



**MULTIPLE
CHOICE QUESTIONS
ON ALL THE TOPICS IN**

Property Law Practice

**FOR NIGERIAN LAW SCHOOL STUDENTS WITH
PRECISE EXPLANATION ON THE ANSWERS.**

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WEEK 3 & 4,

OVERVIEW OF PROPERTY LAW AND DEED

1. The Property and Conveyancing Law is applicable in all but one of the following states:

- a. Lagos State
- b. Edo State
- c. Delta State
- d. Ekiti State

2. Tunde Adisa has agreed to sell his plot of land situate at No. 8, Akonduma street, Asaba to Mike Ontario for the sum of ₦1,000,000.

Which of the following laws will be inapplicable in the above transaction?

- a. The Property and Conveyancing Law
- b. The Conveyancing Act
- c. The Stamp Duties Act
- d. None of the above

3. The transaction involving land which is usually but not necessarily for consideration is?

- a. Sale
- b. Mortgage
- c. Assignment
- d. Lease

4. One of the following is not true of the uses of a deed:

- a. To effect conveyance of an interest, right or property in a real estate
- b. Create an obligation binding on a person
- c. Confirm some act whereby an interest or property has already passed
- d. None of the above

5. A deed is required in all but one of the following instances:

- a. Gift of land
- b. Voluntary surrender
- c. Vesting declaration
- d. Disclaimer

6. All are essential elements for the validity of a deed except:

- a. Signing
- b. Sealing
- c. Attestation
- d. Delivery

7. A Deed will require mandatory attestation where one of the following is a party:

- a. An illiterate
- b. Business Name registered under Part B
- c. A and B
- d. An attorney

8. One of the following is not contained in the operative part of a Deed:

- a. Habendum
- b. Testatum
- c. Testimonium
- d. Words of grant

Igwe Chioma is the landlady of the premises known as Kelly estate, Apo legislative district, Abuja. Mpokpowei Apollos has agreed with Igwe Chioma to rent the premises for a period of three years with an option to renew for another three years as agreed by them.

9. All but one of the following is correct:

- a. The transaction is not required to be by deed
- b. The transaction is required to be by deed
- c. The agreement is valid

- d. Igwe Chioma can review Mpokpwei Appollos' rent for another three years

10. The document to be executed by the parties in the above transaction is:

- a. Tenancy agreement
- b. Deed of lease
- c. Deed of sublease
- d. Deed of tenancy

11. One of the following is not one of the effects of a receipt clause in a deed:

- a. Makes the issuance of a separate receipt unnecessary
- b. It constitutes good root of title to the transaction contained in the Deed
- c. It is evidence of payment of consideration
- d. It is authority to pay the sum to the vendor's solicitor where he presents such instrument

Audu Gbedu and Sarah Attah executed a deed of assignment whereby the former transferred his proprietary interest in a property situate at No. 4, Old Airport Road, Maitama, Abuja to the latter. The deed was executed on the 4th of December 2019 with the understanding that it will be binding when balance of purchase price is paid by the assignee, Sarah Attah. On the 25th of April, 2020, balance of purchase price was fully paid by the assignee.

Answer the following questions 12-17 from the scenario:

12. The effective date of delivery of the deed above is 4th December, 2019 based on the doctrine of:

- a. Back date
- b. Relating back
- c. Transferred date
- d. None of the above

13. One of the following is not true of a deed delivered in escrow:

- a. The deed is binding from the date of execution
- b. The innocent party is entitled to withdraw if the conditions are not fulfilled
- c. The deed is not binding until condition is fulfilled
- d. A and B above

14. For the above transaction to be valid, the consent of _____ must be obtained:

- a. Attorney General of the Federal Capital Territory
- b. President of the Federal Republic of Nigeria
- c. Attorney General of the Federation
- d. Minister of the Federal Capital Territory

15. The consent is to be sought by:

- a. The Assignee
- b. The Assignor
- c. The Assignee's solicitor
- d. Any of the above

16. The Deed of assignment above is to be drafted by the:

- a. Vendor's solicitor
- b. Purchaser's solicitor
- c. Assignor's solicitor
- d. Assignee's solicitor

17. Assuming you are the solicitor that drafted the document, the act of appending your name, address, stamp and seal on the document is known as?

- a. Franking
- b. Francline

- c. Endorsement
- d. Engrossment

18. The order of perfection of a deed of assignment on a property located in Asaba, Delta is?

- a. Registration, Consent and Stamping
- b. Consent, Registration and Stamping
- c. Registration, Stamping and Consent
- d. Consent, Stamping and Registration

19. For a property situate at No. 13, Onipanu, Bwari, Abuja the stamp duty payable on the deed of assignment for its sale shall be assessed as?

- a. Fixed rate
- b. Flat rate
- c. Ad valorem
- d. 40%

20. A Purchaser of part of the property of a Vendor is not entitled to the entire title documents but can be protected by:

- a. Covenant for Indemnity
- b. Trust Declaration
- c. Power of Attorney
- d. Acknowledgment for custody and production

21. The presence of which of these propositions between the commencement and date necessitates the use of recital in a deed?

- a. Is
- b. On
- c. At
- d. In

22. A major distinction between Power of Attorney and a Contract of Sale of land is that the latter is valid on:

- a. Execution
- b. Delivery

- c. Exchange
- d. None of the above

23. NOW THIS DEED WITNESSES AS FOLLOWS is the usual beginning of what part of a deed

- a. Introductory part
- b. Operative part
- c. Miscellaneous
- d. Testatum

24. One of the following is not an example of a deed:

- a. Deed of Tenancy
- b. Deed of Release
- c. Deed of Assignment
- d. None of the above

25. A deed is not required in all of the following transactions except:

- a. Assents
- b. Disclaimer
- c. Voluntary surrender
- d. Receipt

26. One of the following transactions requires mandatory attestation to be valid:

- a. Will
- b. Deed of assignment
- c. Deed of lease
- d. Contract of sale of land

27. The act of making clear copies of documents for all parties in a property transaction is termed:

- a. Photocopying
- b. Printing
- c. Engrossment
- d. Endorsement

28. One of the following is not a reason why a deed of assignment should not be dated:

- a. Because of the uncertainty of when governor's consent would be obtained
- b. To avoid the incidence of late stamping
- c. To avoid the incidence of late registration
- d. To give the assignee ample time to investigate the assignor's title

29. A deed is required to be stamped and registered within how many days of its execution?

- a. 20 and 40 days
- b. 30 and 60 days
- c. 20 and 30 days
- d. 60 and 30 days

30. When a vendor conveys property as a beneficial owner, one of the following is not implied:

- a. That the lease is valid and subsisting
- b. A right to convey
- c. Quiet enjoyment of possession
- d. Freedom from encumbrances except those disclosed

31. A purchaser who wishes to pay the balance of the purchase money to the Vendor's solicitor may protect himself by inserting in the Deed of Assignment_____

- a. Indemnity clause
- b. Receipt clause
- c. Safe custody and acknowledgement for production Clause
- d. Consideration clause

32. Which of these is not a type of Deed?

- a. Assignment
- b. Indenture
- c. Deed Poll

d. None of the above

33. The clause that connects parties to the content and covenants in a deed is:

- a. Testatum
- b. Execution
- c. Testimonium
- d. Attestation

34. THIS DEED OF ASSIGNMENT is the beginning of what part of a deed?

- a. Commencement part
- b. Testatum part
- c. Operative part
- d. Introductory part

35. Mr. Bakare Akinola is a retired civil servant of the Ondo state government. His pension has not been paid. He wants to use one of his properties in Awolowo, Akure to raise money for his upkeep and that of his family. The options available to Mr. Bakare in this case are:

- a. Sale, lease or mortgage
- b. Gift intervivos, lease or charge
- c. Mortgage, rent or charge
- d. Lease, gift intervivos or charge

36. The operative part of a deed ends with which of the following clauses?

- a. Reddendum
- b. Habendum
- c. Parcel clause
- d. Testimonium

ANSWERS

WEEK 3 & 4

OVERVIEW OF PROPERTY LAW AND DEED

1. (A) The Property and Conveyancing Law (PCL) is applicable in the States belonging to the old Western Region: Ondo, Oyo, Osun, Ogun, Edo, Ekiti and Delta (OOOOEED). Lagos is not part of those States. Lagos has its own separate laws like the Mortgage and Property Law, Lagos State Land Registration Law.
2. (B) The property in the question is situate in Asaba, Delta State, where the PCL and not the Conveyancing Act (CA) is applicable. Note that the CA is applicable to States in the old Eastern and Northern region.
3. (D) Lease is the transfer of possession in a property for a term of years certain, **usually but not necessarily for consideration**. Rent is not an essential requirement for the validity of a lease agreement. But Sale, Assignment and Mortgage always involve consideration.
4. (D) A deed can be used to convey an interest in land, create an obligation binding on a party or confirm an act whereby an interest has already passed.
5. (D) Disclaimer occurs when someone renounces something or refuses to take something. A deed is not required to evidence the refusal.
6. (C) Attestation is not a mandatory requirement of a deed, but it is expedient. However, in some instances, attestation is mandatory. The basic features of a deed are: signing, sealing and delivery.
7. (A) A deed will require mandatory attestation in the following instances: (i) where an illiterate or a blind person is a party, (ii) Corporate bodies registered under Part A and C of CAMA, (iii) Corporation and Statutory Bodies.
8. (C) A Deed is divided into 4 parts: introductory, operative, miscellaneous and concluding parts. The testimonium begins the concluding part of a deed.
9. (B) A lease for a term of three years renewable for another three years operates as a tenancy, and a tenancy agreement is not required to be by deed. *Re Knight. Hand v Hall*
10. (A)
11. (B) A receipt clause does not constitute an evidence of a good root of title to a land transaction.
12. (B)
13. (C) A deed in escrow takes effect (binding) upon delivery subject to the fulfillment of the conditions. One party cannot unilaterally withdraw from the agreement within this period. When the conditions are met, the doctrine of relating back transfers the effective date of delivery to the date the deed was delivered, not the date the conditions were performed.
14. (D) The equivalent of the Governor's consent in the FCT is the consent of the Minister of the FCT.
15. (B) Consent is to be obtained by the person who has title to the land to be transferred. Section 22 of the Land Use Act (LUA). In the case of an Assignment, it is the Assignor; in the case of a Mortgage, it is the Mortgagor.
16. (D) In an Assignment, the nomenclature of the parties is: Assignor and Assignee. In a Contract

- of Sale of Land, the nomenclature is: Vendor and Purchaser. In a Lease agreement, Lessor and Lessee. In a Mortgage agreement, Mortgagor and Mortgagee. Note that the party to draft a document is usually the party that would lose if the document is not drafted. For an assignment, it is the Assignee, because he would need the document as evidence that title has been transferred to him.
17. (A)
 18. (D) The order of perfection of a deed is Consent, Stamping and Registration (CSR).
 19. (C) The stamp duty payable on a deed of assignment is ad valorem, meaning it is calculated based on the value of the property. However, for a contract of sale of land, the stamp duty payable is fixed.
 20. (D) Acknowledgement for custody and production is a clause contained in the miscellaneous part of a deed. It is to protect an assignee who has purchased a part of a property covered by a single document, which cannot be given to him.
 21. (A) "This Deed of Assignment *is* made..." shows that there would be a recital.
 22. (C) While a deed is binding upon delivery, a contract of sale of land is binding upon exchange. *Awojugbabe Light Industries v Chinukwe*
 23. (B) "NOW THIS DEED WITNESSES AS FOLLOWS" is the descriptive words of the Testatum, which is the first thing under the operative part of a deed. Testatum is not a part of a deed. There are four parts of a deed: introductory, operative, miscellaneous and concluding parts. Testatum is under the operative part.
 24. (A)
 25. (C) A voluntary surrender occurs where for example, a tenant decides to leave a demised premises before the expiration of the term granted. The decision is required to be by deed so that should the tenant want to deny, the deed can stop him as evidence.
 26. (A) For a Will to be valid, it must be signed in the presence of at least two attesting witnesses. Sec. 3 of the Wills Law of Lagos State.
 27. (C)
 28. (D) It is advised that a Deed should not be dated because of the uncertainty of time in getting the governor's consent and to avoid the incident of penalties for late stamping and late registration. Once dated, the deed must be stamped within 30 days and registered within 60 days.
 29. (B)
 30. (A) It is not a lease agreement, but a sale agreement. Take note of the word 'vendor' as used in the question. Sec. 7, CA; Sec. 100, PCL.
 31. (B) One of the functions of a receipt clause is that it serves as authority to the buyer to pay the consideration to the vendor's solicitor. Sec. 56, CA and Sec. 94, PCL.
 32. (A) There are two types of Deed: Deed poll and Deed Indenture. Some authors add a third type; deed supplemental.
 33. (C)
 34. (D) Commencement does not stand alone as a part of a Deed; rather it is the first thing under the introductory part of a Deed.
 35. (A)
 36. (B)

WEEK 5

POWER OF ATTORNEY

1. A deed is a mandatory requirement in all but one of the following transactions:

- a. Lease of above three years
- b. Donation of power
- c. Gift of land
- d. None of the above

Adanma Esiege has just disposed off the remainder of her personally held right of occupancy in favour of Greenland Bank PLC to secure a loan facility of ₦200 million to be taken by Adanma's private company, Adanma's Trading Nigeria Ltd of which Adanma Esiege is the MD/CEO. The mortgage property is the block of six flats at Independence Layout, Enugu, Enugu State. The transaction which is under seal took effect on the 15th of January, 2020 and legal due date is 14th January, 2030. Udeh Kosi aged 27, a self-employed Estate Consultant, had been appointed by the Bank to act as the Bank's agent for the transaction other than the execution of the final papers. On the 15th of March, 2020, Adanma created a 6-year lease on the mortgaged property in favour of Bright Foundation (Ltd/Gte).

Answer the following questions

2. One of the following is not true of the power given to Udeh Kosi

- a. Must be under seal to be validly created
- b. Need not be under seal to be validly created
- c. Need not be revoked by Deed
- d. Is revocable

3. Pick out the odd one from the following

- a. Ezeigwe v Awudu
- b. Ude v Uwara
- c. Awojugbagbe Light Industries v Chinukwe
- d. Powell v London Provincial Bank

4. Only one of the following is not a feature of a power of attorney:

- a. It is an instrument of delegation
- b. It is a valid means of transfer of interest in land
- c. It is a specie of a deed poll
- d. It is generally revocable

Lekan Mufty, a staff at the Nigerian Embassy in the State of Qatar, Doha has concluded arrangements to purchase a property at No. 46, Golf Club Road, Ibadan, Oyo State. The Vendor is Haija Ronke Jinadu, actress, of No. 82 Remidot Road, Ikorodu, Lagos. Mufty wants to use the property as his campaign headquarters for the Senatorial election. He has instructed Mr. Dozie Akinade to handle the negotiation, purchase and perfection of the title to the property on his behalf as a matter of urgency.

Answer the following questions 5-8

5. The specifics of what Mr. Dozie can do will be contained in the ____ clause

- a. Testimonium clause
- b. Testatum clause
- c. Appointment clause
- d. Power clause

6. If Lekan Mufty was to execute the power of attorney in Doha, Qatar, it should be executed before a

- a. Legal practitioner
- b. Commissioner for oaths
- c. Magistrate or Justice of Peace
- d. Notary public

7. To validly revoke the power of attorney, Lekan Mufty can do so:

- a. Orally
- b. In writing
- c. By Deed
- d. All of the above

8. Assuming in the appointment clause of the power of attorney by Lekan Mufty, it is written that "I appoint the law firm of Dozie Akinade & Co. to be my lawful attorney in my name and on my behalf...", none but one of the following is correct about the appointment:

- a. It is a valid appointment because the law firm is registered
- b. It is a valid appointment because the law firm has a recognised principal partner
- c. It is an invalid appointment because the law firm does not have juristic personality
- d. It is a valid appointment as it was made by deed

Mallam Buba Kawuche of No. 33 Cole Street, Wuse Abuja FCT is a civil servant in the Federal Ministry of External Affairs. He has just been posted to the Nigerian Embassy in London, UK. To ensure that his property is taken care of while he is away, he has decided to authorise Mrs Masuku Abamba of No. A1 Unguhu Street, Kubwa, Abuja to manage his property at No. 10, Macaulay street, Bwari and No. 20, Ojuelegba, Wuse, Abuja for a consideration of ₦50 million only. Part of the authority given to Mrs Masuku Abamba is the right to sell and convey the interests to any purchaser.

Answer the following questions 9-14

9. The following except one are circumstances warranting the need for a power of attorney:

- a. Where the expertise of the donee is required
- b. Where the donor is unavailable
- c. Where a mortgage is created by sub-demise under the Conveyancing Act
- d. Where a mortgage is created by sub-demise under the PCL

10. One of the following is not contained in the document to be executed by the parties:

- a. Testimonium
- b. Habendum
- c. Execution
- d. Commencement

11. Since the power of attorney by Mallam Buba Kawuche was given for valuable consideration, it is most suitable as a/an?

- a. Revocable power of attorney
- b. Irredeemable power of attorney
- c. Irrevocable power of attorney
- d. B and C above

12. Assuming before Mrs. Masuku Abamba could sell the land to a purchaser, the donor, Mallam Buba Kawuche sold the land himself to a third party, the power given to the donee is said to have been revoked:

- a. Expressly
- b. Impliedly
- c. By operation of the law
- d. All of the above

13. By the provisions of Section 8(1), CA, which of the following is correct?

- a. Mallam Buba Kawuche can revoke the Power of Attorney but must do so expressly.

- b. Mallam Buba Kawuche cannot revoke the power of Attorney except with the concurrence of the Donee
- c. Only in the event of the death of Mallam Buba Kawuche can the power of Attorney be revoked without the concurrence of the Donee
- d. The payment of consideration has no effect on the power of a Donor of a Power of Attorney to revoke it.

14. If Mrs. Masuku Abamba had not paid the ₦50 million but it was part of the terms of the Power of Attorney that it would be irrevocable for two years, then:

- a. Mallam Buba Kawuche can only revoke the Power of Attorney expressly
- b. Even in the event of death of Mallam Buba Kawuche, the power of Attorney cannot be revoked without the Donee's concurrence
- c. Mallam Buba Kawuche can revoke the power of Attorney without the concurrence of the Donee
- d. A Power of Attorney not given for valuable consideration can only be expressed to be irrevocable for a period not exceeding one year.

The Abejoye family is a large family in Ajibogun town. The family owns many hectares of land. All the principal members of the family, 5 in number, conspired among themselves to make money from the lands, while still retaining the title in the land without the knowledge of the family head. They invited Afopina Esq to the meeting, who advised them to create a power of attorney in favour of the person they want to give the land to so he can use the land and they would get money from him. Afopina Esq then drafted the

power of attorney which was executed by the oldest of the principal members of the family.

