

# Association of Taxation Technicians (ATT) Law CBE Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.**

**ALL RIGHTS RESERVED.**

**No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.**

**Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.**

**SAMPLE**

# Table of Contents

**Copyright** ..... 1

**Table of Contents** ..... 2

**Introduction** ..... 3

**How to Use This Guide** ..... 4

**Questions** ..... 5

**Answers** ..... 8

**Explanations** ..... 10

**Next Steps** ..... 15

SAMPLE

# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

SAMPLE

- 1. Pre-emption rights give existing shareholders what?**
  - A. The right to subscribe to new shares before others**
  - B. The right to sell shares at a premium**
  - C. The right to appoint directors**
  - D. The right to receive interest on shares**
  
- 2. Trusts may occur by operation of law. True or false?**
  - A. True**
  - B. False**
  - C. Only in certain jurisdictions**
  - D. Only for charitable purposes**
  
- 3. Freehold property is best described as ownership of:**
  - A. A Life Estate**
  - B. Land for a Fixed Term**
  - C. Land and Buildings for an Indefinite Period**
  - D. Personal Property Only**
  
- 4. What is a partition?**
  - A. A merger of two companies into one.**
  - B. A sale of a company's assets in separate parts.**
  - C. A form of corporate restructuring equivalent to a dissolution.**
  - D. Company is divided between two or more shareholders so that there is no substantial identity of shareholders in relation to each part of the undertaking of the company that has been partitioned.**
  
- 5. Which statement describes how public companies differ from private ones?**
  - A. They require no directors**
  - B. They must have a minimum issued share capital of £50,000, at least two directors and a company secretary**
  - C. They cannot have a company secretary**
  - D. They are never listed on a stock exchange**

- 6. What is an interest in land?**
- A. The surface of the land only**
  - B. What is owned by a person who has rights over someone else's estate**
  - C. A license that grants permission to use land**
  - D. A mortgage on land**
- 7. Which statement is accurate about the administration of equity and common law?**
- A. They are administered through the same court system.**
  - B. Equity has separate courts from common law.**
  - C. Common law is superior to equity in all cases.**
  - D. They are completely identical in remedies.**
- 8. What are typical remedies for breach of contract?**
- A. Damages, specific performance, injunction.**
  - B. Damages.**
  - C. Specific performance.**
  - D. None.**
- 9. Which form is the opposite of reconstruction?**
- A. Amalgamation.**
  - B. Reconstruction.**
  - C. Partition.**
  - D. Mergers.**
- 10. What is an express private trust?**
- A. Constructive trust**
  - B. Inheritance trust**
  - C. Express private trust**
  - D. Resulting trust**

## Answers

SAMPLE

1. A
2. A
3. C
4. D
5. B
6. B
7. A
8. A
9. C
10. C

SAMPLE

## **Explanations**

SAMPLE

## 1. Pre-emption rights give existing shareholders what?

- A. The right to subscribe to new shares before others**
- B. The right to sell shares at a premium**
- C. The right to appoint directors**
- D. The right to receive interest on shares**

Pre-emption rights protect existing shareholders by giving them the first opportunity to buy any new shares the company issues, in proportion to their current holdings. This means their percentage of ownership and voting power are preserved if they choose to participate, reducing dilution from the new issue. If they don't take up their share of the new issue, their stake may be diluted. This concept is about maintaining existing stakes during new share issues (often via a rights issue). It's not about selling shares at a premium, appointing directors, or earning interest on shares. Those are unrelated rights or arrangements.

## 2. Trusts may occur by operation of law. True or false?

- A. True**
- B. False**
- C. Only in certain jurisdictions**
- D. Only for charitable purposes**

Trusts can arise by operation of law, not just by express declaration. This happens in two main forms: resulting trusts and constructive trusts. A resulting trust occurs when property is transferred to someone, but there's no intention to gift outright, so the law presumes the property should return to the contributor or their estate. A constructive trust is imposed by the court to prevent unjust enrichment or to rectify a breach of fiduciary duty or wrongdoing; the holder is treated as a trustee for the rightful beneficiary even without an express agreement. Because the law recognizes these trusts as valid and enforceable even without a formal trust declaration, the statement is true. It isn't limited to charitable purposes, and while the specifics can vary by jurisdiction, the concept exists broadly within equity.

## 3. Freehold property is best described as ownership of:

- A. A Life Estate**
- B. Land for a Fixed Term**
- C. Land and Buildings for an Indefinite Period**
- D. Personal Property Only**

Freehold property means ownership of land and buildings for an indefinite period, with no set end date. This enduring ownership allows the owner to use, sell, mortgage, or pass on the property as they wish (subject to legal constraints). A life estate, by contrast, ends at the death of the person whose life determines the interest. A fixed-term arrangement describes a leasehold, where the right to occupy lasts only for a specific period. Personal property refers to movable belongings, not real estate. So owning land and buildings for an indefinite period best describes freehold ownership.

