



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
FACULTY OF LAW
JULY 2017_1 SEMESTER EXAMINATION

COURSE CODE: LAW 331

COURSE TITLE: LAW OF COMMERCIAL TRANSACTION 1

TIME ALLOWED: 2 ½ HOURS.

INSTRUCTION: ANSWER FOUR QUESTIONS INCLUSIVE OF QUESTION 1.

[Question No. 1 carries 25 Marks and attempt is compulsory]

1. Bayowa and Ogogo are best of friends from their youth days. They have always engaged in the same line of business all their lives. Bayowa decided to go into cocoa product business and he located a cocoa firm in the Epe Area of Lagos State, where he bargained with the owner, Alhaji Diisu for the sale of cocoa fruits. It was agreed that Bayowa should harvest all the cocoa trees having four fruit alone on the plantation within the next one year for the sum of N500,000.00. Ogogo his friend perceived how lucrative the deal in farm produce might be also bargained with Alhaji Diisu for the purchase of the harvested heaps of cassava in the same plantation for the sum of N200,000,000 to be removed within 2 weeks and their agreement was sealed. Baoku who is a friend to the two of them actually drove them to the area and he also saw the need to talk to Alhaji Diisu as regards the sale of Tomatoe products on the land which he intends to export to china Barely few days after the duo agreements with Alhaji Diisu, the Lagos State Government confiscated all arable farming land within Epe and environs to the extent that no trading on them or products therein can be done again. Advice the important parties therein as to the legal status of their dealings. [25 Marks]
2. Favour a student of National Open University whose father is building a house at Ayobo is currently preparing for his final year exam. He followed his father to the site where he met Mr Designer who did the architectural design of the building. At the site, Favour overheard Mr Designer making a demand for the balance of payment for his architectural design which Favouour's father has refused to pay notwithstanding the delivery of the design, he has threatened a court action in that regard and left the venue angrily and headed for his 2010 model Toyota Camry car which caught the attention of Favour. On seeing the reaction of Favour, his father promised him saying, 'if you can have a first class in your forth coming exam, i will buy you a 2012 model Toyota Camry car''. Till now Mr. Designer has not been paid his money and Favour has just made first class in his just released final year exam result, and his demand for his father's promise has been blatantly refused. Favour and Mr Designer have now sought for your legal advice as regards their respect claims, kindly appropriately attend to their briefs. [15 Marks]

3. Adeyemi is a car dealer living in Onitsha, there was a request for the supply of a car by Mr Nnamdi from Mr Adeyemi. Mr Nnamdi resides in Lagos and Adeyemi undertakes to deliver the car to him in his office in Bode Thomas by one of the skilled driver. Nnamdi choice was a Toyota Camry 2016 model. Amodu who was a skilled driver was detailed to carry the Toyota Camry 2016 model to Mr. Nnamdi in Lagos. He moved the said car from Onitsha and while entering the gate of Mr. Nnamdi's house in Bode Thomas, a group of armed robbers forcefully collected the car from him right in front of Mr. Nnamdi. Mr. Nnamdi has called Mr. Adeyemi to relate the incidence and also making a claim for the refund of the money that was paid for the car. Mr. Adeyemi soon discovered that the car that was moved to Lagos was a Toyota Camry 2014 which belongs to another customer while the one meant for Mr. Nnamdi was still in the warehouse. Adeyemi informed Nnamdi that his car will be delivered the following day and Nnamdi refused that arrangement. Critically examine the rights and obligations of all parties involved in this matter. [15 Marks]
4. Acceptance as one of the elements of a valid contract does not go by one way traffic, there are many channels to it and it is never devoid of condition precedents. Discuss [15 Marks]
5. In the Law of Contract, one of the germane element necessary to validate a contract is "Offer" which cannot be well comprehended except by diving into its surrounding barrage of conceptual definitions vis-à-vis certain outlined conditions and operational formalities. With the aid of well enunciated authorities embark on a voyage full clarifications of these postulated facts. (15 Marks)
6. In commercial transactions generally, certain categories of persons whose capacities are termed to be germane in buying and selling are usually discussed, identify these categories and critically examine their attributed capacities under the law, probably with the aid of judicial authorities. (15 Marks)