

UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:–

LL.B.

LL.B. Part II: Corporate Insolvency

COURSE CODE : LAWS3035

DATE : 18-MAY-06

TIME : 10.00

TIME ALLOWED : 3 Hours 15 Minutes

Corporate Insolvency Law

Answer **FOUR** questions.

1. What, if anything, entitles a creditor holding a fixed security to enjoy priority over other creditors in their mutual debtor's insolvency? Discuss with reference to the decision of the House of Lords in *Re Spectrum Plus Ltd (In Liquidation)* [2005] UKHL 41.

2. "The debates surrounding charge-backs and the requirement of mutuality have done a lot to confuse the law governing insolvency set-off."

Discuss.

3. What are the nature and scope of an administrator's duties, and how are the courts likely to give substance to them?

4. "Several features of the English law governing the adjustment (or avoidance) of transactions entered into by a company before it becomes subject to formal insolvency proceedings are perverse and counterproductive."

Discuss with reference to **any two** transaction adjustment provisions.

5. What purposes are served by providing by statute for certain types of claims against an insolvent company to enjoy preferential status? Are there any better ways in which these purposes might be achieved?

6. Why, if at all, should company directors be made liable for wrongful trading?

7. What role does the floating charge play in corporate insolvency law? Your answer should discuss the relevance of **each** of the following:

(a) The statutory preferential debts regime.

(b) The 'prescribed part' set up by section 176A of the Insolvency Act 1986.

(c) Expenses of collective insolvency proceedings.

8. What legal, moral or economic factors might set limits to what corporate insolvency law may legitimately do?

END OF PAPER