Answer the following questions 15-17

15. All but one of the following is incorrect of the power of Attorney executed in the above scenario:

- a. It is valid as all the principal members consented
- b. It is voidable at the instance of the members of the family
- c. It is void as it was not executed by the family head
- d. It is voidable at the instance of the family head

16. Assuming the power of Attorney was executed by the family head alone without the knowledge of the principal members of the family, then:

- a. It is voidable at the instance of the principal members of the family
- b. It is voidable at the instance of the members of the family
- c. It is valid
- d. It is void ab initio

17. In the above scenario, Afopina Esq has breached which Rule of RPC?

- a. Rule 15
- b. Rule 24
- c. Rule 1
- d. A and C

18. A Power of Attorney granted to a person to "let premises to tenants and collect rent" is

- a. General Power of Attorney
- b. Specific Power of Attorney
- c. Revocable Power of Attorney
- d. Irrevocable Power of Attorney

19. The authority for the principle that in certain cases, especially on ground of equity, a power of Attorney can be used to transfer interest in land is:

- a. Ibrahim v Obaje
- b. National Bank of Nigeria v Korban Brothers
- c. Benjamin v Kalio
- d. Chime v Chime

20. The power clause of a power of attorney is contained in what part of a deed?

- a. Introductory part
- b. Operative part
- c. Miscellaneous part
- d. Concluding part

21. Where Mr Emma Okoro granted a Power of Attorney to Miss Ada Nwosu to manage his property situate in Lagos, but before Miss Nwosu could do so, he sold the property. The effect is that:

- a. The sale is invalid
- b. The power of attorney is deemed revoked expressly
- c. The power of attorney is deemed revoked by operation of law
- d. The power is deemed impliedly revoked

22. The following are not incorrect about power of attorney except

- a. It does not transfer interest in land
- b. It is an instrument of delegation
- c. It has no special mode of creation in all instances
- d. It should expressly state the power which the Donee can exercise

ANSWERS

WEEK 5

POWER OF ATTORNEY

1. (B) Donation of power does not have to be by deed, except where the Donee would be required to execute a Deed. Abina v Farhat.
2. (A) The general principle is that a power of attorney does not need to be created by deed except where the Donee will have to perform a transaction that requires the execution of a deed.
From the scenario, Udeh Kosi was employed by the bank as its attorney to do everything other than execution of the final papers. In that instance, since the power given to Udeh Kosi does not require him to do anything where a deed would be executed, then the power of attorney need not be created by deed.
3. (C) All the cases apart from Awojugbabe Light Industries v Chinukwe, are specifically under power of attorney.
4. (B) Power of attorney is an instrument of delegation, not one of transfer of interest in land.
5. (D) The power clause contains the acts to be performed by the Donee on behalf of the Donor.
6. (D) Melwani v Five Stars Industries Ltd.
7. (C) A power of attorney created by deed must be revoked by deed.
8. (C) Organisations registered under Part B of CAMA, like law firms, are not juristic persons, and thus cannot be a Donor or Donee of a power of

attorney. National Bank of Nigeria Ltd v Korban Brothers.

9. (D) Where a mortgage is created by sub-demise under PCL states, there is no need to insert any remedial devices like power of attorney or trust declaration to protect the mortgagee in the event of default by the mortgagor. This is because Section 112 of PCL already offers a protection to mortgagees in that regard. However, in the CA, the remedial devices must be inserted in the Mortgage deed.
10. (B) Habendum is the most suitable answer. This is because habendum is used to describe the quantum of interest transferred, and power of attorney is not an instrument of transfer.
11. (C) The proper terminology is 'irrevocable power of attorney'. It occurs where the power of attorney is given for valuable consideration paid by the Donee to the Donor, or it is expressed to be irrevocable. The latter option would operate for 12 months, while the former option would operate until the consideration is realized by the Donee or as may be agreed by the parties. Sec. 8, CA; Sec. 143&144, PCL
12. (B) Implied revocation occurs where the Donor makes it impossible for the power to be exercised by the Donee, for example, by performing the act himself. Chime v Chime.
13. (B)
14. (D) Sec 9 CA.
15. (C) Power of attorney executed by the principal members of a family, minus the family head is void ab initio. Ajamogun v Oshunrinde.
16. (A)
17. (D) Rule 15 contains the duty of counsel to advise clients within the bounds of the law, and Rule 1 contains the general responsibility of counsel to uphold the rule of law and observe the course of justice. Afopina Esq. breached both Rules.
18. (B)
19. (A)
20. (B)
21. (D) Chime v Chime
22. (C) There is a special mode of creation in certain instances. For example, it must be created by deed where the done will execute a deed.

WEEK 6 & 7

SALE OF LAND

1. Under the Land Use Act, the approval required before granting a right of occupancy to a non-Nigerian is that of:

- a. The President
- b. Federal Executive Council
- c. National Judicial Council
- d. National Council of States

2. The minimum age requirement for entitlement to a grant of a statutory right of occupancy under the Land Use Act is

- a. 14 years
- b. 18 years
- c. 21 years
- d. 30 years

3. The stages of contract of sale of land in Nigeria do not include:

- a. Pre-contract stage
- b. Post contract stage
- c. Pre-completion
- d. None of the above

Senator Dino Melaye, a prominent politician in Nigeria, owns several properties in Enugu, Dubai, Port-Harcourt, Lagos, London, Abuja and Kogi. He intends to sell one of his properties located at plot 128, Ogui Street, Port Harcourt, Rivers State to Mr. Susuam Samuel.

Answer the following questions 4-14 using the scenario above.

4. The document required to be drafted at the contract stage of the transaction would be prepared by:

- a. Mr. Susuam's solicitor

- b. Senator Dino Melaye's solicitor
- c. Either of the solicitors can validly prepare it

- d. The two solicitors acting together

5. One of the following does not apply after the contract stage.

- a. Mr. Susuam acquires an equity in respect of the property
- b. Senator Dino Melaye becomes a qualified trustee in respect of the property
- c. Senator Dino Melaye's death will not affect the contract
- d. Mr. Susuam is automatically entitled to possession

6. Balance of purchase price would be paid at what stage of the transaction?

- a. Completion stage
- b. Contract stage
- c. Post completion stage
- d. Post contract stage

7. At what stage will Senator Dino Melaye be required to deduce title?

- a. During the contract
- b. Before the completion
- c. After the completion
- d. During completion

8. The following except one are correct when Senator Dino Melaye deduces his title:

- a. Senator Dino Melaye produces proof of previous dealings on the land and how title devolved on him
- b. Senator Dino Melaye gives security for the purchase price
- c. Senator Dino Melaye advances evidence that he has a good root of title

- d. Senator Dino Melaye gives a summary of the contents of the documents relied on by him

9. Senator Dino Melaye would be required to deduce his title for:

- a. 30 years
- b. 20 years
- c. 12 years
- d. 40 years

10. After Senator Dino Melaye has deduced his title, which of the following will not be discovered from the documents handed over?

- a. All discharged mortgages and charges
- b. Number of tenants occupying the property
- c. Whether documents are well executed
- d. None of the above

11. If at the contract stage, Senator Dino Melaye's solicitor receives the deposit as a stakeholder, it implies one of the following:

- a. The solicitor collects the money as Senator Dino Melaye's agent
- b. In case of misappropriation, Senator Dino Melaye will forfeit his professional fee
- c. The money will be given by the solicitor to the person entitled to it at the end of the transaction
- d. The solicitor is free of liability after depositing to an affidavit in case of loss

12. If Senator Dino Melaye sells the land as a beneficial owner, which of the following will not be implied?

- a. Quiet possession
- b. A good right/title to convey
- c. That the lease is valid and subsisting
- d. That the property is free from encumbrances except those disclosed.

13. What will be the correct order of the conveyance transaction between Senator Dino Melaye and Mr. Susuam Samuel?

- a. Preliminary enquiries-----contract---
--perfection
- b. Investigate title-----execute contract---
-----execute assignment
- c. Contract-----preliminary enquiries---
-----Assignment
- d. Preliminary Enquiries-----Contract---
-----Deduction of title

14. The responsibility of preparing the completion statement rests on:

- a. Either of the solicitors
- b. The two solicitors acting together
- c. Mr. Susuam's solicitor
- d. Senator Dino Melaye's solicitor

Toluwani has entered into a sale of land agreement with Blessing for the sale of her property located in Agbor, Delta State for the sum of ₦2 million. The agreement was executed on the 13th of April, 2020, but before then, 10% of the purchase price was paid by Blessing to Toluwani's solicitor.

Answer the following questions 15-21 using the above scenario.

15. The 10% of the money paid by Blessing signifying her commitment to the transaction is:

- a. Deposit
- b. Consideration
- c. Part payment
- d. Premium

16. None of the following is incorrect about the 10% of the purchase price paid except:

- a. Upon Toluwani's default, it is refundable to Blessing
- b. It will be received by Toluwani's solicitor as a stakeholder
- c. Upon Blessing's default, it is refundable to Blessing
- d. Toluwani's solicitor will act as an interpleader in respect to it.

17. A physical inspection on the property by Blessing would reveal:

- a. Patent defects on the property
- b. Latent defects on the property
- c. Overriding interest on the property
- d. Defects on the instrument of transfer

18. If in the formal contract executed by the parties, there is possession before completion clause, the vendor (Toluwani) is advised to let the purchaser in as a/an:

- a. Lessee
- b. Tenant
- c. Licensee
- d. Equitable owner

19. At the contract stage, the duty to seek the Governor's consent is that of the:

- a. Blessing
- b. Toluwani
- c. Blessing's solicitor
- d. None of the above

20. At the completion stage of the contract between the two parties, they will be properly called:

- a. Lessor and Lessee
- b. Vendor and Purchaser
- c. Mortgagor and Mortgagee
- d. Assignor and Assignee

21. The person to draft the document at the completion stage which will transfer title in the property is:

- a. Toluwani's solicitor
- b. Blessing's solicitor
- c. Any of the solicitors can do it
- d. An outsourced estate surveyor

22. The stamp duty payable on a contract of sale of land is

- a. Ad valorem
- b. Fixed
- c. It depends on the jurisdiction
- d. 40%

23. A contract of sale of land is a registrable instrument in all but one of the following states:

- a. Ondo State
- b. Edo State
- c. Kwara State
- d. Delta State

24. While a deed becomes binding upon delivery, a contract of sale of land becomes binding upon:

- a. Delivery
- b. Exchange
- c. Registration
- d. Fulfilment of condition precedent

25. The following are activities that take place during the post contract stage except:

- a. Preliminary investigation
- b. Investigation of the vendor's title
- c. Deduction of title
- d. None of the above

26. The document evidencing the financial obligation of parties and the obligations they are expected to meet in a contract of sale agreement is the:

- a. Completion statement
- b. Financial obligation statement
- c. Balance statement
- d. Balance sheet

27. A good root of title to a property has all but one of the following elements:

- a. It must convey both legal and equitable interest
- b. It must give adequate description to the property to make it ascertainable
- c. It must clearly state/describe the owner
- d. It must be subject to a higher interest

28. None of the following constitutes a bad root of title except:

- a. Vesting order
- b. A Deed of gift
- c. Deed of lease
- d. A legal mortgage

Iyinoluwa Ajayi bought a duplex for her company in No. 20, Marina Road, Lagos Island from her friend, Oluwaseun Oyekan for ₦30,000,000. The parties engaged the services of Mujib Jimoh Esq. to conclude the transaction on their behalf including the perfection of the deed of Assignment. The consideration was paid into Mujib Jimoh's client account, and he later remitted the money to Oluwaseun Oyekan

Answer the following questions 29-31

29. For Mujib Jimoh to be able to represent both parties in this case, which of the following must be present?

- a. Agreement of parties, sound root of title, absence of conflict of interest
- b. Small consideration, clear terms of contract, availability of other legal practitioners

- c. Discretion of Mujib Jimoh Esq., availability of other legal practitioners, sound root of title
- d. Agreement of parties, discretion by Mujib Jimoh Esq. and availability of other legal practitioners.

30. Who has the duty to deduce title in the above transaction and at what stage of the contract will it be done?

- a. Iyinoluwa Ajayi; during the contract
- b. Oluwaseun Oyekan; before the completion
- c. Iyinoluwa Ajayi; after the completion
- d. Oluwaseun Oyekan; during completion

31. If Oluwaseun Oyekan sells the land as a beneficial owner, which of the following would not be implied?

- a. Quiet possession
- b. A good right/title to convey
- c. That the lease is valid and subsisting
- d. That the property is free from encumbrances except those disclosed.

Mr. Eno Ibok has agreed to the sale of a plot of land covered by a certificate of occupancy dated 5th February 1999 and registered as 15/15/555 at the Lands registry, Calabar, Cross River State. The Buyer is Mr. Bassey Bassey. The consideration is ₦25 million.

32. It is advisable for the parties to enter into a contract first for the following reasons except:

- a. To give the purchaser ample time investigate the title
- b. To prevent the vendor from increasing the price arbitrarily
- c. Death of either party cannot affect the transaction.
- d. To make the transaction slow and steady

33. Where Mr. Eno Ibok is an illiterate, it will be necessary to include -----in the agreement.

- a. An illiterate Juror
- b. An illiterate Jurat
- c. An illiteracy clause
- d. An illiterate Assignor

34. In perusing the abstract of title, Mr. Bassey Bassey's solicitor must consider all but one of the following.

- a. Whether there is any break in the devolution of title.
- b. Statutory time within which title must be deduced
- c. Whether the mortgagor can create subsequent mortgages
- d. None of the above

35. The advantages of an abstract/epitome of title include the following, except:

- a. Assists the purchaser's solicitor in preparing a search Report
- b. Provides a prima facie evidence of any defect in the vendor's title
- c. Does not help the solicitor make appropriate requisitions
- d. Provides at a glance the nature of the vendor's title

36. A schedule of events or transactions affecting land arranged in a chronological order of devolution, accompanied with copies of documents of title is:

- a. Abstract of title
- b. Epitome of title
- c. Requisition of title
- d. Deducing of title

37. One of the following is not a matter to be included in a search report conducted in respect of a property:

- a. Value of the property
- b. Encumbrances if any
- c. Particulars of property
- d. Owner of property

Alhaji Ibrahim Wasiu is a successful businessman who owns several landed property across various cities in Nigeria. Chief Nurideen desires to purchase one of these properties, the one located in Lekki, Lagos, covered by a certificate of occupancy No. LA/12/08 and registered as 20/19/2018 in the Lagos Land Registry, Ikeja . The parties have agreed on ₦50million as the purchase price and ₦10 million for fixtures and fittings. It was further agreed that the contract would be completed and balance of purchase price paid within three months after the exchange of contract.

As an extern in the law office of Oladipo Olasope, your principal has called you to answer the following questions.

38. How would you describe the above transaction?

- a. Lease
- b. Part performance
- c. Agreement to sell
- d. Mortgage

39. Why do you think the parties separated the purchase price from the cost of fixtures and fittings?

- a. To facilitate the consent of the governor
- b. To allow for immediate possession of the fixtures and fittings
- c. To carefully determine the stamp duty payable
- d. All of the above

40. The implication of the property being covered by a certificate of occupancy is:

- a. The property belongs to the Lagos State Government
- b. There is a leasehold relationship between Alhaji Ibrahim Wasiu and the Lagos State Government
- c. The Lagos State Government has power to issue certificate of occupancy
- d. All of the above

41. One of the following is a consequence of Chief Nurideen not completing the contract within the three months after exchange as agreed:

- a. Chief Nurideen will be committed to prison
- b. Chief Nurideen will be required to secure Governor's consent.
- c. Chief Nurideen will be exempted from liability from the contract
- d. He may pay interest on the balance of the purchase money.

42. The final document to be executed in this transaction ought to be stamped not later than ____days after execution to avoid penalty

- a. 60 days
- b. 33 days
- c. 30 days
- d. 23 days

43. The following are valid requirements of an open contract except:

- a. Sealing
- b. Writing
- c. Signing
- d. Property

44. The minimum requirement for oral contract for sale of land does not include:

- a. Payment of purchase price
- b. It must be in writing
- c. Taking of possession by purchaser

- d. Presence of witnesses

45. In perfecting a Deed of assignment, which of the following is not required to accompany an application for governor's consent;

- a. Evidence of Tax clearance for 3 years for both parties
- b. Evidence of payment of Development fee
- c. Copies of the contract of sale agreement
- d. Copies of the deed of assignment executed

46. A solicitor conducting a search for sale of a land needs not look at:

- a. The land registry
- b. The land itself
- c. Abstracts of title
- d. None of the above

47. Exchange of contract gives to the Purchaser one of the following titles

- a. Legal title
- b. Legal and equitable title
- c. Equitable title
- d. Unexpired term of the Vendor

Tolani Jacobs has applied to buy a duplex from the Lagos State Property Development and Property Corporation (LSDPC). He however wants the contract to be subject to mortgages from Eko bank PLC. He obtained the mortgage facility to buy the property on the security of the same property. He wants to move into the house as soon as possible. His application has been approved by LSDPC.

48. Which of the following is true from the above facts?

- a. Tolani Jacobs cannot move into the house unless he finishes paying for it.

- b. Tolani Jacobs cannot use the LSDPC house which he has paid for as security in a mortgage.
- c. LSDPC will be a surety in the mortgage agreement between Tolani Jacob and Eko Bank PLC.
- d. Tolani Jacobs should know that nemo dat quod non habet will apply.

49. The stages of sale in Nigeria are divided into_____

- a. Two
- b. Five
- c. Three
- d. Four

50. Which of these is incorrect about a contract of sale of land?

- a. In the event of default by purchaser, the deposit is forfeited
- b. The payment of deposit is usually made to the vendor's solicitor as a stakeholder
- c. The remedy of a vendor when the buyer defaults in payment of balance of purchase price is an action for recovery
- d. Only death can terminate the contract after completion stage

ANSWERS

WEEK 6 & 7

SALE OF LAND

1. (D) Sec. 46(1), LUA.
2. (C) Sec. 7, LUA.
3. (C)
4. (B) At the contract stage, the document (contract of sale of land) is prepared by the vendor's solicitor.
5. (D) Contract of sale of land does not transfer legal title to the purchaser, but only equitable title is transferred. And unless possession before completion is agreed by the parties, the buyer does not automatically become entitled to possession of the property after the contract stage.
6. (A) The following activities take place at the completion stage of a contract of sale of land: payment of balance of purchase price by the Assignee, preparation of completion statement by the **Assignor** and drafting and execution of deed of Assignment by the parties. Deed of Assignment is drafted by the **Assignee's solicitor**.
7. (B) Deducing title is done at the post contract stage, which comes **before the completion stage**. Other activities that take place at the post contract stage include: investigation and drafting of search report.
8. (B) Deducing of title does not entail giving security by the vendor for the purchase price of the property.
9. (D) The land in question is situate in Port-Harcourt, Rivers State, where the CA is applicable. Under the CA, a vendor is required to deduce his title for a period of **40 years**, while under the PCL, it is **30 years**.

