



Quiz

Voidable Unfair Preferences in Liquidation

1. How much money was Darley ordered to pay?

- a. \$40 528.00
- b. \$91 700.00
- c. \$111 100.00
- d. \$97 628.58

2. Which of the following is a defence?

- a. Good faith
- b. Running account
- c. A and B
- d. Mistake

3. Which of the following situations do not give reasonable grounds for suspicion?

- a. The business appears on the news for a bad reason.
- b. Continued non-payment of undisputed debts
- c. Debtor's accounts are run in the excess of usual trading terms
- d. Dishonored cheques

4. Why is unsecured debt important?

- a. It is the only class of debt, which is used for determining appeals.
- b. It receives high priority from the liquidator.
- c. It is the only class of debt, which the Court does not consider.
- d. It is the only class of debt which is used for determining the existence of an unfair preference.

5. What does Section 588FA of the *Corporations Act 2011* (Cth) cover?

- a. Preferences
- b. Remedies
- c. Criminal conduct
- d. Mortgages

Answers:

1. D 2. C 3. A 4. D 5. A