

**Institute of Professional Legal Studies**  
**Admissions Test December 2017**  
**Section D Numeracy**

1. Jane is a solicitor who is acting in the purchase of a house and in its mortgage. Her client, John, is buying the house for £300,000 and has decided to take out a mortgage of £150,000. Jane is charging John 0.5% of the purchase price in relation to the work that she has done in connection with the purchase and 0.1% of the mortgage value in connection with the work she has done relating to the mortgage.

Jane also has to charge VAT at 20% on all professional fees.

What is the total amount which Jane will charge John in relation to the two transactions?

- (a) £1,980.00
- (b) £1,650.00
- (c) £451,980.00
- (d) £1,500.00
- (e) £1,800.00
2. Elaine McGowan died on the 10th of December 2017 leaving the following:

House valued at £325,000;

Furniture valued at £15,000;

Bank Account £2,400;

She also owned a one third share in a painting. The painting was valued at £24,000.

In her will Elaine left her estate to be divided equally between her children, Sarah, Martin, Patrick and Andrew. She stipulated in her will that, in the event of any of her children pre-deceasing her, then the share of that pre-deceased child should be divided equally between the children of that child. Sarah died in a train crash on the 11th of October 2017 and Patrick died of a heart attack just over a month later on the 14th of November 2017.

Sarah left three children, Peter, James and Paul and Patrick left two children, Gemma and Orla.

What is the value of the estate which James should receive?

- (a) £28,533.33
- (b) £30,533.33
- (c) £58,400.00
- (d) £87,600.00
- (e) £29,200.00

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3. A civil servant is asked to accompany some local politicians on a fact-finding trip to Canada to examine the Canadian Health Service. His civil service department will reimburse his travel costs and expenses. He is flying from Dublin to Montreal. He drives to Dublin Airport from his home, a distance of 95 miles. He is entitled to a mileage rate of 43p per mile. Parking costs at the airport are £24 per day or part of the day. He is away for 5 days and 4 nights. His flight to Montreal from Dublin costs £748 return. His hotel in Montreal costs \$316 per night. The exchange rate is 1.58 Canadian dollars to the pound. He is also entitled to a living allowance of £45 per day.

How much in pounds is he entitled to be reimbursed for his travel costs and expenses?

- (a) £1,950.70
- (b) £2,174.70
- (c) £1,933.85
- (d) £2,438.70
- (e) £1,974.70
4. Charles McNeill was recently involved in a road accident on the outskirts of Newry. He was driving on the Newry by-pass when a large lorry drove out from a side road and smashed directly into Charles's car. Charles received quite extensive injuries but his long-term prospects are good. The lorry driver's insurance company quickly admitted liability and paid Charles £19,250 for his personal injuries and £1,760 per month for loss of wages from the 1st of February 2017 to the 30th of June 2017. In addition, they paid him £14,800 for his car and they also paid his legal fees. These amounted to £5,642 plus VAT at 20% for his solicitors, £1,640 plus VAT at 20% for his barrister, court fees of £525 and a fee of £140 for each of four medical reports.

How much in total did the insurance company have to pay?

- (a) £52,345.40
- (b) £54,433.40
- (c) £52,253.40
- (d) £52,148.40
- (e) £52,673.40

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5. Una is planning to retire in March 2018. She has been saving up to buy a small cabin beside a lake to mark her retirement. The cabin will cost her £68,000. Una has two savings accounts which mature on the 5th of January 2018. She is planning to withdraw the funds from each account on that date. In each case, the financial institution involved credits interest at the end of each year and the following year's interest is calculated on the capital in the account together with the interest already credited. Una has invested £25,000 with the Britannia Building Society which pays 5% interest per annum on a fixed two-year term. She also has £22,000 on a fixed two-year term with First Trust which pays an interest rate of 4% per annum.

After she has withdrawn the funds in the above accounts when they mature, how much more money will Una need in order to purchase the cabin?

- (a) £51,357.70
- (b) £51,260.00
- (c) £16,642.30
- (d) £16,740.00
- (e) £16,704.80
6. You are a solicitor and are instructed to act in the administration of Eamon O'Reilly's estate. You discover that Eamon held several deposit accounts in the USA and the Republic of Ireland as well as several accounts in Northern Ireland. At the time of Eamon's death his USA account contained \$23,670 and the Republic of Ireland account held 32,569 euros. Eamon also had a Swiss bank account which held 42,444 Swiss francs. In Northern Ireland he had three accounts containing £24,135, £3,643 and £2,928. At the date of his death 10 euros equals £8.50, 10 Swiss francs equals £1 and £1 equals \$1.50.

At the date of Eamon's death what was the total value of his savings in pound sterling?

- (a) £89,046.47
- (b) £78,414.05
- (c) £98,139.05
- (d) £47,708.05
- (e) £116,613.65

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7. Martin is a part-time judge. He earns £500 for every day he sits as a judge. If the court rises before lunchtime, Martin can only claim £350. He is also entitled to travel to and from court from his home. In the last financial year, Martin sat on 48 occasions. Of those 48 days, only 14 times did he manage to get away by lunchtime.

On 23 days Martin sat in Belfast which is a distance of 56 miles from his home. On the rest of the days he sat in Omagh which is 22 miles from his home. He is entitled to mileage at a rate of £0.45 per mile.