10. (B) Number of tenants occupying the property would only be discovered upon physical inspection of the property, not through the abstract or epitome of title.
11. (C) Here, the knowledge of interpleader summons in Civil Litigation would be helpful. Receiving the money as a stakeholder means that the solicitor is not acting as an agent for the vendor, but as a trustee for both parties, and would be liable to pay the money to the party that eventually becomes entitled to it.
12. (C) It is a sale of land, not a lease agreement. Sec. 7, C.A.
13. (D)
14. (D) Completion statement is prepared by the Assignor's solicitor, in this case, Senator Dino Melaye's solicitor.
15. (A) Deposit is different from part payment. The former is paid before the conclusion of the contract to show commitment on the part of the purchaser, while part payment part of the purchase price made after the conclusion of the contract.
16. (C) One of the features of deposit is that upon default by the purchaser in completing the contract, the deposit may be treated as forfeited. But if it is the vendor that defaults, the deposit would be returned to the purchaser.
17. (A) Physical inspection would reveal **patent defects** on the property. **Yandle v Sutton**. These are defects that can be discovered with reasonable inspection. Latent defects are defects that cannot be easily discovered even with reasonable inspection.
18. (C) Where there is possession before completion in a contract of sale; it is advisable for the vendor to let the purchaser in as a licensee so that in the event of default, one does not have to go through the rigorous process of regaining the property. As a licensee, all that is required is a 7 days' notice of eviction. **Street v Mountford**.
19. (D) Note that at the contract stage, there is no need for governor's consent because legal title is not transferred at this stage. **Solanke v Abed**.
20. (D)
21. (B) The Assignee's solicitor is the one responsible for drafting a deed of Assignment. And in the scenario, Blessing is the Assignee.
22. (B) Contract of sale of land attracts a fixed stamp duty unlike a deed of assignment, where the stamp duty payable is advalorem.
23. (C) Contract of sale is a registrable instrument in the PCL states of the old Western region, but it is not in the Northern States. Sec. 58, Laws of Northern Nigeria. In the Eastern States, the law is silent, but in the case of *Okoye v Dumez* it was held that a contract of sale is registrable.
24. (B) Awojugbabe Light Industries Ltd v Chinukwe
25. (A)
26. (A)
27. (D) A good root of title must not be subject to higher interest. The reason a lease is not a good root of title is because the interest in a lease is subject to a higher interest, the reversionary interest of the lessor.
28. (C)
29. (A) **Smith v Mansi**
30. (B) Deducing title is the responsibility of the purchaser and it is done at the post contract stage or 'before completion' stage.
31. (C)
32. (D)

33. (B)
34. (C)
35. (C) One of the advantages of abstract/epitome of title is that it helps the purchaser to raise necessary requisitions.
36. (B)
37. (A)
38. (C)
39. (C)
40. (D)
41. (D) Interest on balance of purchase should be included in a contract of sale agreement so that in the event of default by the purchaser in performing its obligation within the stipulated time, the interest would serve to remedy any damage the vendor might have suffered. However, unless otherwise agreed, this does not preclude the vendor from seeking damages in court for breach of contract.
42. (C)
43. (A) Sealing is not one of the minimum requirements of an open contract. The minimum requirements are: writing, property, parties, purchase price and signature.
44. (B) The fact that it is oral excludes the requirement of writing.
45. (C) 'Copies of sale of land agreement' is not one of the documents to accompany application for governor's consent.
46. (D)
47. (C) One of the legal effects of exchange of contract at the contract stage is that the purchaser acquires equitable title in the property. Legal title is still with the vendor. The legal title will only pass when a deed of assignment is executed at the completion stage.
48. (C)
49. (B) There are five stages of contract of sale of land: Pre-contract stage, Contract stage, Post contract stage, Completion stage and Post-completion stage.
50. (D) Death of either party does not terminate a formal contract of sale of land. **Yusuf v Dada**. This is one of the advantages of a formal contract of sale of land. In the event of the death of any of the parties, the personal representatives are bound by the contract.

WEEK 9 & 10

LEASES I & II

A lease agreement was entered into between Mallam Aminu Kano of No. 20, Old Airport Road, Baguda, Kano and Ezigwe Awudu, a businessman of No. 8, Jude Avenue, Kano, Kano State. The former agreed to grant a term of 10 years of his property situate at No. 5, Old Garage way, Bagudu, Kano to the latter on the condition that the latter pays all the 10 years rent in advance, not subject to any review, which is the total sum of ₦10,000,000.

Using the above scenario, answer the following questions 1-7.

1. All but one are disadvantages of charging multiple years rent in advance:

- a. Incidence of inflation
- b. Tax implication
- c. Legislative restriction
- d. Concentration of income

2. The factors to be considered when fixing rent do not include:

- a. Location of the property
- b. Applicable legislation
- c. Economic status of the tenant
- d. State and condition of the property

3. In law, by default, rent is payable

- a. In advance
- b. In arrears
- c. Quarterly
- d. Bi-annually

4. One of the following is not a type of rent that may be demanded by Mallam Aminu Kano:

- a. Development rent

- b. Premium
- c. Rack rent
- d. Ground rent

5. In the lease agreement, the responsibility of obtaining the Governor's consent is that of:

- a. Mallam Aminu Kano
- b. Ezigwe Awudu
- c. Solicitor to Mallam Aminu Kano
- d. None of the above

6. Failure to obtain the Governor's consent in the transaction has none but one of the following effects:

- a. The transaction is valid
- b. The transaction is invalid
- c. The transaction is inchoate
- d. The transaction is voidable at the pleasure of the Governor

7. At the end of the term given, the lessor is entitled to the ownership and exclusive possession of the land because of the doctrine of:

- a. Inalienability of interest
- b. Residuary interest
- c. Reversionary interest
- d. Transferred interest

Mrs Sharon Smith, owner of a vacant plot of land at No. 292, Bwari Estate, Bwari, gave Mallam Malaya the use of the land for as long as he desires to use it at a yearly rent of ₦30,000 only as a Suya spot. Both parties having discussed and agreed on the terms to guide the relationship sealed the deal with a handshake and Mallam Malaya entered into possession.

Answer the following questions 8 - 11

8. What is the nature of the relationship between the parties?

- a. The relationship is a lease created in perpetuity
- b. The relationship is a parole lease
- c. The relationship is an agreement to create a lease
- d. None of the above

9. Which of the following represents the most appropriate position on the validity of the above transaction assuming the parties intended it to be a lease?

- a. It is not valid because the agreement is not in writing
- b. It is valid since the parties and property are identifiable
- c. It is invalid because it lacks certain essential ingredients of a lease
- d. It is invalid only because it was not created by deed

10. Identify the implication of Mrs Sharon not agreeing on a specific number of years

- a. Provided Mallam Malaya keeps up the agreed yearly payment, there is no implication
- b. An essential element of a lease has been omitted thereby creating a perpetual lease
- c. It makes the transaction a mere gentleman's agreement
- d. All of the above

11. Comment on the validity of the above transaction assuming all other things being equal, the commencement was hinged on the day Mallam Malaye was able to pay the first ₦30,000 agreed on.

- a. The transaction will be invalid since there is no specific date of commencement
- b. The transaction will be inchoate

- c. The transaction will be valid since equity looks as done that which ought to be one
- d. The transaction will be valid provided Mallam Malaya is able to pay ₦30,000 on a certain day

12. The type of rent which is regarded as a fine and hence prohibited in some states is

- a. Premium
- b. Ground Rent
- c. Rack Rent
- d. None of the above

13. In Lagos State, a Landlord is prohibited from demanding how many years' rent in advance from a yearly tenant?

- a. One year
- b. Two years
- c. Three years
- d. Four years

14. The key feature that distinguishes a deed of lease from other deeds is the presence of:

- a. Habendum
- b. Testatum
- c. Reddendum
- d. Testimonium

During your externship at the Law firm of Oladipo Olasope and Co, Mr. Simon Akande, owner of a block of four flats of four bedrooms each located at No. 10, Jericho Street, Awolowo, Ibadan, retained the services of the firm.

Mr. Simon Akande has agreed to grant a term of 7 years to Engineer Toni Oshoba of No. 4, White House Street, Mokola, Ibadan. You have been asked by your field supervisor to prepare the relevant documents.

Answer the following questions 15- 21

15. Which of the following will you not insert in the introductory part of the document to be prepared?

- a. Name of the parties
- b. Assessment of the rent to be paid
- c. Date
- d. Address of the parties

16. What covenant will you insert to ensure that the house is used only for residential purpose?

- a. Covenant not to assign
- b. Usual covenant
- c. User covenant
- d. Used covenant

17. Assuming Mr. Simon asked you to insert a clause in the document prepared by you that would allow him the use of one of the master bedrooms in the demised property whenever he visits Ibadan. What will be the effect of the agreement?

- a. Invalid for ambiguity in arrangement
- b. Invalid for uncertainty of term
- c. Valid but subject to contract
- d. Invalid for lack of exclusive possession

18. Which of the following will not be contained in the reddendum?

- a. Amount of rent
- b. Method of computing
- c. Date of payment of rent
- d. Mode of payment of rent

19. In the event that Engineer Toni Oshoba fails to pay the rent reserved in the lease, Mr. Simon may be entitled to all but one of the following:

- a. Action in court to recover the rent
- b. Action for forfeiture

- c. Action in distress
- d. Action for foreclosure

20. Where Mr. Simon and Engineer Toni are considering who to insure the property in the transaction, the following except one are factors to be considered:

- a. The insurance company
- b. Existing obligation
- c. The risk involved
- d. Nature of the demised property

21. The appropriate clause you will insert to protect Engineer Toni from being liable to pay rent in the event of destruction of the property is:

- a. Abatement of rent review clause
- b. Abatement of rent clause
- c. Abatement of rent renewal clause
- d. Cessation clause

22. The difference between a lease and a tenancy is duration, usually expressed to be

- a. 2 years or above
- b. 2 years or below
- c. 3 years or above
- d. Above 3 years

23. Economic rent refers to:

- a. Ground Rent
- b. Premium
- c. Rack Rent
- d. All of the above

24. The major difference between a sale of property and a lease is?

- a. Reversionary interest of the vendor is retained in a sale unlike in a lease
- b. Reversionary interest of a lessor is retained in a lease unlike in a sale

- c. Reversionary interest is retained in a sale only upon the agreement of the parties
- d. All of the above

25. The general rule on use of premises is that premises____

- a. Can only be used for the purpose it was given
- b. Can only be used for the agreed purpose
- c. Can be used for any purpose as long as it is legal
- d. Can be used for all purposes, legal or illegal

26. Upon the breach of a user covenant, the landlord has all but one of the following remedies:

- a. Action for injunction
- b. Action for damages
- c. Action of forfeiture
- d. Action for negligence

27. One of the following covenants contains the phrase “yielding and paying”

- a. Covenant to repair
- b. Covenant against assignment
- c. Covenant to pay rent
- d. User covenant

Chief Daddy, a prominent Nigerian, who owns several properties across various cities in Nigeria, has agreed to grant a term of 10 years on one of the properties, specifically the one located in Lekki, Lagos, covered by a certificate of occupancy No. LA/12/08 and registered as 20/19/2018 in the Lagos Land Registry, Ikeja to Mr. Madu Nkemdilim. The consideration for the grant is the sum of ₦1,000,000 paid annually, subject to review

after a period of five years. Also, there is an option to renew clause in the agreement.

Answer the following questions

28. The transaction in the above scenario is properly called:

- a. Lease
- b. Tenancy
- c. Assignment
- d. Sub-lease

29. The parties would be properly designated as:

- a. Lessor and Lessee
- b. Landlord and Tenant
- c. Assignor and Assignee
- d. Sub-lessor and sub-lessee

30. The document evidencing the transaction will be prepared by:

- a. Sub-lessor's solicitor
- b. Landlord's solicitor
- c. Assignor's solicitor
- d. Lessor's solicitor

31. One of the following is not part of the contents of an option to renew clause contained in the agreement:

- a. Period within which to exercise the option
- b. Condition to be fulfilled before exercising the option
- c. The person that should assess the new rent
- d. Terms that would govern the new lease

32. One of the following is not part of the contents of the rent review clause in the agreement between the parties:

- a. Method of initiating review
- b. Mode of dispute resolution

- c. The exact rate of increase/decrease as the case may be
- d. Time frame for the review

33. The obligation to pay the ground rent is by law, that of the:

- a. Head-lessor
- b. Sub-lessor
- c. Sub-lessee
- d. Lessee

34. The Tenancy law of Lagos State applies to all of the following places except

- a. Shomolu
- b. Ikeja
- c. Apapa
- d. Oshodi

35. A landlord becomes entitled to take over possession of the demised premises where the tenant breaches the covenants by reason of____

- a. Surrender
- b. Merger
- c. Forfeiture
- d. Foreclosure

Bosah has agreed to lease his 6 bedroom apartment in No. 5, Kalu Orji Street, Port Harcourt to Oji for 6 years at ₦67 million per annum. A deed was created to that effect. The lease was agreed to commence after Oji had built 2 small buildings in front of the demised building, one for the lessor and the other for the lessee. After the first building was completed, a pandemic broke out forcing everyone to stay indoors for the safety of all for a long time. After the pandemic, Oji communicated with Bosah that he was ready to build the second building and move in but Bosah refused him entry and use of the property claiming that the lease was invalid because there was no commencement date in the lease.

Answer the following questions

36. One of the following is not an essential element of a valid lease:

- a. Certainty of term
- b. Certainty of property
- c. Exclusive possession
- d. Rent

37. Only one of the following statements is correct from the above scenario:

- a. The lease is invalid because parties were yet to complete agreement prior to the flu
- b. The lease is invalid because of the absence of commencement date
- c. The lease agreement is valid as all essential elements of a valid lease were present
- d. None of the above

Crystaland Hotels Limited of Plot 518, Adeola Odekun Street, Victoria Island, Lagos, took possession of plot 518, Adeola Odeku Street for 10 years. The Lease between Crystal Hotels Limited and the owner of the property, Otunba Jide Eqware of No. 258, Obalende, Lagos contains amongst others the following clauses:

- i. The Lessor shall on the written request of the Lessee made at least 3 months before the expiration of the current term, grant to the lessee the demised premises for another term of 10 years on the same terms and conditions (except the rent clause) as this lease.
- ii. The Lessor shall on the Lessee exercising the option in clause (i) grant the new term at a 20% increase in rent.
- iii. The Lessee covenants with the lessor not to assign, sublet or part with any

part of demised premises without the written consent of the Lessor.

- iv. The Lessee shall use the demised premises for Hotel business only.

The lease would expire on 31st July 2020. On 5th January, 2020 Crystal Hotel Limited, instructed its Lawyer Udezi Ovia of Udezi & Associates of No. 212, Maryland, Lagos to write a letter to Otunba Jide Eqware exercising the option in clause (i) of the lease and to also inform Otunde Jide Eqware of the Hotel's desire to renegotiate clause (ii) because in view of the present economic downturn the 20% increase in the rent is not feasible.

Answer the following questions

38. Clause (i) in the lease above is termed:

- a. Option to purchase reversion clause
- b. Rent renewal clause
- c. Option to review clause
- d. Option to renew clause

39. A major disadvantage in the draft of clause (i) in the lease agreement is:

- a. It has created a perpetually renewable lease
- b. The time frame for exercising the option is too short
- c. The new term granted is too high
- d. All of the above

40. The implication of the instruction given Udezi Ovia in respect to renegotiation of clause (ii) in the lease agreement is all but one of the following

- a. It constitutes a new offer by the lessee
- b. The lessor is bound to renegotiate the clause
- c. It exempts the lessor from being bound by the clause if renegotiation fails

- d. None of the above

41. The effect of clause (iii) is all but one of the following:

- a. It gives unrestricted power to sublet to the lessee
- b. It restricts the power of the lessee to sublet the demised property
- c. It is an express covenant in the lease agreement
- d. Its breach may give rise to forfeiture and re-entry

42. The grounds under which Otunba Jide Eqware can reasonably refuse or withhold consent assuming Crystaland Hotels Ltd. desires to sublet the property include all but one of the following:

- a. Personality of the proposed sub lessee
- b. Use to which the property would be put
- c. Amount of rent to be paid by the sub lessee
- d. Nature of the property

43. The remedies of a lessee where the lessor unreasonably refuses assignment or subletting do not include:

- a. Lessee can sublet without lessor's consent
- b. Action for damages
- c. Specific performance
- d. Forfeiture and re-entry

44. Assuming the agreement between the parties contains a proviso for an option to purchase reversion, which has been agreed, one of the following is not implied by the presence of that clause:

- a. The lessee becomes an equitable owner

- b. The lessor becomes a qualified trustee
- c. It is independent of other covenants in the lease
- d. The lessor cannot sell the demised property to a third party

45. Chief Nana has concluded an agreement in a deed, to grant a term of 15 years on one of his property situate at No. 12, Crescent Avenue, Victoria Island to Atiyah & Co LP, a firm of legal practitioners registered under Part B of CAMA. The lease is to commence when the certificate of occupancy is obtained in respect of the property by the lessor.

Which of the following statements is correct about the transaction?

- a. It is valid for all intents and purposes
- b. It is invalid because one of the parties lacks capacity
- c. It is invalid because its commencement date is not certain
- d. It is invalid because the property is not sufficiently described

46. Chief Nana has also concluded another agreement for the grant of a term of 4 years on his property in No. 5, Aso Villa, Maitama, to Mr. Donald Bush, the ambassador of Britain to Nigeria. One of the following covenants in the lease agreement would not be binding on Mr. Donald Bush:

- a. Covenant to pay rates and outgoings
- b. Covenant to pay rent
- c. Covenant against assignment
- d. None of the above

47. A lease may not lawfully be determined by:

- a. Reasonable force to eject
- b. Notice to quit
- c. Forfeiture

- d. Expiration of a term

48. A merger occurs in one of the following circumstances:

- a. Where a third party acquires the lease and the reversion
- b. Where the lessee retains the lease and acquires the reversion
- c. None of the above
- d. All of the above

49. Mr. Okoro is a yearly tenant of a 4 – bedroom duplex in Wuse, Abuja. The tenancy commenced on the 1st of October, 2019 and would terminate in September, 2020.

One of the following is not a step to be taken in order to validly determine the lease agreement between the parties:

- a. Written authority of the landlord to the agent
- b. Application to court to serve notice to quit
- c. Service of notice to quit
- d. None of the above

50. To validly determine the tenancy, the notice to quit must be served on him latest on:

- a. 1st March, 2020
- b. 20th February, 2020
- c. 30th March, 2020
- d. 1st February, 2020

ANSWERS

WEEK 9 & 10

LEASES

1. (D)
2. (C) The economic status of the tenant is usually immaterial when considering the amount to charge as rent on a property.
3. (B)
4. (A) Development rent is not a type of rent. The three types of rent are: ground rent, rack rent and premium.
5. (D) A lease, and not an alienation of land by lease, does not require the consent of the Governor because no legal title is transferred; only possession is transferred, for a term of years certain. However, under the Land Registration Law of Lagos State, a lease for more than 5 years requires the Governor's consent. Sec. 42 of the Lagos State Land Registration Law (LRL).
6. (A) Failure to obtain Governor's consent in a lease agreement does not affect the validity of the agreement, provided all other requirements are met.
7. (C) Reversion is the interest which remains in the lessor after the expiration of the term granted to the lessee.
8. (D) There cannot be a lease in perpetuity. Also, the relationship is not a parole lease, because a parole lease must not exceed three years, but that limit was not set in the agreement. Neither is the relationship an agreement to create a lease.
9. (C) It is invalid because the agreement lacks certain essential ingredients of a

lease, like certainty of term. A lease cannot exist in perpetuity. **Lace v Chantler.**

10. (B)
11. (D) In this instant case, the commencement date is hinged on the happening of a certain event, and once the event happens, the lease will commence on that day.
12. (A)
13. (A) Section 4 of the Tenancy Law of Lagos State.
14. (C) Reddendum is the rent clause, which is only found in a deed of lease.
15. (B) The introductory part of a Deed contains the following: Commencement, Date, Parties and Recital.
16. (C) The proper terminology is 'user' covenant, and it is different from usual covenants in a lease agreement. User covenant restricts the use to which the property can be put, while usual covenants are covenants inserted in a lease based on the facts or evidence surrounding the agreement, like quiet possession, payment of rent.
17. (D) Exclusive possession is an essential requirement for the validity of a lease. The lessee must have the right to exclude every person from the property including the lessor. In *Clore v Theatrical Properties Ltd*, it was held that a document which purports to be a lease but fails to confer exclusive possession is not a lease.
18. (B) 'Method of computing rent' is a content of a rent review clause, not a content of the Reddendum.
19. (D) Foreclosure is not a remedy available to a lessor against a lessee who fails to pay rent. Foreclosure is common to a mortgage transaction.

