



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF LAW

MARCH/APRIL 2014 EXAMINATION

COURSE CODE: LAW431

COURSE TITLE: LAW OF BANKING AND INSURANCE I

TIME ALLOWED: 3 HOURS

INSTRUCTION: QUESTION ONE IS COMPULSORY AND ANSWER ANY THREE (3) QUESTIONS. **All questions carry 17.5 marks.**

1. (a) Silver Bank Nig. Plc. is one of the licensed banks in Nigeria. The Central Bank of Nigeria has recently introduced cashless policy into the banking system. Silver Bank is challenging this CBN policy. Advise the parties.

(b) Silver Bank Nig. Plc has approached you to advise her on banking business. Succinctly explain the laws regulating banking business and the establishment of a Bank in Nigeria.
2. The Bank Customer relationship is essentially creditor-debtor relationship Discuss citing relevant authorities.
3. (a) Akin Aka maintains a current account with Lifted Bank. Akin Aka issued a cheque in favour of Luca. On presentation for payment by Luca the Bank refused to honour the cheque because the bank has no sufficient cash. Advise the parties
b. Discuss the relevance of section 55(1) of the Limitation Act as regards appropriation.

c. The existence of rights in the banker-customer relationship automatically creates duties on each party. Identify 5 duties of a customer to the bank.
4. Mr. Tayo is a customer of Silver Bank. What ways can Mr. Tayo's relationship with the bank come to an end?
5. Write short note on the following:
 - a. A Banker and bank
 - b. Combination of account
 - c. Promissory note
6. a. Relying on New Nigerian Bank v. Odiase, discuss who a bank

customer is.

- b. Discuss the exceptions to the rule of appropriation of payments.