On the days when he sat beyond lunchtime, Martin is also entitled to claim sundry expenses of £9.25.

How much did Martin earn in total in the last financial year including travel and sundry expenses?

- (a) £25,968.70
- (b) £23,554.20
- (c) £23,868.70
- (d) £23,373.70
- (e) £23,041.60

8. Jim Smith is selling his house for £200,000 and purchasing a new one at £350,000. His solicitor is charging Jim professional fees amounting to 0.5% of the sale price and 0.5% of the purchase price. The solicitor charges VAT at 20% on his professional fees and Jim also has to pay outlays as follows:

Stamp Duty which is charged at a rate of 3% of the purchase price of Jim's new house, £396.50 for searches and property certificates and £550 for land registry fees.

Taking into account the sale price of his old house, the purchase price of his new house and all of the costs associated with selling and buying, how much will moving house cost Jim in total?

- (a) £14,746.50
- (b) £164,746.50
- (c) £564,746.50
- (d) £364,196.50
- (e) £352,246.50

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9. Mrs Vera Ryan dies at the age of 83. Her husband has pre-deceased her. Her assets include 256 shares in BP which are valued at the time of her death at £5.78 each and 546 shares in Marks and Spencers valued at £9.88 each. Her Volkswagen golf is worth £6,750 and her personal belongings are valued at £4,500. Her house is worth £295,000 and she has savings in several bank accounts totalling £42,765. Inheritance Tax is payable at a rate of 40% on the amount of her estate which exceeds £325,000.

How much Inheritance Tax is payable?

- (a) £9,655.66
- (b) £10,197.87
- (c) £30,889.16
- (d) £12,355.66
- (e) £142,355.66
10. Capital Gains Tax is charged on the disposal of a chargeable asset by a chargeable person. In general it is charged on the difference between the acquisition value and the disposal value. There is an annual exemption for each individual in the year of disposal. In the year in question this exemption is £11,300. An exemption is that part of a gain which will not attract Capital Gains Tax. 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.

Barbara (chargeable person) bought a sculpture (chargeable asset) on the 5th of November 2015 for £156,000. The auctioneers charged Barbara 2% commission on the purchase price of the sculpture at that time. In the last couple of years the value of such sculptures has significantly increased and so Barbara decided to sell the sculpture in December 2017 through a dealer for £235,000. The dealer charged Barbara £800 for arranging the sale of the sculpture.

Barbara is liable to pay Capital Gains Tax at a rate of 18%. How much tax must she pay?

- (a) £11,480.40
- (b) £13,514.40
- (c) £11,624.40
- (d) £63,780.00
- (e) £75,080.00

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Jenny Jones (aged 28) is employed as a care worker by the local Trust. One of the clients she used to visit regularly to cook and clean for is May Welsh (aged 82). Mrs Welsh, a widow, lives alone. In the early hours of 3rd March 2017 she became aware of someone in the house. She went downstairs to investigate and seen a woman she believed to be Jenny Jones standing in the hall. Neither woman said nothing. The woman ran out of the open front door of the house into a car which was waiting outside. With her she took a jewellery case which contained, among other items, Mrs Welshs engagement ring. None of the jewellery, which is valued at under £1,000, has been recovered.

You are working as a prosecutor and your prosecuting this case. It is your submission that, while working for Mrs Welsh, the Defendant took her front door key and had it copied so that she could have access to the house at a later date; furthermore that on the night of the burglary she entered the house alone, but that she had been driven to the house by an accomplice (who has never been caught).

The Defendant was arrested the day after the offence. In her jean's pocket she had a small lump of cannabis. She made no comment to all of the police questions. However she was subsequently charged with burglary and possession of cannabis. The police suspect that she is part of a drugs ring that has been importing cannabis and other drugs but they don't have any evidence to prove that and have therefore decided not to charge her with possession with intent to supply.

One of her bail conditions was not to contact Mrs Welsh directly or indirectly. She has a previous conviction for a domestic burglary from three years ago for which she received a suspended sentence. This means that where she to be convicted of this offence, she would be

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punished not only for it but also the suspended sentence would come into affect.

On the day of the contest Jenny Jones entered guilty please to both matters, Mrs Welsh having

attended Court to give evidence. The matter was adjourned for four weeks and the Defendant

granted bail on the same terms so that a pre-sentence report could be prepared. Your

superiors been provided with a Victim Personal Statement in which Mrs Welsh says that she

has received two telephone calls from the Defendant since the guilty pleas has been entered.

The first call appeared to be quite innocuous in that the Defendant asked Mrs Welsh to say that

she didn't want the Defendant to go to prison. In the second telephone call, the Defendant

told Mrs Welsh that she still had a key to Mrs Welsh's home and that Mrs Welsh should make

sure that she told police that the Defendant had been very good to her. Mrs Welsh told the

Defendant on the phone that she wanted her to stop contacting her. She says in the Victim

Personal Statement that she feels afraid and quiet vulnerable.

Your superior has now asked that you provide:

a) a submission to be made at the sentencing hearing. It should contain all details relevant

to the process, including but not limited to aggravating/mitigating features present;

b) any applications you would make and the basis for it, including those which might

provide further protection for Mrs Welsh;

c) details of any other considerations which arise in this scenario.