20. (A) Insurance company is not a factor to be considered in determining who bears the responsibility of insuring the demised property. Some of the factors to be considered include: existing obligation on the property, nature of the property, usage of the property.
21. (B)
22. (D) Grant of a term of 3 years is a tenancy. A lease must be above 3 years.
23. (C) Another name for economic rent is rack rent.
24. (B) In a sale of land, reversionary interest of the vendor is transferred, unlike in a lease, where there reversionary interest of the lessor is retained.
25. (C) The general rule is that a demised premises can be used by the lessee for any lawful purpose. *Dawodu v Odulaja*.
26. (D)
27. (C)
28. (D) It is a sub-lease because the implication of the property being covered by a certificate of occupancy is that the Governor of Lagos State is the owner of the property, and as such he is the Head-lessor. Chief Daddy in this case is the sub-lessor, while Mr. Madu is the sub-lessee.
29. (D)
30. (A)
31. (C)
32. (C) What we have is the method of calculating the new rent, not the exact rate of the increase or decrease.
33. (B) The ground rent is paid by the holder of the certificate of occupancy, the sub-lessor. **Sec. 5, LUA.**
34. (C) The Tenancy Law of Lagos State does not apply to Victoria Island, Ikeja GRA, Apapa and Ikoyi.
35. (C) Forfeiture and Re-entry is a proviso in a lease agreement which operates to bring a lease to an end earlier than it would otherwise terminate, usually due to breach of certain covenants by the lessee. Note that the law presumes against forfeiture of leases, thus, the clause must be expressly stated in a lease agreement.
36. (D) Rent is not an essential requirement for the validity of a lease. A lease agreement can be valid notwithstanding the fact that the lessee pays no rent.
37. (C) The lease is valid because all the elements of a valid lease were present. Bosah's argument that there was no commencement date would not stand because the commencement date was hinged on the happening of a certain event. Oji was ready to make that event happen to bring to bring the lease agreement between the parties alive. **Bosah v Oji. Okechukwu v Onuorah.**
38. (D) Option to renew clause.
39. (A) With the way the clause was drafted in the scenario by omitting the option to renew clause, it has the disadvantage/implication of creating a perpetually renewable lease. A perpetually renewable lease is one which has not excluded the option to renew clause and it has made the rent payable under the new term to be at the previous rate. *RE Hopkins Lease*.
40. (B) The implication of the instruction given is that a new offer is proposed by the lessee. The lessor is not bound to accept the offer, and if negotiation fails, the lessor is no longer bound by the covenant of option to renew; as it would be deemed that the condition for

the exercise of the option had not been met by the lessee. **IITA v KHAWAM.**

41. (A) It is clear from the way the covenant against assignment was drafted that the power of the lessee to sublet has been greatly limited.
42. (C) For the factors to be considered, see the case of **Ideal Films Renting Co. v Nelson.**
43. (D) Forfeiture and re-entry is a remedy for the lessor, not the lessee.
44. (C) It is actually dependent on observance of some covenants in the lease like the payment of rent.
45. (B) Organisations registered under Part B of CAMA such as law firms, are not juristic persons. One essential feature of a lease is that the parties must be certain and must possess capacity in law. **UBA v Tejumola and Sons Ltd.**
46. (A) Mr. Donald Bush is a diplomat, and by Sec. 9 of the Diplomatic and Immunities and Privileges Act, he is exempted from the payment rates and taxes. To avoid being in breach of this provision and make sure he still gets the rates, it is advised that Chief Nana should include it in the amount to be paid as rent.
47. (A) Reasonable force to eject amounts to self-help, which is prohibited by law.
48. (B)
49. (B)
50. (C) The length of notice is 6 clear months. The notice must also expire on the last day of the tenancy, which is 30th September, 2020. The notice must be served latest on 31st March to fulfill these requirements.

WEEK 11-13

MORTGAGES 1, 2 & 3

1. One of the following is not a reason land is the most preferred security used for mortgage transactions:
 - a. Indefeasibility of title to land
 - b. Stability of landed property
 - c. Potential of increase in value over time
 - d. Easy enforceability of security on land
2. The major difference between a mortgage and a sale of land transaction is:
 - a. In a mortgage, reversionary interest is retained in the mortgagor while in a sale, the assignor divests himself of all his interest
 - b. In a mortgage, only equitable interest is transferred, while in a sale, both legal and equitable interests are transferred
 - c. In a mortgage, title is transferred but there is a proviso for cessar upon redemption, while in a sale, title is transferred but there is no such proviso
 - d. All of the above
3. The apex mortgage institution in Nigeria is:
 - a. Central Bank of Nigeria
 - b. Federal Mortgage Bank
 - c. Federal Government Bank of Nigeria
 - d. Commercial Banks
4. The Federal Mortgage Bank of Nigeria gives long term loans of usually around ____ years with interest rates as low as ____
 - a. 20 years and 6% respectively
 - b. 30 years and 3% respectively
 - c. 20 years and 3% respectively
 - d. 30 years and 6% respectively

Mr. Tutu Dawson recently witnessed a series of setbacks in his business which affected his family. As a matter of fact, his children were on the verge of being sent out of school due to default in payment of their school fees. Mr. Tutu then approached First Bank of Nigeria PLC on the 10th of April, 2020 to obtain a loan to the tune of ₦10,000,000 (Ten Million Naira only) to get his business and family on track. He used his property located in No. 10, Bukola Saraki Street, Benin City, Edo State, as security for the loan. The loan is to be repaid within the next 10 years with an interest of 10% per annum.

Assuming you were retained by First Bank of Nigeria PLC to negotiate the loan and perfect the transaction, answer the following questions 5-10

5. To ensure that Mr. Tutu Dawson has valid title to the property, you should:

- a. Answer requisition raised to his title
- b. Deduce his title to the property
- c. Investigate his title to the property
- d. All of the above

6. One of the following is not a mode through which the mortgage agreement between Mr. Tutu Dawson and First Bank of Nigeria PLC could have been created:

- a. Assignment
- b. Sub demise less few days
- c. Charge by deed expressed to be by way of legal mortgage
- d. Statutory charge

7. How will First Bank of Nigeria PLC deal with the reversionary interest in the property above?

- a. Power of Attorney
- b. Trust Declaration
- c. All of the above

d. None of the above

8. One of the following is not a remedy available to First Bank PLC if Mr. Dawson fails to repay the principal sum and interest

- a. Power to appoint a receiver
- b. Action in court to recover the money
- c. Forfeiture and re-entry
- d. Foreclosure

9. The title document that would best prove Mr. Tutu Dawson's ownership of the mortgage property is:

- a. Deed of legal mortgage
- b. Deed of Assignment
- c. Assent
- d. Deed of vesting declaration

10. One of the following would not be an option should the parties opt for equitable mortgage:

- a. Deposit of title document accompanied by an intention to create a mortgage
- b. Deposit of title deed with the bank
- c. Equitable charge
- d. An agreement to create a legal mortgage

Adanma Esiege has just disposed off the remainder of her personally held right of occupancy in favour of Greenland Bank PLC to secure a loan facility of ₦200 million to be taken by Adanma's private company, Adanma's Trading Nigeria Ltd of which Adanma Esiege is the MD/ CEO. The mortgage property is the block of six flats at Independence Layout, Enugu, Enugu State. The transaction which is under seal took effect on the 15th of January, 2020 and the legal due date is 14th January, 2030. Udeh Kosi aged 27, a self-employed Estate Consultant, was appointed by the Bank to act as the Bank's

agent for the transaction other than the execution of the final papers. On the 15th of March, 2020, Adanma created a 6-year lease on the mortgaged property in favour of Bright Foundation (Ltd/Gte).

Answer the following questions 11-16 using the scenario above.

11. One of the following is not true of the power given to Udeh Kosi:

- a. Must be under seal to be validly created
- b. Need not be under seal to be validly created
- c. Need not be revoked by Deed
- d. Is revocable

12. The mortgage in the above transaction was created by_____

- a. Charge by Deed expressed to be by way of legal mortgage
- b. Assignment
- c. Sub-demise
- d. Demise

13. In the mortgage transaction above, Adanma Esiege is:

- a. An agent
- b. A Borrower
- c. A Mortgagor
- d. A surety

14. Only one of the following statements is untrue about the mortgage transaction above:

- a. Mortgagor retains no reversionary interest
- b. Interesse Termini applies
- c. Creation of a subsequent mortgage is possible before 14th January 2030
- d. It is a tripartite mortgage transaction

15. Which of the following is true of the lease agreement created between Adanma and Bright Foundation (Ltd/Gte)?

- a. It is illegal
- b. It is automatically foreclosed
- c. It is lawful
- d. It is absolutely prohibited

16. One of the following is not a circumstance that will warrant the need for a tripartite mortgage agreement:

- a. Where the mortgagee is an individual and not a corporate organisation
- b. Where the property used as security is not up to 70% of the value of the loan sought to be obtained
- c. Where the mortgagor does not operate an account with the mortgagee, if the mortgagee is a commercial bank
- d. Where the mortgaged property does not belong to the mortgagee

House of Gold Ltd, a company having its registered address in Asaba, Delta State, seeks leverage on the opportunity presented by Access Bank PLC to obtain loan of up to ₦50 million with just 5% interest to be repaid within a period of 5 years. However House of Gold Ltd is faced with a challenge of not having a single property that is even half the value of the loan it wants to obtain. The company has other fixed assets like machines which it uses to produce its products but it does not wish to transfer the property in these assets to Access Bank PLC to obtain the loan. You have been approached by House of Gold Ltd to help the company secure the loan from Access Bank PLC.

17. What is the best mode of creating a legal mortgage that would enable House of Gold Ltd achieve its desire?

- a. Sub demise less few days
- b. Charge by deed expressed to be by way of legal mortgage
- c. Assignment of the unexpired residue in the properties
- d. Deposit of title deed accompanied with an agreement to create a legal mortgage

18. The following except one are the advantages of the mode of creation you identified above:

- a. There is transfer of title to the mortgagee
- b. It is simple to create
- c. It can be discharged by a statutory receipt
- d. Convenient for mortgaging multiple properties

Chief Okonna has agreed to sell his plot of land located in Efuluwe, Agbor, Delta State to Mr. Igini. The parties have agreed that the property will be used as security for a loan of ₦5 million to be obtained by Mr. Igini from Fidelity Bank PLC which will be used as payment for acquisition of title in the property. Also, it was further agreed that Mr. Igini will paid 10% of the total purchase price as deposit before the contract is concluded.

Answer the following questions

19. Which clause must be inserted in the sale of land agreement to secure the deposit paid by Mr. Igini in the event of failure of the mortgage?

- a. Exemption clause
- b. Mortgage relief clause
- c. Deposit relief clause
- d. Contract subject to mortgage

20. The following except one are essential contents of the clause you have identified above:

- a. Amount of purchase price of the property
- b. Source of the loan
- c. Amount of interest payable
- d. Manner of repayment of the loan

Hajia Samson Joyce, an Illiterate business woman, owns the following properties:

- i. A parcel of land at No. 10, Lankan road, Enugu road, Enugu state
- ii. A bungalow at No. 208 Penang Close, Ado Ekiti, Ekiti State

To strengthen her business, she needed the sum of fifty five million naira only (₦55,000,000) to import building materials from China. As no single bank was willing to grant her such huge sum, she secured a loan of twenty-five million naira (₦25,000,000) from Liberty Bank PLC by using her property in Enugu. She then got the sum of thirty million naira (₦30,000,000) from Freedom Bank PLC by mortgaging her property in Ado Ekiti, Ekiti State. The two properties are covered by Certificates of Occupancy granted by the governors of the respective states. Both loans are to be repaid within 6 years.

Answer the following questions 21-28

21. All of these are ways of creating mortgage with Liberty Bank PLC except:

- a. Assignment
- b. Deed of statutory mortgage
- c. Charge by deed expressed to be by way of legal mortgage
- d. None of the Above

22. Which of these is a way of creating legal mortgage with Freedom Bank PLC?

- a. Demise
- b. Sub-demise
- c. Assignment
- d. All of the above

23. The relationship between the Governor of Enugu State and Hajia Samson Joyce is that of _____

- a. Mortgagor and mortgagee
- b. Lessor and Lessee
- c. Donor and donee
- d. Assignor and assignee

24. The relationship between Hajia Samson and Freedom Bank PLC is ____ respectively:

- a. Mortgagee and Mortgagor
- b. Lessor and lessee
- c. Donor and donee
- d. Mortgagor and Mortgagee

25. Which of these is not a way of creating an equitable mortgage?

- a. Agreement to create a legal mortgage
- b. Creation of an imperfect legal mortgage
- c. Creation of mortgage with equitable interest
- d. Creation of mortgage by sub-demise

26. Who, according to law, is responsible for drafting the deed of legal mortgage between Hajia Samson and Freedom Bank PLC?

- a. Hajia Samson's solicitor
- b. Freedom Bank PLC's solicitor
- c. The Governor's solicitor
- d. None of the above

27. To mortgage the property in Ado Ekiti for a term of at least one day shorter than the term of Hajia's interest, the mortgage shall be by _____

- a. Demise
- b. Assignment
- c. Sub-demise
- d. Conveyance

28. Liberty Bank PLC had to consult you as solicitor on how the bank, as the mortgagee, can deal with the reversionary interest of a mortgagor in respect of the mortgage property in Enugu in exercise of its power of sale?

- a. Trust declaration
- b. Power of attorney
- c. All of the above
- d. None of the above

29. Where a mortgagee has two or more mortgages on different properties with the same Mortgagor, the mortgagee may refuse to permit the mortgagor to redeem one without the other(s) through the doctrine of:

- a. Atonement
- b. Togetherness
- c. Redemption
- d. Consolidation

Ogidan Obateru owns a two storey building apartment in Lokoja, Kogi state, which he rented out to different persons under different lease agreements. While all the lease agreements were still subsisting on the property, Ogidan Obateru approached Guarantee Trust Bank for a loan of ₦5 million using that same property. The Deed of legal mortgage was perfected on the 12th of January, 2020.

Answer the following questions 30-33.

30. Which of the following is true of the existing lease agreements on the property after creation of the mortgage?

- a. The lease agreements would be binding on the mortgagee
- b. There shall be a merger

- c. The mortgagee becomes entitled to the rents on the property
- d. All of the above

A clause in the mortgage deed states that the mortgagee will charge 12% of the total mortgage sum as interest per annum but if the mortgagor delays payment of interest in any year, the interest will then be 20%.

31. Which of the following statements is true of the clause above?

- a. It is binding and enforceable
- b. It is a positive covenant in the mortgage deed
- c. It is expressed as a punitive measure and the court will not enforce it
- d. None of the above

32. Assuming the mortgage is in respect of a property located in Lagos State, which of the following statements will be correct?

- a. Mortgage will be created using Form 5 of the Mortgage and Property Law
- b. The mode of creation of the mortgage will depend on which part of Lagos the property is located
- c. The mortgage will be created by charge accompanied by an agreement to create a legal mortgage
- d. Mode of creation of mortgage will depend on whether the property has a right of occupancy or a leasehold interest

33. Assuming the mortgage created was an equitable mortgage and the mortgagor has defaulted in the performance of his obligations, how can the equitable mortgagee enforce the mortgage?

- a. Action for specific performance

- b. Seek the order of court to sell the security
- c. All of the above
- d. None of the above

34. In a mortgage transaction, the duty to seek Governor's consent is that of?

- a. Mortgagee
- b. Mortgagor
- c. Guarantor
- d. None of the above

Mr. Jeje Surulere, a retired civil servant, took a loan of ₦10,000,000 (Ten Million Naira) from Keystone Bank PLC, Enugu in January 2013. He used his duplex at No. 30, Bank Road, Nsukka to secure the loan. In April 2014, he applied to the same Bank for an additional loan of ₦5,000,000 (Five Million Naira) to be secured by the same property. The Bank declined his request saying that such a thing was not known to law. Fearing that Mr. Surulere might approach other banks for loans using the same property, the Bank advertised the property for sale by public auction notwithstanding that the initial loan was yet to become due. Mr. Jeje Surulere has approached you for advice.

Answer the following questions 35-41

35. Which of the following laws will be inapplicable in the scenario above?

- a. Property and Conveyancing Law
- b. Mortgage and Property Law
- c. Stamp Duties Act
- d. A and B

36. From the scenario, only one of the following is not an incorrect position of the law:

- a. In Enugu, upstamping of loan is impossible because of the doctrine of intercessi termini
- b. In Enugu, creation of successive legal mortgage is impossible
- c. In the circumstance, the bank was right to sell the mortgage property to realise its loan
- d. None of the above

37. One of the following is not a condition for an upstamping of a mortgage deed:

- a. The parties must be the same
- b. The due date for repayment of the initial mortgage must have passed
- c. The mortgaged property must be the same
- d. New loan facility is given upon the mortgaged property

38. None of the following is incorrect about successive legal mortgage except:

- a. It is applicable in all the jurisdictions
- b. It involves different Mortgagees
- c. It involves the same property
- d. It involves different mortgages

39. Assuming from the above, Mr. Wasiu Ayinde purchased the property at a public auction for the sum of ₦20,000,000 (Twenty Million Naira Only),, which of the following is true of Mr. Wasiu?

- a. He does not get a good title
- b. He will get a good title subject to the title of the mortgagor
- c. He will get a good title notwithstanding the irregularity
- d. None of the above

40. For a statutory power of sale to arise, the following conditions must exist except:

- a. The mortgage must be created by deed

- b. The legal due date must have passed
- c. Notice requiring payment must have been given to the mortgagor
- d. There must be no contrary intention against sale in the deed

41. The conditions that make a power of sale to become exercisable include any of the following except:

- a. There must have been failure in payment of principal sum for three months after it has become due
- b. Some interest must have been in arrears and unpaid for two months after notice has been served
- c. There has been a breach of a fundamental covenant in the mortgage deed by the mortgagor
- d. There must have been notice requiring payment of principal sum and default in payment for three months after such notice

42. The reasons why a sale of a mortgage property can be set aside do not include

- a. Where there has been collusion amounting to fraud
- b. Where the mortgagee sells at a lower price
- c. Where there is evidence that the principal sum and interest has been in full by the mortgagor
- d. Where the mortgagee sells not to himself but to his privy

43. Which of the following is correct where a purchaser buys a property after the power of sale arises but before it becomes exercisable?

