivered, which in turn affected the overall VAT that could be charged on the goods. The Judge also allowed the claim for daily interest but only on the amount awarded exclusive of VAT.

How much did the Judge award?

- ☐ (a) £5,857.92
- ☐ (b) £5,566.80
- ☐ (c) £5,542.88
- ☐ (d) £4,433.05
- ☐ (e) £6,900.40

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Section D – Spelling, Grammar and Punctuation

- ☐ In December 2017, a Thai man named Phudit Kittitradilok was convicted of swindling 2,400
- ☐ people out of 574 million baht (£13 million) in a Ponzi scheme that promised high- return
- ☐ investments.
- ☐ He was sentenced to 13,275 years imprisonment – an amount of time longer than the entire
- ☐ Neolithic era. However, in actuality, as a result of Thailand's penal code that limits prison
- ☐ sentences, Kittitradilok will only end up serving 20 years.
- ☐ There is something about the idea of a long prison term that gives the impression that justice
- ☐ is being served. Whilst Kittitradilok has not, in fact, been given a life sentence, plenty of people
- ☐ around the world really do spend their whole lives behind bars.
- ☐ For example, Terry Nichols, one of the accomplices to the 1995 Oklahoma City bombing, was
- ☐ given 161 life sentences with no possibility for parol. However, does a long prison sentence
- ☐ actually keep the streets safer.
- ☐ When a judge hands down a sentence to someone who is about to go to jail, there is four main
- ☐ factors that go into the decision. There is retribution (punishing the person for doing something
- ☐ wrong), rehabilitation (correcting problematic behaviour), safety (keeping threats out of the
- ☐ community) and deterrence (making sure both they, and others, are scared of breaking the law
- ☐ in the future).
- ☐ Some people, mostly criminal prosecutors, especially in countries like the United States,
- ☐ believe that a long prison sentence cheques all of those boxes.

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- ☐ For instance, senior lawyers, like United States Attorney General Jeff Sessions, has been
- ☐ pushing for even harsher sentencing to keep violence and drugs off the streets.
- ☐ Advocates for tougher sentences say that long terms are more fitting punishments.
- ☐ They believe that the principal of lengthy prison sentences gives prisoners time to think about
- ☐ what they have done wrong, and that the thought of going back into prison is a motivator to
- ☐ stay on the straight and narrow.
- ☐ At the same time, having prisoners serve long sentences can overcrowd prisons. It is also
- ☐ extremely costly to taxpayers. In a 2016 report released by the New York University School
- ☐ of Law, it was estimated that the United States could save \$200 billion (£147 billion) over ten
- ☐ years if 40% off the country's inmate population was reduced.
- ☐ Research shows that long prison sentences do not work on several fronts. In addition to being
- ☐ somewhat arbitrary, there is not a lot of evidence to suggest that the threat of prison time
- ☐ actually deters ex-prisoners from committing crimes. One study found that criminals seem to
- ☐ value the future less than non-criminals', meaning that long sentences can seem inconsistent
- ☐ and only work to deter up to a point. Education played a role to, with lesser educated criminals
- ☐ seemingly less put off by a harsher sentence.
- ☐ Studies also show that reoffending remains high. A 2009 study found that in the United States,
- ☐ after three years in prison, 67% of the prisoners were rearrested for a new offence, 46.9% were
- ☐ reconvicted for a new crime, and 25.4% were resented to prison. In the United Kingdom,
- ☐ almost 70% are reconvicted within a year of release.

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- ☐ One reason is because many criminals think they will not get caught, even after they have
- ☐ already been caught once, experts say. The threat of a long prison sentence does not therefore
- ☐ deter them from an criminal lifestyle.
- ☐ As a result, while most reasonable people can agree that criminals must be held accountable
- ☐ for there crimes, how long people should spend locked up divides opinion. Perspectives differ
- ☐ dramatically depending on who you ask and where.
- ☐ Findings compiled by the Justice Policy Institute in 2011 found that sentencing times
- ☐ four the same crime wildly vary across the globe. For example, in 2006, being convicted of
- ☐ robbery landed suspects in jail for an average of 16 months in finland, but 72 months in
- ☐ Australia. In relation to assault, it is an average of 15 months in England and Wales and 60
- ☐ months in the United States.
- ☐ In the United States, most prisoners are incarcerated for drug or violence,-related offences.
- ☐ The number of prisoners has quadrupled since the 1970s and now, as prison terms get longer,
- ☐ people are spending even more time in prison.

Adapted from 'The myth behind long prison sentences'
Bryan Lufkin
BBC Future
15th May 2018