

UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:–

LL.B.

Property II

COURSE CODE : **LAWS2002**

DATE : **09-MAY-06**

TIME : **14.30**

TIME ALLOWED : **2 Hours**

PROPERTY II

Answer **THREE** questions.

1. “The law governing the holding of property by incorporated associations is unnecessarily complicated. Further, there is great uncertainty as to what should happen to the funds of such associations when they are dissolved.”

Discuss.

2. Alex buys a house in Camden with a large garden. He promises his brother Ben that if Ben pays Alex £10,000 he can have first refusal on the house when Alex decides to sell. Ben pays the money to Alex. Alex also promises that Ben can use the shed in the garden for storing Ben’s furniture until Alex gives Ben notice that he needs the shed for his own purposes, provided that Ben pays him a rent of £100 a year.

Alex meets and falls in love with Charlotte, who moves in with Alex. They decide that she will pay the mortgage instalments whilst Alex is studying for his law degree and in return Alex will hold the house on trust for the two of them jointly. After 5 years of study Alex has still not passed his exams and Charlotte takes a long summer holiday to review their relationship.

Alex is tired of failure and decides to emigrate to Italy. He sells the house to Deborah and disappears with the money. Deborah is on holiday when the sale is completed but her agent had viewed the property on her behalf. Although there were two toothbrushes in the bathroom and some ladies clothes in the bedroom Alex had said that his sister sometimes stayed over when visiting London. Deborah returns from holiday to find that Charlotte has returned and is in the house. Deborah is registered as owner the next day.

Advise Ben and Charlotte.

TURN OVER

3. "It is the interaction between the law of fiduciary obligations and the rules of tracing which makes it difficult effectively to retain title to goods supplied by one commercial party to another."

Discuss **both** (a) **and** (b) with references to case law:

- (a) What sort of 'retention of title' clauses are affected by the law of fiduciary obligations and the rules of tracing?
- (b) Do you agree with the statement quoted in this question?
4. "Leases and bailments serve the same function – they both govern the legal relationship between owner and possessor – and yet they are treated quite differently in English law."

Explain the differences, and consider how far they are justifiable.

5. Sleepy used to run a successful car valeting service in Bloomsbury. The success of the business was partly due to the special formula soap he used to clean the outside of the cars, and which he produced himself in large containers to the rear of his premises. The ingredients consisted in two parts industrial detergent, one part baking soda and four parts pure rainwater. Doc, a research chemist, owned the industrial detergent but had agreed to allow Sleepy to use it as part of a controlled experiment. The baking soda came from Sleepy's own stock, and Sleepy got the rainwater by siphoning it off from barrels belonging to Grumpy, his neighbour.

Some time ago Sleepy's brother Bashful gave Sleepy a car to use in the business. Bashful had in fact stolen the car from Happy. Sleepy added new suspension to the car, and a fuel injection system to the engine, new leather seat covers, a leather steering wheel and chrome alloy trims to the sides of the car.

Due to an unexpected downturn in business, Sleepy is now insolvent and just about to go bankrupt. He has on his premises a large quantity of his special formula soap, valued at £10,000, and Happy's car which was worth about £750 when Bashful stole it but is now worth £5,000.

Advise Doc, Grumpy and Happy.

6. "The concept of overreaching beneficial interests in land reaches the correct balance between free alienability of land and protecting informal property interests."

Do you agree?

END OF PAPER