- a. The purchaser will not get a good title
- b. The purchaser will get a good title notwithstanding the irregularity

- c. The mortgagor is entitled to an injunction
- d. The purchaser will get a good title subject to the title of the mortgagor

44. Once a mortgage always a mortgage implies all but one of the following:

- a. Upon the expiration of the legal right to redeem, the equitable right to redeem continues.
- b. The right to redeem cannot be taken away by express agreement.
- c. The mortgagor's equity of redemption is not extinguished by sale or foreclosure
- d. Any clause or clog in a mortgage against redemption is void

Mr. Israel Sani got a loan of ₦100,000,000 (One Hundred Million Naira) in 2009 from Unity Bank PLC using his twin Duplex situate at No.5 River Lane, Asokoro Abuja, as security. The twin Duplex is worth ₦300,000,000 (Three Hundred Million Naira) considering the current market value as at 2009. In 2019, Mr. Israel Sani got an additional loan of ₦120,000,000 (One Hundred and Twenty Million) on the same security from Unity Bank PLC to enable him finance the political party he identifies with.

45. Which of the following is correct from the scenario?

- a. Mr. Israel lacks capacity to obtain an additional loan using the same security.
- b. Mr. Israel could take an additional loan on the same terms and conditions as the previous loan.
- c. Mr. Israel could only take such additional loan on different terms and conditions.
- d. None is applicable.

46. Which of the following is correct?

- a. Mr. Israel needed the FCT Minister's consent regarding the additional loan.
- b. The Bank needed to conduct a separate search on the property used as security.
- c. All that would be required is up-stamping regarding the additional loan.
- d. Mr. Israel ought to have engaged a different Solicitor to act on his behalf in respect of the second loan.

47. The wrong assertion about the mortgagee's right of possession is:

- a. It arises upon creating a mortgage
- b. It does not render the mortgagee liable in trespass
- c. It is contingent upon breach by the mortgagor
- d. None of the above

Bank of the West Plc and Chief Okeme Aminu entered into a mortgage transaction in respect of his property situate at 20 Lamido Adamawa Way, Yola, Adamawa State by way of sub-demise in 2009. The mortgage sum and interest were to be fully paid in 10 years' time, that is, 2019. Chief Okeme Aminu has defaulted in his obligations. Bank of the West has approached you for advice on what it should do in order to get its principal sum and interest.

Answer the following questions

48. If the solicitor of Bank of the West PLC failed to carry out investigation on the property prior to the mortgage, which of the following is true when the Bank exercises its power of sale and sells the property?

- a. The vendor will be liable for professional negligence

- b. The purchaser will be held by doctrine of caveat emptor in respect of latent defect
- c. The purchaser may end up buying a defective title
- d. All of the above

49. One of the following is true when the Bank has obtained an order of foreclosure and the amount realised from such sale is insufficient to discharge the loan:

- a. The bank can sue for balance
- b. The bank cannot sue for the balance
- c. The bank can sue for specific performance
- d. The bank can attach other properties belonging to him

50. Assuming the mortgagor is a company registered under CAMA, the effect of failure to register the legal mortgage with the Corporate Affairs Commission is not one of the following:

- a. The mortgage would be void against the liquidators of the company
- b. The mortgage would be void against the creditors of the company
- c. The mortgage sum and interest shall become immediately payable
- d. The transaction is inchoate

51. The company as the mortgagor would be required to register the mortgage within how many days of its creation?

- a. 90 days
- b. 60 days
- c. 3 months
- d. 30 days

52. Foreclosure extinguishes

- a. The legal right to redeem

- b. Equitable right to redeem
- c. Equity of redemption
- d. All of the above

53. A foreclosure order nisi lasts for_____.

- a. 3 months
- b. 6 months
- c. 9 months
- d. 12 months

54. The statutory power of sale not requiring a Court order_____

- a. Is only available to a legal mortgagee
- b. Is only available to an equitable mortgagee
- c. Is only available in a mortgage created by deed
- d. All of the above

55. Which of these modes of creation of a mortgage can be discharged by statutory receipt?

- a. Deed of statutory mortgage
- b. Assignment
- c. Sub-demise
- d. None of the above

56. A mortgage created by assignment cannot be discharged by_____

- a. Statutory receipt
- b. Deed of discharge
- c. Deed of surrender
- d. None of the above

57. As a general rule, one of the following is true about consolidation:

- a. It is a requirement of law
- b. It is prohibited
- c. It is the right of a mortgagor
- d. It is the right of a mortgagee

58. Covenant to observe and perform any condition in the head-lease is most relevant in a mortgage created by:

- a. Statutory Mortgage
- b. Legal Charge
- c. Assignment
- d. Sub-demise

59. Which of these rights of a mortgagor terminates after the legal due date has passed?

- a. Equitable right to redeem
- b. Legal right to redeem
- c. Equity of redemption
- d. All of the above

60. The elements necessary for consolidation of mortgages do not include:

- a. There must be an agreement to consolidate
- b. Legal due date must have passed
- c. The parties must be the same
- d. It must be one property

61. The appropriate mode of creation of legal mortgage where the mortgagor decides to reserve the reversionary interest in the property is____

- a. Assignment
- b. Equitable charge
- c. Demise
- d. Sub-demise

62. The following except one are advantages of sub-demise as a means of creation of legal mortgage:

- a. Absence of privity of estate between the mortgagee and headlessor
- b. Uniformity in all jurisdictions
- c. Mortgagor retains reversionary interest
- d. Guarantees creation of successive legal mortgage

63. The following except one, are instances where a governor's consent is not needed in mortgage transactions:

- a. Where the mortgagor is a corporate body registered under CAMA
- b. Re-conveyance of a mortgage property
- c. Upstamping of a mortgage
- d. Equitable mortgage

64. Where a mortgage is created by deed under the CA and the PCL, the right to insure is vested in the:

- a. Mortgagor
- b. Mortgagee
- c. Any of the parties
- d. The guarantor

65. All but one of the following are reasons you will advise your client as the mortgagee, not to take possession of a mortgage property:

- a. Liability for deterioration that might occur on the property
- b. Liability to account for profits made
- c. Profits made will be deemed payment of principal sum and interest
- d. None of the above

66. In a mortgage created by deed, the power to appoint a receiver:

- a. Is an implied power
- b. Must be expressly provided in the deed
- c. Is subject to approval by the court
- d. Must be subject to the consent of the Governor

67. For the statutory power of sale to arise in a deed of legal mortgage:

- a. All the four conditions must be present
- b. All the three conditions must be present
- c. Only two of the conditions are enough

- d. One of the conditions is enough

68. For the statutory power of sale to become exercisable:

- a. All the four conditions must be present
- b. All the three conditions must be present
- c. Only two of the conditions are enough
- d. Any of the conditions is enough

69. Which of the following is the proper order for the application of the proceeds of sale of a mortgaged property?

- a. Discharge of prior encumbrances, payment of cost of sale, payment of outstanding mortgage sum and interest, balance to the mortgagor
- b. Payment of cost of sale, discharge of prior encumbrances, payment of outstanding mortgage sum and interest, balance to the mortgagor
- c. Payment of outstanding mortgage sum and interest, discharge of other encumbrances, payment of incidental cost of sale, balance to the mortgagor
- d. Payment of incidental cost of sale, Payment of outstanding sum and interests, discharge of prior encumbrances, balance to the mortgagor

70. In a mortgage created by a company, to effectively discharge the mortgage, the company must file a memorandum of satisfaction using:

- a. Form CAC 8
- b. Form CAC 10
- c. Form CAC 9A
- d. Form CAC 9

ANSWERS

WEEK 11-13

MORTGAGES 1-3

1. (A) Title to land can be defeated by someone with an overriding title. Thus, indefeasibility of title to land is not a reason land is used as security for mortgage.
2. (C) Depending on the mode of creation, in mortgage, reversionary interest is also transferred. The most distinguishing feature of a mortgage is the proviso for cessar upon redemption of the loan. This means the title in the mortgage property would revert to the mortgagor as soon as he fulfils his obligation in the mortgage agreement.
3. (B)
4. (D) The Federal Mortgage Bank gives loan facility with up to 30 years repayment period with interest as low as 6%.
5. (C) Investigation of title is what should be done as solicitor to the mortgagee to ensure that the title to the property is valid.
6. (A) The location of a property determines the mode of creation of a mortgage and the law(s) applicable. The property in question is in Edo State, where the PCL applies. Assignment is not one of the ways of creating a legal mortgage under the PCL.
7. (D) Note that a mortgage created by sub-demise under the PCL states does not need the insertion of the remedial devices of power of attorney or trust declaration before the mortgagee can sell the property in the event of default by the mortgagor. **Sec. 112 of PCL**

confers statutory power of sale for the mortgagee where the mortgagor defaults.

8. (C) Forfeiture and re-entry is a remedy available to a lessor against a lessee who defaults. The remedy entitles the lessor to determine the lease agreement upon breach of a fundamental covenant by the lessee. It is not an appropriate remedy for a mortgagee in a mortgage transaction.
9. (B) Deed of Assignment constitutes a good root of title, and it is the best choice among the list of options, to prove ownership of the property.
10. (B) Mere deposit of title deed without an intention to create a mortgage does not operate as an equitable mortgage. *British & French Bank Ltd v S.O. Akande*. *Bank of the North v Akintoye*.
11. (A) Since Udeh Kosi was appointed to act as the agent of the bank for the transaction **other than the execution of the final papers**, then his appointment need not be under seal to be valid. It is only when a Donee would be required to execute a deed that his appointment must also be by deed.
12. (B) The first sentence of the questions says “Adanma Esiege has just disposed off **the remainder of her personally held right of occupancy...**” This shows that she transferred all her rights in the demised property to the mortgagee. That is an Assignment, which is applicable under the CA only.
13. (D) This is a tripartite mortgage agreement made between Adanma’s Trading Nigeria Limited (mortgagor), Greenland Bank PLC (mortgagee) and Adanma Esiege(guarantor/surety). Adanma is the surety because she

provided the property used as collateral for the loan advanced to the mortgagor.

14. (C) Since the property is in Enugu, where the CA is applicable, the doctrine of *interesse termini* applies. The doctrine means all interests terminate after a legal mortgage has been created. Thus, successive legal mortgage, which involves using the same property subject to a mortgage to obtain a different loan from another mortgagee, is prohibited under the CA. However, Sec. 163 PCL abolished the doctrine of *interesse termini*. This means successive legal mortgage is possible under the PCL.
15. (C) A mortgagor can lawfully create a lease on a mortgage property and enjoy the proceeds from the payment of rent on the lease. The lease created would be binding on the mortgagee. Sec. 18(1), CA.
16. (A) Creation of a tripartite mortgage agreement has nothing to do with whether the mortgagor is an individual or a corporate body. Options B, C, and D are circumstances where there will be need for a tripartite mortgage agreement.
17. (B) Since the company does not wish to transfer the title in the collection of assets to use as security, charge by deed expressed to be by way of legal mortgage is the best option. This method does not transfer any legal interest, and is best suited to create a mortgage over mixed properties.
18. (A) This mode of creation does not transfer legal title in a property to a mortgagee, yet it confers on the mortgagee all the powers and privileges of a legal mortgagee.

19. (D) Once a contract is subject to mortgage, in the event of failure of the mortgage, any deposit paid would be returned to the purchaser.
20. (A) The contents of a valid contract subject to mortgage are: source of loan, amount of loan, terms and manner of repayment and interest payable.
21. (C) The property used to secure the loan with Liberty Bank PLC is located in Enugu, where the CA applies. Charge by deed expressed to be by way of legal mortgage is not a recognized way of creating a legal mortgage under the CA.
22. (B) Note that legal mortgage cannot be created by demise under any of the jurisdictions because of Section 1 of the LUA which vests all the lands in the State in the Governor. Thus, the highest interest a person can have on land is 99 years. Assignment is not a recognized way of creating a legal mortgage under the PCL.
23. (B) The Governor is the owner of the land; thus he is the lessor, while Hajiya, the holder of the certificate of occupancy, is the lessee.
24. (D) Hajiya Samson is the mortgagor, while Freedom Bank PLC is the mortgagee. Take note of the arrangement and the word 'respectively'. Presence of mind is always needed to answer MCQs.
25. (D) Creation of mortgage by sub-demise is a way of creating legal mortgage, applicable in all the jurisdictions.
26. (B) Mortgage deed is drafted by the mortgagee's solicitor. The mortgagee is the one that would lose if no agreement is drafted.
27. (C) The property in question is located in Ekiti where PCL applies. Remember that demise is not a way of creating legal mortgage, and assignment is not applicable in PCL. Sub-demise is a way of creating legal mortgage where the term of years granted by the mortgagor is less than the term vested in the mortgagor by the certificate of occupancy. In short, the mortgagor retains the reversionary interest in the property, unlike in Assignment, where the reversionary interest is transferred to the mortgagee as well.
28. (C) The property in Enugu is governed by CA. Under the CA, for a mortgage created by sub-demise, the drafting/remedial devices of power of attorney or trust declaration must be inserted into the mortgage deed. These empower the mortgagee to exercise his power of sale in case of default, as an appointed agent of the mortgagor, without recourse to the mortgagor.
29. (D) Note that generally, consolidation is forbidden, unless expressly provided in the mortgage agreement. Consolidation occurs where for example, Hajiya uses different properties to obtain different mortgages from Liberty Bank PLC. Liberty Bank PLC may consolidate the mortgages into one and therefore, Hajiya must redeem all the properties at the same time, and not separately.
30. (A) The position of the law is that where there was a lease agreement subsisting on a property before a mortgage, the lease would be binding on the mortgagee. Sec. 18(1), CA. However, where the lease is created after the mortgage, then the determining factor is possession. The party in possession of the mortgage

property can create a lease binding on the other. However, the mortgagee is advised not to take possession of the mortgage property.

31. (C) The covenant to pay the principal sum and interest must be drafted as a positive inducement and not as a negative inducement. If drafted as a negative inducement, the court would most likely not enforce it.
32. (D) Sec. 15 and 16 of the Mortgage and Property Law (MPL) of Lagos State.
33. (C) In an equitable mortgage, before the mortgagee can sell the mortgage property upon default, the permission of the court must be sought.
34. (B) The owner of the property or the person who holds the certificate of occupancy is the one to seek the Governor's consent. In a mortgage, it is the mortgagor.
35. (D) Since the property is in Enugu, both the PCL and the MPL would be inapplicable.
36. (B) Successive legal mortgage is impossible under the CA. However, the principle of upstamping of mortgage is applicable in all the jurisdictions.
37. (B)
38. (A) Successive legal mortgage is not applicable in all jurisdictions. It is prohibited under the CA.
39. (A) In the above scenario, the legal due date has not lapsed. One of the conditions for the power of sale to arise is that the legal due date of the mortgage must have passed. The principle is that a sale of a mortgage property where the power of sale has not arisen is void. Thus, a purchaser would not acquire a good title. However, where a mortgagee sells a

property after the power of sale has arisen but before it becomes exercisable, a purchaser for value without notice would get a good title, subject to the title of the mortgagor. Sec. 21, CA; Sec. 126, PCL. Nigeria Advertising Services Ltd v UBA.

40. (C) For the power of sale to arise, three conditions must be fulfilled: the mortgage must be created by deed, the legal due date must have passed and there must be no contrary intention against sale in the mortgage deed. Sec. 19(1), CA; Sec. 123, PCL.
41. (A) The three months is not after the principal sum becomes due, but after notice of demand for payment has been sent. Sec. 20, CA; Sec. 125, PCL.
42. (B) A sale cannot be set aside on the ground that it was done for a low price, except it was sold at a gross undervalue and there is fraud. Sec. 183, PCL; Okonkwo v CCB Ltd.
43. (D) See comment on question 39 above.
44. (C) One fact about a foreclosure order of the court is that it extinguishes the legal right to redeem, the equitable right to redeem and the equity of redemption of the mortgagor. Also, sale of the mortgage property extinguishes these rights.
45. (B) The question centres on upstamping, which is applicable in all the jurisdictions. Upstamping occurs where a mortgagor uses the same property to obtain additional loan from the same mortgagee on the same or different terms and conditions with the previous loan. The mortgage deed would be 'upstamped' meaning there would be payment of additional stamp duties in satisfaction of the increased loan facility granted.

46. (C) For upstamping, governor's consent is not required, because it is the same property. *Owoniboye Tech Services Ltd v Union Bank of Nigeria PLC*.
47. (C) It is wrongly assumed that the mortgagee's right to take possession is contingent upon breach of the covenants by the mortgagor. Meanwhile, position of the law is that the mortgagee's right to take possession arises as soon as a mortgage agreement is made and is not dependent on breach or default by the mortgagor. Sec. 19(1)(10), CA; Sec. 123, PCL.
48. (C)
49. (B) Once a foreclosure order has been made absolute; it forecloses all other remedies by the mortgagee. Thus, where a mortgagee sells a mortgage property pursuant to a foreclosure order and the amount realized from the sale is not enough to cover the principal sum and interest; that would be the end of it. He cannot proceed against the mortgagor under any action to recover the balance.
50. (D) Sec. 197, CAMA.
51. (A) Sec. 197, CAMA.
52. (D) Foreclosure extinguishes the legal right to redeem, the equitable right to redeem and the equity of redemption.
53. (B)
54. (A) Note that it is possible for a mortgage to be created by deed and not operate as a legal mortgage, for example, mortgage of an equitable interest in a property.
55. (A) Deed of Statutory mortgage is used under CA, and it can be discharged by way of statutory receipt.
56. (A) A mortgage created by assignment cannot be discharged by statutory receipt, but either by a deed of discharge or a deed of surrender.
57. (B) As a general rule, consolidation is prohibited. Sec. 115, PCL.
58. (C) In a mortgage created by assignment, the mortgagor transfers all his interest in the land to the mortgagee, with a proviso for cessar upon redemption. The implication of this is that there is privity of estate between the Governor, as the head- lessor and the mortgagee, upon whom interest in the land has been passed. Thus, the covenants in the head lease must be obeyed by the mortgagee. However, in a mortgage created by sub-demise, there is no privity of estate between the Governor as the head- lessor and the mortgagee, because of the reversionary interest of the mortgagor which is retained.
59. (B) Once the legal due date has passed, the legal right to redeem terminates, but the equitable right to redeem and equity of redemption continue to exist.
60. (D) Consolidation involves different properties (mortgages) with the same mortgagor.
61. (D) In sub-demise, the reversionary interest of the mortgagor is retained. That is why it is properly called 'sub- demise less few days'.
62. (D) Sub-demise does not guarantee the creation of successive legal mortgage. Sub-demise is applicable in all jurisdictions, but successive legal mortgage is expressly prohibited under CA.
63. (A)
64. (B) In a legal mortgage or a mortgage created by Deed, the mortgagee has a right to insure. But it can be varied by agreement. Sec. 19(1)(ii), CA; Sec. 123(1)(ii), PCL.