#### 4. What is a partition?

- A. A merger of two companies into one.
- B. A sale of a company's assets in separate parts.
- C. A form of corporate restructuring equivalent to a dissolution.
- D. Company is divided between two or more shareholders so that there is no substantial identity of shareholders in relation to each part of the undertaking of the company that has been partitioned.**

Partition is a form of corporate restructuring where the undertaking of a company is split into two or more parts, and those parts are owned by different shareholders. Each part operates as a separate business, and there is no continuing identity of shareholders common to all parts. In other words, the company is divided among shareholders so that no single group of shareholders remains the same across all parts. This is different from a merger, where entities combine into one; from selling assets in parts, which is just disposing of assets; and from dissolution, which ends the company itself.

#### 5. Which statement describes how public companies differ from private ones?

- A. They require no directors
- B. They must have a minimum issued share capital of £50,000, at least two directors and a company secretary**
- C. They cannot have a company secretary
- D. They are never listed on a stock exchange

Public companies have stricter statutory requirements than private ones because they can raise money from the public and must meet governance standards to protect investors. The statement reflects those formal requirements: a public company must have a minimum issued share capital of £50,000, at least two directors, and a company secretary. This combination ensures there is sufficient capital to support the business and a governance framework with oversight. The other ideas don't fit because a public company does need directors, cannot be without a company secretary, and may be listed on a stock exchange, not forever excluded from listing.

**6. What is an interest in land?**

- A. The surface of the land only
- B. What is owned by a person who has rights over someone else's estate**
- C. A license that grants permission to use land
- D. A mortgage on land

An interest in land is a right in or over land that can be owned by someone who has rights concerning that land, even if they don't own the land outright. It covers rights like leases, easements, or mortgages—entitlements that relate to land and give a person some control or benefit, rather than full ownership. The statement that describes it as “what is owned by a person who has rights over someone else's estate” best reflects this idea: the interest is the thing the person holds in relation to the land. The other options miss this broader sense: a license is simply permission to use land and isn't an enduring right in the land itself; the surface of the land is only one element and not a definition of an interest; a mortgage is a specific type of interest, but it's just one example rather than the general concept.

**7. Which statement is accurate about the administration of equity and common law?**

- A. They are administered through the same court system.**
- B. Equity has separate courts from common law.
- C. Common law is superior to equity in all cases.
- D. They are completely identical in remedies.

Equity and common law are administered through the same court system. Historically there were separate streams—courts of law and courts of equity—with different procedures and remedies. Reforms such as the Judicature Acts unified these into one system where judges can grant both legal and equitable relief in the same courts. That makes the statement accurate because modern practice handles both types of relief within a single court framework. The other options don't fit because equity isn't kept in separate courts today in most jurisdictions, there isn't a universal supremacy of common law, and remedies under equity and law are not identical—equitable relief covers remedies like injunctions or specific performance that law cannot always provide.

## 8. What are typical remedies for breach of contract?

- A. Damages, specific performance, injunction.**
- B. Damages.**
- C. Specific performance.**
- D. None.**

Remedies for breach of contract are usually a mix of financial and equitable options, aimed at putting the injured party back in the position they would have been in if the contract had been performed. Damages are the most common remedy, used to compensate loss suffered as a result of the breach. If monetary compensation isn't enough—particularly when the subject matter is unique or irreplaceable—specific performance can be ordered to compel the other side to carry out the contract. An injunction offers preventive or corrective relief, stopping the breaching party from continuing or repeating the breach, or requiring them to abstain from particular actions. Because each breach can call for a different form or combination of relief, listing damages, specific performance, and injunction together reflects the spectrum of typical remedies.

## 9. Which form is the opposite of reconstruction?

- A. Amalgamation.**
- B. Reconstruction.**
- C. Partition.**
- D. Mergers.**

In corporate reorganisations, reconstruction means reorganizing a business so it continues, typically by reorganizing assets and liabilities under a new or restructured entity to consolidate the operation. The opposite of that is partition, which involves splitting the business or its assets into separate entities or parts rather than bringing them together. Amalgamation and mergers are about combining entities into one, so they are not opposites of reconstruction. Therefore, partition is the form that stands opposite to reconstruction.

## 10. What is an express private trust?

- A. Constructive trust**
- B. Inheritance trust**
- C. Express private trust**
- D. Resulting trust**

An express private trust is created intentionally by the owner of property, who declares in clear words (or in writing) that the property is to be held by trustees on trust for specific private beneficiaries. The declaration shows the settlor's actual intention to create a trust, rather than something implied by conduct. For an express private trust, three certainties must be present: intention to create a trust, identifiable subject matter (the property or rights being held), and identifiable objects (the private beneficiaries who will benefit and, if necessary, enforce the trust). The trustees hold the legal title to the property, while the beneficiaries have the equitable interests and can enforce the terms in court. It is private because the purpose and beneficiaries are private individuals rather than a charitable or public purpose. This is different from a constructive trust, which arises by law to prevent unjust enrichment, and a resulting trust, which can arise when a transfer occurs without an explicit beneficial arrangement.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://attlawcbe.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**

SAMPLE