65. (C)

66. (A) In a legal mortgage, the power to appoint a receiver is implied; it need not be expressly provided in the Deed of legal mortgage. However, in an equitable mortgage, the power of appointment must be expressly stated in the Deed.

67. (B) The three conditions for the statutory power of sale to arise are cumulative, meaning that they must all be present at the same time.

68. (D) The conditions for the power of sale to become exercisable are not cumulative. Any of the conditions will suffice.

69. (A) Sec. 21(3), CA; Sec. 127, PCL; Visoni Ltd v NBN.

70. (D) Sec. 204, CAMA.

WEEK 14

BILLING AND ACCOUNTING

Franklin Chukwuebuka SAN is the Principal Partner of Onwuegbuchuman & Co, a law firm based in the Federal Capital Territory. Franklin has represented Gateway Properties Nigeria Ltd for many years in various matters especially in recovery of possession, leases and perfecting property transactions. As at 31st March 2020, Gateway Properties Nig. Ltd was indebted to Franklin Chukwuebuka SAN's firm for the sum of ₦15,000,000 (Fifteen Million Naira). He has written various letters to the company all to no avail.

Answer the following questions

1. What is the step that Franklin Chukwuebuka SAN will take to recover this debt?

- a. Send a bill of charges to Gateway Properties Nig. Ltd
- b. Beg Gateway Properties Nig. Ltd to pay
- c. Resort to self help
- d. Instruct a colleague to write a letter of demand to Gateway Properties Nig. Ltd

2. Which court has original jurisdiction to entertain the matter if Franklin Chukwuebuka SAN decides to institute an action?

- a. District Court
- b. Debt Recovery Tribunal
- c. High Court of Justice
- d. Multi-Door Court House

3. The appropriate mode of commencement of action for the recovery of professional fee in the court you have identified above is?

- a. Originating Summons
- b. Writ of summons

- c. Claims
- d. Originating application

4. If Franklin Chukwuebuka SAN were to send a bill charges to Gateway Properties Nigeria Ltd., what is the stipulated period that he would give the company before he can institute an action?

- a. 21 days
- b. 31 days
- c. 30 days
- d. One month

5. A solicitor acting for both the lessor and lessee in a lease transaction shall be entitled to his professional fee as follows:

- a. Full payment from the lessee and half payment from the lessor
- b. Full payment from the lessor and half of the lessee's fee
- c. Full payment from the lessor and quarter of lessor's fee from the lessee
- d. B and C

6. Where a solicitor acts for both the mortgagor and mortgagee, he is entitled to

- a. Full payment from both mortgagor and mortgagee
- b. Full payment from mortgagee and half payment from mortgagor
- c. Full payment from mortgagor and half payment from mortgagee
- d. Half payment from both mortgagor and mortgagee

Iyinoluwa Ajayi bought a duplex on behalf of her company in No. 20, Marina Road, Lagos Island from her friend, Oluwaseun Oyekan for ₦30,000,000. The parties engaged the service of Mujib Jimoh Esq. to conclude the transactions including the perfection of the deed of Assignment. The consideration was paid into Mujib Jimoh's client account, who

remitted the money to Oluwaseun Oyekan. Mujib Jimoh Esq. agreed to charge his professional fee using the scale as provided in the relevant law dealing with the remuneration of legal practitioners.

Answer the following questions

7. The relevant law being referred to in the scenario above is the:

- a. Rules of Professional Conduct
- b. Legal practitioners Act
- c. Legal practitioners Account Rules
- d. Legal practitioners' Remuneration for Legal Documentation and other Land Matters Order

8. Mujib Jimoh will charge his professional fee under what scale of the law above?

- a. Scale III
- b. Scale II
- c. Scale I
- d. Scale IV

9. In calculating his professional fees under the relevant scale for representing both parties in deducing title to the leasehold property and perusing and completing legal documentation including the deed of Assignment, Mujib Jimoh will be entitled to:

- a. Full payment from both the Assignor and Assignee
- b. Full payment from the Assignee and half payment from the Assignor
- c. Full payment from the Assignor and half payment from the Assignee
- d. Full payment from the Assignee and quarter of Assignee's fee from Assignor

10. Assuming Mujib Jimoh decides to charge his professional fee using Scale III, one of the following is not a factor to be considered:

- a. Value of the property involved
- b. The time expended by him in the transaction
- c. Complexity, novelty and difficulty of the matter
- d. None of the above

In late Mr. Akerodolu Mimiko's Will dated 12th January 2020; he gave one of his Concubines, Mrs Eyinjuoluwa Inumidun his 4 storey building in Ikoyi. Assent was prepared by the personal representatives of the deceased, through which title in the property was passed to Mrs Eyinjuoluwa Inumidun. Mr Chuks, who had lived in the house as a tenant during the lifetime of Akeredolu contested that the title to the land belongs to him as there was a merger agreement between him and the deceased. He has instructed Mr. Wiliki to take up action in court on his behalf.

11. Mr. Wiliki can charge all the following types of fee in the above scenario except ____

- a. Contingent fee
- b. Appearance fee
- c. Scale fee
- d. None of the above

12. If Mr. Chuks feels the Bill served on him by Mr. Wiliki for the services rendered is outrageous and wishes to review it, he could opt for one of the following options:

- a. Apply to Court for bills of cost review
- b. File an action in court to mandate Mr. Wiliki to prove the Bill
- c. Request for taxation of the Bill
- d. None of the above

13. The appropriate court Mr. Chuks can go to for the option you have identified above is?

- a. The High Court
- b. The Magistrate Court
- c. The Rent Tribunal

- d. The Court of Appeal

14. What is the time limit for exercising the option after receipt of the Bill of charges by Mr. Chuks?

- a. Within 10 days
- b. Within 1 month
- c. Within 20 days
- d. Within 2 months

15. Legal services such as searches at the Land Registry and the Corporate Affairs Commission can be charged under what scale of the Bill of Charges?

- a. Scale IV
- b. Scale III
- c. Scale II
- d. Scale I

ANSWERS

WEEK 14

BILLING AND ACCOUNTING

1. (A) The first step is to prepare a Bill of charges, which should set out the particulars of the principal claims and send to the client.
2. (C) The Court with jurisdiction in recovery of professional fee is the State High Court or the High Court of the FCT. Sec. 19(1), LPA.
3. (B)
4. (D) The words used by the Act are **one month**. There is a difference between 30 days and one month. The one month here is one full calendar month and not a clear month. Clear month must have the first and last days of the month, while calendar month is like March 18 – April 17.

5. (D) In leases, the lessor's solicitor is entitled to **the full charges** as computed according to the scale, while the lessee's solicitor is entitled to **half of what the lessor's solicitor is entitled to**. Where a solicitor acts for both parties, he will be entitled to full charges from the lessor plus half of what is due to the lessee's solicitor or quarter of lessor's fee.
6. (B) Fee of a solicitor who acts for both parties in a mortgage is calculated thus: full from the mortgagee according to the scale, and half from the mortgagor according to the scale.
7. (D)
8. (C) Scale I deals with completed transactions of sale, purchase or mortgage.
9. (A) In Assignment, a solicitor acting for both parties is entitled to full payment from both the Assignor and the Assignee.
10. (D)
11. (C) The transaction is contentious. Scale fee is only used when the transaction involves legal documentation or non-contentious matters.
12. (C) Sec. 17 LPA.
13. (A) Sec. 19 LPA 'Court'.
14. (B) **Sec. 17(2), LPA.**
15. (B) There are limited circumstances where a lawyer may charge under scale I (sales, purchases and mortgages) and scale II (Leases). The circumstances where a lawyer may charge using scale III are not limited, but the transaction must not be a contentious one. Thus searches at the land registry and CAC may be charged under scale III.

WEEKS 15, 16 & 17

WILLS AND CODICIL I, II & III

Chief Daddy, a very wealthy man, knew he had to do something about his wealth before his death in order to prevent the crisis in his household snowballing into a full blown war. He thus sent instructions through his driver, Osofia to his solicitor, Professor Kunle Ajayi of Kunle Ajayi LP. The instructions were duly delivered to the solicitor who carried them out by drafting the Will as requested in the instructions. One afternoon, Chief Daddy suddenly experienced an attack while eating a sumptuous meal prepared by his chief cook and he collapsed. He was rushed to the Hospital where he was diagnosed of stroke; depriving him of his ability to speak. He gesticulated to the Doctor attending to him, Dr. Amos and the two Nurses, Agnes and Mercy to sign the Will brought by his solicitor. This they all did in the office of the Doctor, while Chief Daddy was in the Theatre. When he was discharged from the Hospital, he called his solicitor, Professor Kunle Ajayi, in whose custody the Will was, to burn the Will. Professor Kunle Ajayi carried out the instruction in the presence of Wole Esan, a partner and Kunle Aina, the Human Resource Manager of the firm.

Answer the following questions

1. The following are advantages of making a Will except:
 - a. To punish a deviant son
 - b. To avoid the rule of customary law of inheritance
 - c. Opportunity to appoint trusted executors
 - d. Cost of probate is cheaper than letters of administration

2. Chief Daddy can execute the Will:

- a. Only personally
- b. Either personally or through an agent
- c. Personally, through an agent or by acknowledgment
- d. None of the above

3. One of the following is not incorrect about due execution of a will:

- a. The witnesses need not be aware of the contents of the Will
- b. The witnesses must sign in the presence of each other
- c. The witnesses must not exceed two
- d. The witnesses can be anybody

4. For the Will of Chief Daddy to be valid, evidence must be led to prove all but one of the following:

- a. That the instructions were perfectly understood by Osofia
- b. That the instructions were honestly delivered to Professor Kunle Ajayi
- c. That the instructions were signed by Chief Daddy before delivery to Osofia
- d. That the instructions were perfectly understood by Professor Kunle Ajayi.

5. Comment on whether or not the Will of Chief Daddy was validly revoked by him:

- a. It was validly revoked as it was burned at his instructions
- b. It was not validly revoked because it was not burnt in the presence of a member of the household of Chief Daddy
- c. It was validly revoked as there were two witnesses that can attest to the burning

- d. It was not validly revoked because the instructions to revoke was not carried out in the presence of Chief Daddy

6. A will is ambulatory because

- a. It speaks from the death of the testator
- b. It is revocable at any time before the death of the testator
- c. It is testamentary
- d. It distributes the testator's estate upon his death.

7. A will is testamentary because:

- a. It speaks from the death of the testator
- b. The wishes of the testator is final and binding
- c. It can be changed as many times as possible by the testator
- d. It is revocable by the testator

8. The legal age approved under the Wills Act for a person to make a Will is:

- a. 17 years
- b. 20 years
- c. 18 years
- d. 21 years

9. None of the following is incapable of making a privileged will except:

- a. A soldier in actual military service
- b. A member of a crew of commercial airliners
- c. A police officer
- d. A mariner at sea

10. The following are the requirements of a valid Will except:

- a. It must be signed by the testator
- b. It must be in writing
- c. It must be duly executed

- d. It must be attested to in the presence of at least one witness

Madam Chigozie was the only beneficiary of her husband's Will made 20 years ago. She inherited multiple properties and billions of Naira from her husband. She moved on after his death, married another man and they both have three children. Being a prudent woman, who didn't want to leave anything to chance, she instructed her solicitor to draft her Will where she gave all her property to her children. The solicitor carried out her instructions and handed her a printed copy of the Will which she kept in her safe. Two months later, she developed a sudden heart attack. The first thing that came to her mind was the Will kept in the safe. She struggled there, picked the Will and executed it alone. Later in the day when her friends came to visit her at the hospital, she brought out the Will, told the two friends jointly that she executed the Will in the morning and she would like them to both sign as attesting witnesses, which they did.

11. Only one of the following statements is true from the above scenario:

- a. The Will was invalidly executed as the testator signed without any attesting witnesses
- b. The Will was invalidly executed as it was not signed in the presence of the solicitor that drafted it
- c. The Will was validly executed because a will does not need to be attested to before being valid
- d. The Will was validly executed because the testator later acknowledged her signature in the joint presence of two witnesses

12. All the following are correct as regards the attesting witnesses to a Will except:

- a. A witness need not be present when the other witness appends his signature
- b. The witnesses must both be present at the same time to attest the signature of the testator
- c. To be valid, the witnesses must be aware of the content of the will they are attesting to
- d. A witness cannot under any circumstances direct another to sign on his behalf as a witness.

Alhaji Uthman, a native of Lagos State and the husband of two wives, in May 20, 2019 gave instructions to his solicitor as regards his Will. On 30th of May, while travelling from Abuja to Lagos, Alhaji Uthman had a serious accident which caused tumors to grow in his brain, making him insane. Prior to the insanity, he was yet to execute the Will prepared by his solicitor. One of the days at the Psychiatric hospital, the solicitor appeared with two witnesses to execute the Will, and with the help of the doctor, this was done.

Answer the following questions 12-16 using the scenario above

13. Which of the following is correct as regards the Will made by Alhaji Uthman?

- a. It is invalid because of lack of testamentary capacity at the time of executing the Will
- b. It is valid because of presence of testamentary capacity both at the time of making and executing the Will
- c. It is valid because of presence of testamentary capacity at the time of giving instructions and the instructions were given directly to his solicitor
- d. None of the above

14. The factors to be considered in determining whether the testator possesses

testamentary capacity at the time of making his will include the following except:

- a. The testator must understand the extent of the property he is disposing
- b. The testator must have a good sight
- c. The testator must understand the manner in which the property is shared among the beneficiaries
- d. The testator must know and understand the persons who are objects of his bounty

15. Assuming from the above, the instructions were delivered to the solicitor through Alhaji Uthman's driver, the Will can still be valid if all but one of the following conditions are met:

- a. The driver perfectly understood the instruction
- b. The driver delivered the instruction to the solicitor's secretary
- c. The instructions delivered to the driver were clear and unambiguous
- d. The solicitor also perfectly understood the instructions.

16. The most appropriate authority for the principle of law in 15 above is:

- a. Parker v Felgate
- b. Batta Singh v Armichand
- c. Banks v Goodfellow
- d. Okelola v Boyle

17. The authority for the principle that a blind man can make a Will is:

- a. Insitful v Christian
- b. Johnson v Maja
- c. Adebajo v Adebajo
- d. Banks v Goodfellow

Mr. Oke married Mrs Oke under the Yoruba native law and custom. Shortly after the wedding, Mrs Oke received her own part of the family land belonging to her late father, which was recently partitioned. Her husband, Mr. Oke built a house on the land belonging to his wife. Before his death, Mr. Oke made a Will where he disposed off the house to a son he had through his concubine.

18. The most important reason why the disposition of Mr. Oke would be declared invalid is:

- a. Undue influence by the concubine
- b. Lack of testamentary capacity on the part of Mr. Oke
- c. Nemo dat quod non habet on the Mr Oke
- d. All of the above

19. Notwithstanding the effect of the Wills (Amendment) Act of 1852, one of the following remains correct:

- a. Testator must sign at the foot of the Will
- b. Dispositive provisions coming after testator's signature are ineffective
- c. Will not signed at the foot is ineffective
- d. Will signed at the foot requires at least one attesting witness to be valid

20. One of the following is generally incapable of making a Will:

- a. An adult, not subject to disability but has no landed property
- b. A blind man
- c. An illiterate
- d. A young man of 17 who has many landed property

In December 2018, Chief Isiaka Mumuni of 67, Victory Street, Ilupeju, Lagos instructed Mr. Snowball to draft his Will. The Will was executed on April 14, 2019.

The Will, inter alia, contains the following clauses:

- i. My house at No. 2, Ejigbo Street, Lagos State to my bosom friend, Mr. Chris Handsome of the same address during his lifetime and subsequently to his friend, Mr. Cute
- ii. ₦50,000,000 to my first son, Timothy from my Access Bank Account, 1122334455
- iii. One of my houses in Lagos to my first daughter, Beauty.
- iv. A Toyota Prado Jeep to Osofia
- v. The terrace house at 29, Santon Street, Wuse, Abuja covered by certificate of occupancy No. 53571 of 15/7/2005 and registered as 64/64/2005 to my wife, Mrs Elizabeth Mumuni.
- vi. The remainder to my children in equal shares

Chief Aiwere has since the time the Will was executed, acquired more properties.

Now answer the following questions

21. The gift in clause (i) is an example of what type of legacy?

- a. General legacy
- b. Demonstrative legacy
- c. Specific legacy
- d. Ordinary legacy

22. The type of gift in clause (ii) is:

- a. General legacy
- b. Demonstrative legacy

- c. Specific legacy
- d. Pecuniary legacy

23. The type of gift in clause (iii) is:

- a. Specific legacy
- b. Ordinary legacy
- c. Demonstrative legacy
- d. General legacy

24. The gifts that are subject to ademption from the scenario are:

- a. (i), (ii) and (v)
- b. (i) and (v)
- c. (i), (ii), (v) and (vi)
- d. (ii) and (v)

25. The gifts likely to suffer abatement are:

- a. (ii) and (iii)
- b. (iii) and (iv)
- c. (ii), (iii) and (iv)
- d. (i), (ii) and (iii)

26. The absence of clause (vi) will have one of the following effects on the Will:

- a. The Will will be invalid
- b. All the gifts given will fail, but the Will remains valid
- c. Only probate will be granted in respect of the Will
- d. There will be partial intestacy

27. All the following are properties that will constitute gifts in clause (vi) except:

- a. Property sold by the testator after making the Will
- b. Property acquired by the testator after making the Will
- c. Property of the testator not included in the Will
- d. Gifts renounced by their beneficiaries

28. The implication of Mrs Handsome being one of the attesting witnesses to Chief Isiaka Mumuni's Will means none but one of the following:

- a. The Will will be invalid
- b. The Will remains valid
- c. The gift given to Mr. Chris Handsome will fail
- d. B and C

29. The implication of the gift in clause (i) given to Mr. Chris Handsome during his lifetime is:

- a. Mr. Chris Handsome can sell the property in his lifetime
- b. Mr. Chris Handsome may bequeath it in his lifetime
- c. Mr. Chris Handsome must give Mr. Cute in his lifetime
- d. Mr. Chris Handsome should be entitled to the property only during his lifetime

30. One of the following clauses must be inserted in the Will to enable Mr. Snowball demand his professional fees.

- a. Professional fee clause
- b. Remuneration clause
- c. Billing clause
- d. Charging clause

Chief Ojo (68) made a gift of his house at No. 3 Keja Road Lagos to Eunice his concubine (65) in his Will duly executed on the 20th of December, 2019. On the 4th of April, 2020, while Chief Ojo and Eunice were returning home from the wedding ceremony of a friend's son, they had a fatal accident and died instantly.

31. Which of the following is true of the gift given to Eunice?

- a. The gift is deemed to have lapsed

- b. The gift has failed, thus would devolve to the residuary estate of Chief Ojo
- c. The gift is valid and thus would devolve to the estate of Eunice
- d. The gift is deemed adeemed

Abayomi Adeoti, in his Will, made a gift of his 5 star Hotel beautifully equipped with modern facilities, located at No. 5, Oaklane Avenue, Maitama, Abuja to his beautiful wife, Chief Mrs Eniola Adeoti. Shortly after his death but before the Will was admitted to probate, the government of Nigeria compulsorily acquired the 5 star Hotel as an isolation centre for persons with COVID-19, pursuant to the Infectious Diseases Prevention Act, 2020.

Answer the following questions 32 and 33

32. From the scenario, which of the following is true?

- a. The gift of the Hotel is adeemed by the compulsory acquisition
- b. Compensation paid in respect of the acquisition goes to the residuary estate of Abayomi Adeoti
- c. The gift of the Hotel abates by the compulsory acquisition
- d. Compensation paid in respect of the acquisition belongs to Chief Mrs Adeoti

33. Assuming the Hotel was compulsorily acquired during the lifetime of Abayomi Adeoti and the compensation was paid to him, then:

- a. The gift abates
- b. The gift is adeemed
- c. The compensation must be given to Mrs. Adeoti
- d. All of the above

34. The General rule on abatement is that _____ abates first

- a. Residuary legacy
- b. General legacy
- c. Demonstrative legacy
- d. Specific legacy

35. The following are exceptions to failure of gift by lapse except:

- a. Presence of substitutional gifts
- b. Gifts with life interest
- c. Gifts whose natural character has been fundamentally altered
- d. Gifts made in settlement of a debt

36. The sections of the Wills Act and Wills Law of Lagos State which provide that generally a beneficiary in a Will or his or her spouse cannot be attesting witnesses in that Will are:

- a. 15 and 8 respectively
- b. 8 and 15 respectively
- c. 6 and 11 respectively
- d. 11 and 6 respectively

37. The following except one are instances where a Will can be revoked voluntarily:

- a. Where the testator contracts a statutory marriage after making the Will
- b. Where the testator makes a subsequent Will or Codicil duly executed
- c. By a written declaration with the intention to revoke the will
- d. By destruction of the Will with the requisite intention to make it invalid

Use this scenario to answer question 38

- i. Dr. Chuks called his solicitor who was with a copy of his Will to burn the Will

ii. Mr. Emeka picked his Will which he has kept for 5 years, tore the execution part of the Will and kept the remaining piece in the safe

iii. Obianojo took his Will and drew four lines across it with an intention to revoke it then kept it back in the safe

iv. Adeolu tore his Will into four pieces with intention to destroy it. In the process, he was stopped by bystanders including one of the beneficiaries. He then picked up the pieces, glued them together and said "It's a good job, it is no worse"

38. Whose Will was validly revoked in the above scenario?

- a. Dr. Chuks
- b. Mr. Emeka
- c. Obianojo
- d. Adeolu

39. Mr. Adeolu made a codicil to his Will, and in that codicil, he gave his G wagon Mercedes Benz to his bosom daughter, Miss Charlotte Adeolu. Assuming the Will was validly revoked by destruction, then:

- a. The Codicil is revoked
- b. The gift given to the daughter fails
- c. The Codicil and the gift are valid
- d. The Codicil is invalid but the gift will still go to the daughter

Mr. Gbeminiiyi, owner of numerous properties in the two major cities of Nigeria: Lagos and Abuja made a Will in 2019 covering only his properties in Lagos. The beneficiaries in the Will were his immediate family members only. In January 2020, he made another Will which contains no revocation clause, where he disposed of his properties in Lagos to distant

relatives and charitable organisations. After his death, it was discovered that he made two Wills.

40. Only one of the following is not incorrect:

- a. The subsequent Will is invalid as it contains no revocation clause
- b. The subsequent Will has impliedly revoked the first Will
- c. Both Wills are valid as they relate to different properties of the testator
- d. None of the above

Mr. Shugaba, a bachelor executed a Will on the 12th of January, 1995, giving his only inherited house to his best friend, Mr. Deolu. Mr. Shugaba got married to Miss Shogunle on the 15th of January, 2005 under the Yoruba native law and custom. On the 17th of March, 2015, while still being married to Shogunle, Mr. Shugaba went through a celebration of another marriage at the Ikoyi Marriage Registry with Miss Lovejoy. He decided to execute another Will on the 20th of January, 2016 where he gave his houses, apart from 'the only inherited house', to Lovejoy.

Answer the following questions

41. The effect of the marriage of Mr. Shugaba to Miss Shogunle on the first Will is not all but one of the following:

- a. The first Will is deemed revoked expressly
- b. The first Will is invalid because a bachelor lacks the capacity to make a Will
- c. The first Will is deemed revoked by operation of law
- d. The first Will is unaffected by the marriage, thus remains valid

42. The relationship between the first Will and the second Will is that:

- a. Both are valid
- b. The first Will is valid while the second Will is not
- c. The first Will is revoked by the first marriage while the second Will is invalid because the marriage is void
- d. The first Will is revoked while the second Will is valid

43. A Testator's Will would not be revoked by a subsequent marriage in all but one of the following circumstances:

- a. Where the testator got married under the Act with the same person he was initially married to under customary law
- b. Where the Will was made in contemplation of a marriage and the marriage took place
- c. Where the subsequent marriage is a void marriage
- d. None of the above

44. Mr. James Alimi made a Will in 2017 where he gave certain properties to different persons including his wife, Mrs. Esther Alimi. In 2018, Mr. James took his wife whom he married under customary law in 1985 to the Marriage Registry, Lagos and formalised the union in commemoration of his 70th birthday.

All of the following are incorrect about the subsequent marriage except:

- a. The subsequent marriage does not affect the Will
- b. The subsequent marriage is void together with the Will
- c. The subsequent marriage only invalidates the gift to his wife
- d. None of the above

45. _____ is the confirmation or re-affirmation of the validity of an existing Will

- a. Resurrection
- b. Revival
- c. Republication
- d. Restitution

46. Mr. Omanirioma a native of Benin Kingdom made a Will containing the following clauses:

- i. I give my house in No. 5, Sapele street, Delta state, where I have lived all my life to my wife, Mrs Omoni Omanirioma
- ii. I give the remainder of my properties to all my sons in equal shares

Mr. Omanirioma died in 2019 and the Will was admitted to probate. However, Jesse Omanirioma, the first son challenged the validity of the Will because of the disposition made to the first wife.

The appropriate finding the Court would make in the circumstance is:

- a. That the Will is valid and the dispositions therein valid
- b. That the Will is valid, but the disposition to the wife invalid
- c. That the Will is invalid but the disposition therein valid
- d. That both the Will and disposition to the wife are invalid

Mr. Johnson of 35 Royal Road, Ikorodu Lagos is a businessman who deals with the importation and sale of cars in Nigeria. He owns a block of 5 flats at No. 35, Royal Road, Ikorodu Lagos as well as a vegetable farm on 5 acres of land in Epe, Lagos State. Mr. Johnson died on the 13th of July, 2019 after he

executed his will giving all his properties to his wife, Beatrice.

Answer the following questions

47. _____ is not a means by which Mr. Johnson can execute his will

- a. By signing the will personally
- b. By authorising a third party to sign the will in his presence
- c. By authorising a third party to sign the will in his absence
- d. By authorising a third party to sign the will in writing

48. Assuming Mr. Johnson's child is dissatisfied that as a dependent, he was not given any provision in his father's will, the son has within _____ to bring an application to Court for reasonable provisions to be made to him.

- a. 6 days
- b. 6 weeks
- c. 6 years
- d. 6 months

Mr. Dokpesi Eyuba brought out his earlier executed Will to go through and then cancelled his bequest to his second son who recently offended him and wrote in its place the name of his fifth son.

49. The implication of Mr. Dokpesi Eyuba's alteration is:

- a. It is not valid as it was not properly done
- b. It has revoked the earlier Will made
- c. The bequest to the second son is adeemed
- d. The bequest to the second son is abated

50. Which of the following accurately describes Islamic restriction to testamentary capacity?

- a. A moslem cannot by Will give out more than two-thirds (2/3) of his properties to persons other than his heirs.
- b. A moslem cannot by Will give out more than one-thirds (1/3) of his properties to persons other than his heirs
- c. A moslem cannot make a Will disposing of more than 1/3 of his properties
- d. A moslem cannot make a Will disposing of more than 2/3 of his properties

ANSWERS

WEEK 15, 16 & 17

WILLS AND CODICILS I, II & III

- 1. (A)
- 2. (C) There are three ways a Will can be executed: personally by the Testator, through an agent in the presence of the Testator or the Testator pre-signing the Will and acknowledging in the presence of two witnesses.
- 3. (A) The attesting witnesses to a Will need not be aware of the content of the Will they are executing. The witnesses can be more than two. The witnesses can't be anybody because a blind man cannot attest to a Will.
- 4. (C) Generally, in this kind of situation, the Will is invalid on the authority of **Parker v Feltgate** because the instructions were not given directly to the Solicitor. However, in certain circumstances as held in **Batta Singh v Amirchand**, such Will could still be valid on the fulfillment of certain conditions. Signature of the Testator is not one of those conditions. **Batta Singh v Amirchand**.
- 5. (D) To validly revoke a Will by destruction, the instructions to do that must be made by the Testator and must be carried out in his presence, with a clear intention that the Will should be revoked. **RE DADDS**.
- 6. (B)
- 7. (A)
- 8. (D) Sec. 24 of the Wills Act
- 9. (C) Sec. 6 of the Wills Law of Lagos State.
- 10. (D) A Will must be attested to in the presence of at least 2 witnesses.
- 11. (D) **RE RAWLINS**

12. (C) Attesting witnesses need not be aware of the content of the document signed by them.
13. (C) The case of **Parker v Feltgate** is an exception to the rule that a Testator must have sound disposing mind both at the time of giving instruction and executing the Will. The exception is that where a testator has sound disposing mind at the time of giving instructions but later loses it at the time of executing the Will, the Will may be declared valid if the instructions were delivered personally to the Solicitor, who understood it and carried out the instructions diligently amongst others.
14. (B) The factors to consider in determining testamentary capacity were laid down in **Banks v Goodfellow**. Good sight is not a factor as a blind person can make a Will. **Insitful v Christian**.
15. (B) The instructions must be delivered directly to the Solicitor, and not to the solicitor's secretary. **Batta Singh v Amirchand**.
16. (B)
17. (A)
18. (C) One of the limitations to testamentary capacity is that a Testator cannot dispose properties not belonging to him. *Nemo dat quod non habet*. **Oke v Oke**.
19. (B) Any disposition coming after the Testator's signature is ineffective. The property disposed there would fall under intestacy.
20. (D) A person below the age of 18, no matter how rich he or she may be, cannot make a valid Will. If it is under the Wills Act, he must be at least 21 to be able to make a valid Will.
21. (C) The property is well described and it is ascertainable, thus making it a specific legacy.
22. (B) The source from which the gift is to be satisfied was given, thus making it a demonstrative legacy.
23. (D) The property given is not easily ascertainable. There are many houses in an estate, so we don't know which house in particular was given. Thus, the gift is a general legacy.
24. (B) Specific legacies are subject to ademption. There are two specific legacies in the scenario: clauses (i) and (v). Note that demonstrative legacies are not subject to ademption because they are treated as general legacies.
25. (C) General gifts and demonstrative gifts are subject to abatement.
26. (D) Clause (vi) is called the residuary clause, and it is to cater for properties not covered in the Will. The absence of a residuary clause in a Will leads to partial intestacy. **Sec. 53 of the Administration of Estates Law of Lagos State**.
27. (A) Properties sold by the testator after making a Will are no more available for distribution to the potential beneficiaries. The properties are said to have adeemed.
28. (D) Where a beneficiary or the spouse of a beneficiary is an attesting witness to a Will, the Will remains valid – all other things being equal- but the gift given to that 'beneficiary' will fail. **Sec. 15 of the Wills Act; Sec. 8 of the Wills Law**.
29. (D) The gift is an entailed gift, only available to Mr. Handsome during his lifetime.
30. (D) The proper terminology is 'charging clause'.

31. (C) Where two persons died in circumstances in which it is uncertain who survived the other, it is presumed that they died in the order of seniority. **Sec. 164(2), Evidence Act.** In the scenario, it is presumed that Chief Ojo died before Eunice. The implication is that the gift given to Eunice would not fail, but would devolve on her estate.
32. (D) The gift did not adeem by the compulsory acquisition because it was done after the death of the Testator. Thus, any amount realized as compensation would go to the beneficiary, Mrs Adeoti. If the acquisition had been done before the Teastator's death, the gift would have adeemed and Mrs. Adeoti would not be entitled to the compensation paid by the government.
33. (B)
34. (A) Residuary legacy abates first. The order in which executors use legacies to satisfy debts of the estate are: residuary, general, demonstrative and specific legacy.
35. (C) Fundamental change in the natural character of a gift in a Will leads to ademption. For example, where a Testator made a gift of a bungalow and the bungalow was changed to a duplex before the death of the Testator.
36. (A)
37. (A) As a general rule, a subsequent statutory marriage of a testator revokes any previous Will made by him/her.
38. (B) Dr. Chuks' Will was not validly revoked because the instruction was not carried out in his presence. Obianojo's Will was not validly revoked because the act of destruction was not complete. **Cheese v Lovejoy.** Adeolu's Will was not validly revoked for the same reason as that of Obianojo. **Perkes v Perkes.** Only Mr. Emeka's Will was validly revoked. Tearing the execution part of a Will, which is an essential part, with an intention to revoke a Will, revokes the Will. **Leonard v Leonard.**
39. (C) It has been held that revocation of a Will does not revoke a codicil to the Will. See the case of **In the Goods of Turner.**
40. (C) It is not in all instances that a subsequent Will revokes an earlier Will. Two Wills made by the same Testator can be valid if the two Wills comply with the required formalities, are not contradictory and dispose separate properties. **O'Leary v Douglas.**
41. (D) The marriage to Miss Shogunle, not being a statutory marriage, did not revoke the Will made by Mr. Shugaba in 1995. Only a subsequent **statutory marriage** revokes an earlier Will by a Testator.
42. (A) Generally, the fact that a person's marriage is void, does not affect the validity of a Will made by the person. In this case, both Wills relate to different properties of the Testator, thus both are valid.
43. (D)
44. (A) The subsequent statutory marriage of persons, who were initially married under customary law, does revoke any previous Will made by any of the parties. **Jadesimi v Okotie-Eboh.**
45. (C) Revival is to bring to existence of a revoked Will. Republication is to affirm the validity of an existing Will to give it a new date, which is the date of republication.
46. (A) The property in question is in Delta State and not in Benin. Thus, the property, howbeit the house the

Testator lived throughout his lifetime, is not subject to Benin customary law practice of Igi-ogbe. **Egharevba v Oruonghale.**

- 47. (C)
- 48. (D) **Sec. 3 of the Wills Law of Lagos State.**
- 49. (A) Any alteration to a Will, to be valid, must be attested to.
- 50. (B)

WEEK 18 AND 19

PROBATE PRACTICE, ASSENT AND PERSONAL REPRESENTATIVES

Chief Olu Badmus of No. 33, Lekki Phase 1, Lagos, made a Will in 2017 at the age of 75 years where he devised his movable and immovable properties to his family members and friends equally. The Will contains no residuary clause. He appointed his most trusted friends from among the 'Table of Men', Tunde Osho and Mike Adebayo to be the executors of his Will. The executors were among the list of beneficiaries in the Will. Chief Olu acquired other properties after the making of his Will before his death on the 5th of June, 2020.

Answer the following questions 1-10 using the scenario.

1. The type(s) of grant that can be obtained in respect of the estate of Chief Olu estate is/are:

- a. Probate only
- b. Letter of administration with Will annexed
- c. Probate and Letter of simple Administration
- d. Probate and letter of Administration with Will annexed

2. The appointment of Tunde Osho and Mike Adebayo as executors from the scenario can be said to be what type of appointment?

- a. Express appointment
- b. Implied appointment
- c. Appointment by operation of the law
- d. Substitutional appointment

3. Assuming the custody of the Will was placed in the hands of Jide Kosoko, the business partner of Chief Olu Badmus, which was unknown to any other person, Jide Kosoko is required by law to present a copy of

the Will to the Probate Registry within how many days of becoming aware of Chief Olu's death?

- a. 60 days
- b. 30 days
- c. 14 days
- d. 3 months

4. If it were to be in the Federal Capital Territory, your answer in 3 above would be?

- a. 60 days
- b. 30 days
- c. 14 days
- d. 3 months

5. In Lagos State, application for probate cannot be made or issued until after the expiration of _____ of the death of the testator?

- a. 7 days
- b. 14 days
- c. 21 days
- d. 28 days

6. In Abuja, your answer in 5 above would be?

- a. 7 days
- b. 14 days
- c. 21 days
- d. 28 days

7. If the deceased had in his Will, devised properties in Oyo State, which of the following conditions must be met before the executors can administer the properties in Oyo State?

- a. Apply for the grant of double probate at the High Court of Oyo State
- b. Apply for Resealing of Probate at the High Court of Oyo State
- c. Apply for letter of Administration at the Probate Registry in Oyo State

d. Apply for permission to deal with property from the Chief Judge of Oyo State

8. Assuming Opeyemi Badmus, the son of the deceased, wants to challenge the validity of the Will, he is expected to do one of the following:

- a. File a caveat
- b. File an injunction in court
- c. File a citation
- d. A or B

9. The document you have identified in 8 above would be in existence for:

- a. 30 days
- b. 60 days
- c. 6 months
- d. 3 months

10. Which of the following documents is not needed in processing an application for probate by the executors?

- a. Inventory form
- b. Bank certificates
- c. Oath of executors
- d. Letter of authority of the family members

Mr. Hope Ochojule, a native of Kogi state died in his house at No. 15, Idumota Avenue, Lagos on 22/12/2019. The family of Mr. Hope Ochojule appointed Mr. Isaiah Ochojule and Madam Doris Ochojule (Uncle and mother of Mr. Hope) to apply for a grant to enable them manage Mr. Hope Ochojule's estate who died without making a Will. They both applied for the grant at the probate registry.

11. The type of grant that will be obtained in respect of Mr. Hope Ochojule's estate is?

- a. Probate

- b. Letters of Administration with the Will annexed
- c. Simple Administration
- d. Double probate

12. Assuming no appointment was made as regards those that should apply for the grant you have identified above, the first person that would be entitled by law to such grant is?

- a. The uncle of the deceased
- b. The wife of the deceased
- c. The first male child of the deceased
- d. The parent(s) of the deceased

13. The administrators of Mr. Ochojule's estates are expected to file account

- a. Every month
- b. Every 12 months
- c. Every 3 months
- d. Every 24 months

14. Who, among the following, can demand an inspection of the accounts by the administrators?

- a. A beneficiary
- b. A creditor
- c. An interested party
- d. All of the above

15. One of the following may not lead to revocation of a grant already made in respect of the estate of Mr. Hope Ochojule:

- a. If his Will is found after an intestate grant
- b. If he was found to have been married under the Act
- c. If the grant is found to have been made to the wrong persons
- d. If applicants had failed to meet the conditions precedent to a grant

16. The type of special grant that can be obtained to replace a sole solicitor who is insane is:

- a. Grant durante dementia
- b. Grant durante absentia
- c. Grant coligenda bona
- d. Grant ad litem

Dr. Pam John has just been called to the Nigerian Bar and was appointed as the sole executor to the Will of Gideon Izang who has two sons namely: Ayuba Gideon and Audu Gideon. The Will has the following clauses:

- i. My 3 bedroom flat situate at No. 2, Ahmadu Bello Way, Jos be given to my son, Ayuba Gideon
- ii. My Toyota Camry to my security man Awal
- iii. My collection of shoes by Clerks to be given to my nephew Rindom Musa
- iv. My Solicitor Dr. Pam John is hereby appointed as trustee to fund the education of my grand children

Answer the following questions

17. After the reading of the will, Dr. Pam John as the executor will make an application for probate by way of ____

- a. Petition
- b. Originating motion
- c. Motion ex-parte
- d. Letter of application

18. Assuming Audu Gideon, one of the sons of the testator wishes to challenge the Will; he may take one of the following steps first:

- a. File a citation
- b. File a caveat
- c. File an application for injunction
- d. All of the above

19. If Dr. Pam John wishes to respond to the application filed by Audu Gideon demanding him to state the nature of his special interest in the Will and the reason for his protest, which of the following should he serve on Audu Gideon?

- a. Summons
- b. Interrogatories
- c. Citation
- d. Any of the above

20. Assuming a probate action is inevitable in this situation, the action shall be commenced by:

- a. Petition
- b. Writ of summons
- c. Originating summons because it deals with construction of a Will
- d. Originating motion

21. If Dr. Pam was successful in the Probate action, which of the following captures the nature of probate that would be granted by the Probate registrar?

- a. Probate in solemn form
- b. Probate in common form
- c. Probate in ordinary form
- d. A non-contentious probate

22. The principle that a Probate Registrar cannot grant probate to a disputed Will while a caveat has not been discharged was laid down in:

- a. Ajiboye v Ajiboye
- b. Igunbor v Afolabi
- c. Obusez v Obusez
- d. Dan-Jumbo v Dan-Jumbo

23. A caveat shall be ineffective or cease to be effective in any of the following circumstances except:

- a. Where it is filed with knowledge of a pending probate action
- b. After the expiration of the time for its existence
- c. Where the caveator fails to enter appearance to a citation and the citor files an affidavit to that effect
- d. None of the above

24. A caveat filed by an individual shall be in probate form _____ of Lagos and Abuja Rules respectively:

- a. 5 and 51
- b. 6 and 52
- c. 7 and 51
- d. 5 and 52

25. A caveat shall remain in force for a period of _____ in Abuja?

- a. 60 days
- b. 6 months
- c. 3 months
- d. 90 days

26. Where a child is a beneficiary of a Will having a sole Executor, the court can do one of the following in order to protect the interest of the child:

- a. Appoint an administrator to administer part of the estate
- b. Allow the child to nominate an additional executor
- c. Appoint a guardian ad litem
- d. Appoint an additional executor

In May, 2020, after contracting the corona virus and fearing that he might die as a result of the disease, Senator Abiola Ajimola called his solicitor, Olumide Esq. to draft his Will on his behalf. He devised all his properties solely to his children, having lost his wife the previous year in 2019 from a fatal accident. He appointed two of his trusted friends: Peter

and Paul to be the executors of his Will. Two weeks later, Senator Abiola died. After receiving several threats from unknown men, both Peter and Paul renounced their appointment as executors of the Will in June, 2020.

Answer the following questions 27-30.

27. The most appropriate grant that can be obtained in respect of Senator Abiola's estate is:

- a. Probate
- b. Letter of Simple Administration
- c. Double Probate
- d. Letter of Administration with Will annexed

28. Generally, the maximum number of executors that can be appointed by a Testator is:

- a. Four
- b. Two
- c. Six
- d. None

29. Assuming Senator Abiola, in his Will, appointed five executors: Andrew (a minor), James, Matthew, Peter and Paul to administer his estate. Probate was granted to them all apart from Andrew. If before the administration of estate began, both Peter and Paul renounced probate, and Andrew is already 18, Andrew should apply for the grant of:

- a. Special Probate
- b. Additional Probate
- c. Double Probate
- d. Single Probate

30. In all but one of the following circumstances, there would be a grant of letter of Administration with Will annexed:

- a. Where a Testator died leaving a Will but appointed no executors
- b. Where a Testator died leaving a Will but appointed a single executor
- c. Where a Testator died leaving a Will, but before the grant of probate, the executors appointed renounced probate
- d. Where a Testator died leaving a Will with a single executor who is a minor

31. The type of special grant given to preserve the perishable goods in the estate of a deceased is called?

- a. Grant de bonis non
- b. Grant Pendente Lite
- c. Grant ad colligenda bona
- d. Grant durante bonis

James Bakare appointed his solicitor, Joseph Alimi as the executor of his Will. Shortly after his death, probate was given to Joseph Alimi, who began administering the estate of the Testator. Few months after, after making his own Will and appointing his son, Jude Alimi, as the executor, Joseph Alimi died.

32. Which of the following is true of the estate of James Bakare?

- a. A new letter of administration must be obtained by the family members
- b. Jude Alimi will be deemed to be the executor of James Bakare's estate
- c. The estate will devolve on the Administrator General of the State
- d. None of the above

33. Assuming Jude Alimi is deemed to be the executor of James Bakare's estate, his appointment is said to be:

- a. By operation of the law
- b. An express appointment
- c. An implied appointment
- d. By the Court

34. Assuming in the Will made by James Bakare, no executor was expressly appointed, but he charged Joseph Alimi with the responsibility of paying all his just debts and managing his properties in Lagos on behalf of his infant children, if James Bakare was to be regarded as an executor, which of the following best describes his type of appointment?

- a. Appointment by Tenor
- b. Appointment by operation of law
- c. Implied appointment
- d. A or C

35. A person not appointed as an executor by a Testator, who interferes with the properties of the deceased, holding himself out as an executor is properly described as:

- a. A trustee
- b. An executor de bonis
- c. An executor de son tort
- d. A meddlesome interloper

36. The maximum number of executors probate can be granted to at any given time, with regards to the administration of the estate of a deceased person is:

- a. All the appointed executors
- b. Five
- c. Two
- d. Four

Miss Jane Cute Esq. was appointed as one of the executors to the will of Professor Jinadu Akintola, together with the testator's wife, Mrs Aisha Akintola.

The Will provides as follows:

- i. My 4 bedroom flat where I reside in Lagos at NO. 22 Bode Thomas Street, Surulere be given to my first son, Asamu Akintola.

- ii. My 2019 Rolls-Royce car to my first daughter, Miss Rukayya Akintola.
- iii. My collection of shoes by Nike be given to my niece Simbo Omidan.
- iv. My Solicitor, Miss Jane Cute Esq. is hereby appointed as trustee to the fund of my grandchildren.

Answer the following questions 37-39

37. What document will the executors require to vest title on Asamu Akintola?

- a. Assent
- b. A deed of assignment
- c. Deed of transfer
- d. Letter of administration

38. One of the following clauses must be inserted in the will to enable Miss Jane Cute demand her professional fees.

- a. Professional fee clause
- b. Remuneration clause
- c. Billing clause
- d. Charging clause

39. _____ is not a content of the account to be filed by the personal representatives of Professor Jinadu's Will.

- a. Full inventory of assets in the estate
- b. Copy of the Will
- c. Voucher in the possession of the personal representatives
- d. All incomes and expenditures incurred in the course of administration

40. The circumstances in which the executors of a deceased estate would be entitled to remuneration do not include:

- a. By the consent of the beneficiaries
- b. By an order of the Court
- c. The rule in Cradock v Piper
- d. Express provision in the Will

41. Devastavit means_____
- Liability for conversion only
 - Liability for waste and conversion
 - Liability for conflict of interest
 - Liability for fraud
42. All but one of the following are qualities of a Personal Representative:
- Availability
 - Lack of conflict of ideas
 - Honesty
 - Lack of conflict of interests
43. Which of the following has no right to renounce a probate?
- Executor de son tort
 - Executor appointed in the Will
 - Executor appointed by operation of the law
 - None of the above
44. The power of personal representatives of a deceased to postpone the distribution of the estate shall not exceed_____
- 6 months
 - 3 months
 - 9 months
 - One year
45. All but one of the following are features of an Assent:
- It must be by deed
 - It is used to transfer title in movable properties of the deceased
 - It must be in writing
 - A and B
46. In relation to landed property, personal representatives are required to act _____
- Severally
 - Jointly and severally
 - Jointly
 - By the head
47. There can be limited grant of probate as to all but one of the following:
- Time
 - Purpose
 - Space
 - Property
48. By S.17 of the Administration of Estate Law, Lagos, the executors' year is:
- First 3 months of grant of probate.
 - First 1 year of grant of probate
 - First 2 years migrant probate
 - First 6 months of grant of probate.
49. What kind of grant can the executors of a Will obtain to enable them take steps to preserve the property in a Will pending when their application for probate is granted?
- General grant
 - Specific grant
 - Limited grant
 - Double probate
50. The chain of representation in administration of estate covered by a Will is said to be broken in all but one of the following:
- Where the last surviving executor dies testate without appointing executors
 - Where the last surviving executor dies intestate
 - Where the last surviving executor dies testate having appointed executor
 - Where executors renounce probate

ANSWERS

WEEK 18 & 19

PROBATE PRACTICE, LETTERS OF ADMINISTRATION & PERSONAL REPRESENTATIVES

1. (C) Probate will be obtained in respect of the properties covered in the Will, while Letter of simple Administration will be obtained in respect of the properties not covered in the Will. The fact reveals that the Will contains no residuary clause, the effect of which is that there will be partial intestacy.
2. (A) Executors appointed in a Will are expressly appointed.
3. (D) Where a Will is in the custody of a person, in Lagos, the person is to send the Will to the Probate Registry within three months of his knowledge of the testator's death. **Order 62, Rule 14, Lagos Rules.** In Abuja, it is 14 days. **Order 62, Rule 4, Abuja Rules.**
4. (C)
5. (B) **Order 61, Rule 1 Lagos Rules.**
6. (A) **Order 62, Rule 1 Abuja Rules.**
7. (B) Resealing of grant is applied for where Probate or Letters of Administration is granted in one State, while there are other real property of the testator in other States.
8. (A) Anyone who wishes to challenge an application for grant of Probate is to file a Caveat. An application for the grant of Probate becomes contentious when a caveat is filed.
9. (D) A lifespan of a caveat in Lagos is 3 months, while in Abuja, it is 6 months. **Order 63, Rule 18(5), Lagos Rules; Order 64, Rule 47(4), Abuja Rules.**
10. (D) The Will is the letter of authority for the executors to act. There is no requirement of a separate letter of authority by the family of a deceased before the executors can apply for probate.
11. (C) Letter of simple Administration is given where a testator dies intestate, or the Will of a testator is invalid, or there is partial intestacy due to absence of residuary clause in a Will.
12. (B) In the priority of persons entitled to a grant of letters of administration, the surviving spouse comes first.
13. (B) **Order 61, Rule 16(1), Lagos Rules.**
14. (D)
15. (B)
16. (A) Grant durante dementia is the type of grant that is given to replace an executor who is insane.
17. (D) Application for the grant of probate is by way of a letter.
18. (B)
19. (C) A citation is used by an applicant for grant of probate where a caveat has been entered, to require the caveator to state the nature of his interest and enter appearance.
20. (B) Probate action shall be commenced by writ of summons. *Igunbor v Afolabi.*
21. (A) Probate in solemn form is another name for contentious probate. It is granted after the action in Court challenging the validity of the Will has been determined.
22. (D)
23. (D) **Order 63 Rule 18, Lagos, Order 64 Rule 47 Abuja.**
24. (A)
25. (B) **Order 64, Rule 47(4), Abuja Rules.**

26. (D) **Sec. 24(2), Administration of Estate Law (AEL).**
27. (D) One of the circumstances where Letter of Administration with Will Annexed is granted is where all the executors appointed in a Will renounce their appointment.
28. (D) There is no maximum number of executors that can be appointed by a Testator. However, where there are more than 4 executors, Probate will be granted to 4 executors who possess legal capacity and in order of priority.
29. (C) A subsequent grant of probate is regarded as a double probate.
30. (B) Where a single executor is appointed in a Will, probate can be granted to the sole executor.
31. (C)
32. (B) Jude Alimi, as the executor of the estate of Joseph Alimi, who was the executor of the estate of James Bakare, would be deemed the executor of James Bakare by operation of the law. Here, a person is deemed to be the executor of a testator by being the executor of the Will of the last surviving/sole executor.
33. (A)
34. (D) Appointment by tenor is the same as implied appointment. It occurs where a Will describes the duties of a named person in terms sufficient to constitute him an executor according to the tenor of the Will. James Bakare was not expressly appointed an executor, but his duties were clearly spelt out.
35. (C)
36. (D)
37. (A)
38. (D) The appropriate terminology is 'charging clause'.
39. (B) A copy of the Will is not part of documents to be filed by Personal Representatives of a testator.
40. (A)
41. (B)
42. (B)
43. (A) An executor de son tort cannot renounce a probate.
44. (D)
45. (A) An Assent does not need to be by Deed.
46. (C) Personal Representatives are expected to act as one, jointly, in conveying real properties to beneficiaries.
47. (C)
48. (B)
49. (C) A grant can be general or limited. It is general where the personal representatives have the authority to act for all purposes in the administration of the estate extending to all properties in the estate without time limit. On the other hand, it could be limited as to time, purpose or property.
50. (C) Chain of representation is not broken where the last surviving executor dies testate, having appointed executor(s). The appointed executor(s) will be deemed to be executor(s) of the estate of the first testator.

WEEK 20

PROPERTY LAW TAXATION

1. Mr. Boniface Okoro lives solely on rents collected from tenants in his property comprising 2 units of 3 bedroom semi detached bungalows. The tax he would pay in respect of the rent collected would be:

- a. Capital Gains Tax
- b. Personal Income Tax
- c. Value Added Tax
- d. All of the above

2. The tax expected to be paid in respect of land with buildings erected on it is:

- a. Ground rent
- b. Tenement rate
- c. Land use rate
- d. Ground use rate

In the course of your externship with the Olumide Afopina & Co in Surulere, Lagos, you witnessed a series of property law transaction. Particularly, you were directly involved in the sale of landed properties managed by Capital Investment Ltd. The latter has a general retainership with the firm.

Answer the following questions

3. The professional fee of your principal in respect of any sale of land while acting as solicitor to Capital Investments Ltd form part of _____ under the Capital Gains Tax Act?

- a. Accruable Income
- b. Allowable income
- c. Taxable income
- d. Allowable expenses

4. Assuming one the properties was sold for ₦5,000,000, (Five Million Naira) while Capital Investments Ltd did the following before the sale:

Advertisement = ₦500,000

Renovation = ₦900,000

Your principal was paid ₦500,000 as professional charges and the initial purchase price of the property was ₦100,000. The Capital Gains Tax payable would be:

- a. ₦300,000
- b. ₦3,000,000
- c. ₦30,000
- d. ₦100,000

5. The stamp duty payable by Capital Investments Ltd in respect of the sale of the property is to be paid to the__

- a. Minister of Finance
- b. Lagos State Board of Internal Revenue
- c. Federal Inland Revenue Service
- d. Lagos State Commissioner of Finance

6. One of the following best describes the tax(es) payable by a vendor when he sells property at a profit:

- a. Capital Gains Tax
- b. Value Added Tax
- c. Personal Income Tax
- d. A and B

7. The tax payable in respect of the estate of a testator during the execution of the Will is:

- a. Consent fee
- b. Stamp duties
- c. Testament duties
- d. Estate Duties

8. One of the following transactions would warrant the payment of Capital Gains Tax:

- a. Mortgage of a property to a bank for a loan
- b. Sale of property by personal representatives to raise money for the estate of the deceased

- c. Sale of property by the Redeemed Christian Church of God
- d. None of the above

9. The direct beneficiary of tenement rates is:

- a. The Federal Government
- b. The State Government
- c. The Local Government
- d. All of the above

10. In calculating Capital Gains Tax, the following are allowable expenses except:

- a. Amount paid for the acquisition of the asset
- b. Money spent on establishing or defending right over the asset
- c. Incidental cost to the disposal of the asset, like advertisement
- d. Monetary value of direct labour put into the improvement of the property by the vendor

In June 2017, Mrs. Osehun Moses bought a duplex at 10, Lawrence Road, Ikoyi, Lagos at the sum of ₦1,000,000 (One Million Naira Only). She renovated the property for ₦500,000 and sold the property for ₦6,000,000 after advertising for ₦500,000

Answer the following questions

11. The following taxes would be payable on gains realised and from the use and disposition of property:

- a. Capital Gains Tax, Consent fee and Stamp Duty
- b. Stamp Duty and Ground Rent
- c. Rent, Tenement, Development Levy
- d. Registration Fee, Value Added Tax, Stamp Duties

12. What could exempt Mrs Osehun Moses from paying tax?

- a. Ecclesiastical or charitable organisation
- b. Disposition by way of gift
- c. Gains accruing to local government
- d. None of the above

13. What formula will be applied in computing Capital Gains Tax?

- a. 10% of gain
- b. Consideration minus allowable income
- c. All of the above
- d. None of the above

14. Which of the following taxes is payable to the Federal Government?

- a. Companies Income Tax
- b. Consent fee
- c. Right of Occupancy fees
- d. None of the above

15. The following are correct about personal income tax except:

- a. Taxable persons include companies, individuals, trustees, charitable entities and communities
- b. Chargeable income of partners of a business include salary and shared profit
- c. Rent paid in advance are chargeable
- d. All of the above

ANSWERS

WEEK 20

PROPERTY LAW TAXATION

1. (B) The rent is deemed to be an income accruing to the lessor; thus he will pay Personal Income Tax. Capital Gains Tax is payable where there is a sale of land for profit.
2. (B)
3. (D) In calculating the Capital Gains Tax (CGT) in respect of sale of a property, allowable expenses are deducted, which includes professional fees paid to a solicitor involved in the sale. Sec. 13 & 14, CGTA.
4. (A) The total amount of allowable expenses is ₦2,000,000. The amount of sale of the property is ₦5,000,000. Deduct the allowable expenses from the amount of sale, and we have ₦3,000,000. 10% of ₦3,000,000 is ₦300,000.
5. (C) Taxes payable by companies are paid to the Federal Inland Revenue Service.
6. (A)
7. (D)
8. (B) Where the personal representatives of a deceased sells his property to raise money for his estate, CGT would be paid on the profit made from the sale. But where they merely convey the property to the beneficiaries in the Will, CGT is not payable. The Redeemed Christian church of God is exempted from paying CGT being a religious body. **Section 26 CGT Act.**
9. (C) Local governments collect tenement rates and are the direct beneficiaries.
10. (D) The monetary value of direct labour put into improvement of a property is not part of allowable expenses. For example, where a vendor, who is a talented painter, painted the property, he cannot add the monetary of the services as part of the allowable expenses. **Cram v Johnson.**
11. (A)
12. (B) From the scenario, since Osehun Moses is not a charitable or religious organization, what could exempt her from paying CGT is where she disposed the property by way of gift.
13. (C) The formula for calculating CGT is 10% of the gain realizable from the sale of the property. But the gain realized is from a subtraction of allowable expenses from the consideration.
14. (A) Companies Income Tax is payable to the Federal Government through the Federal Inland Revenue Service
15. (A) Companies do not pay Personal income tax; they pay company income tax and charitable organizations are exempted from the payment of tax.