



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja

JUNE 2021_1 EXAMINATION

COURSE CODE: LAW234

COURSE TITLE: Law of Contract II

CREDIT UNITS: 2

- INSTRUCTIONS:**
- (a) Indicate your Matriculation Number clearly
 - (b) Attempt Question one (1) and any other three (3) questions
 - (c) Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
 - (d) Using appropriate statutory and judicial authorities, present all your points in a straightforward, coherent and orderly manner.

TIME ALLOWED: 2.5 Hours

QUESTION 1

- a. With the aid of legal authorities define and analyse the common law concept of “Duress”. 15 marks
- b. Mabel has been recently divorced and her solicitor, Jaja has been advising her on this and other financial matters. As part of her settlement, Mabel has two houses; one she inherited from her father and small bungalow she bought herself in Gwarinpa which provides income via residential rents. The house in Gwarinpa needs some refurbishment and Jaja suggests that Mabel sell the property to him instead of having the continued hassle of its maintenance. This she does at a great undervaluation. Jaja also suggests to Mabel that she take out a loan of N15, 000,000 using the house she inherited from her father as collateral. The N15M is to be invested in Jaja’s property rental business, Bricks 'n' Mortar Ltd. Jaja tells Mabel that in return she will get a monthly income with no responsibility for the running or maintaining of the properties or the business. In the meeting with Mary's banker, Clever Credit Bank Plc., the adviser, Jonathon, recognises Jaja as a solicitor and presumes that as he is acting for Mabel. Unfortunately, the business fails, and Clever Credit bank Plc are looking to take over Marble’s home. Advise Mabel as to whether or not she would have grounds to have the contract for the sale of the property in Gwarinpa and the mortgage of her house be set aside on the grounds of undue influence. (10 marks)

QUESTION 2

Linda Chima is an actress famous for her roles in African Magic Movies. Say Yes Ltd is a wedding dress design business known for their work on celebrity and society weddings. They were delighted when a lady whom they believed to be Linda Chima arrived in their boutiques and began to discuss designs for her forthcoming much publicised wedding to well-known Prince from the South- South. As Linda Chima will be away at Location for a shooting of an upcoming movie, work begins on her with an appointment being made a month before the wedding for final alterations to be made. Linda Chima arrives for the final fitting and asks if she can take the dress for a pre- wedding photo shoot with the press as they have then promised to stay away from the celebrations. Linda also asks if Say Yes Ltd knows of any wedding car hire companies who would at such short notice hire a vehicle for the day. Say Yes Ltd regularly recommends clients to Exotic Car Rentals Ltd who allow Linda to take away their prized Rolls Royce Phantom wedding car, charging the usual daily rate of N250,000, believing that ‘Say Yes Ltd’ would not have sent a client whom they had not thoroughly checked out. The dress has appeared as first prize for Wedding Days Magazine's Bride of the Year Competition, having been sourced by their editor from Jumia and which has been won by Bimpe self-employed make-up artist from Ibadan. The Rolls Royce Phantom has been purchased by Saidu a Bet-Naija lottery winner from a car auction dealer.

Advise Say Yes Ltd and Exotic Car Rentals Ltd whether they can recover the wedding dress or the Rolls Royce Phantom from Bimpe or Saidu on the grounds that the contract with Linda Chima was void for mistake.

QUESTION 3

Give a vivid description of what is known as CONTRACTS UBERRIMAE FIDEI and fully discuss the contracts that come under this principle.

QUESTION 4

Yahaya has just purchased an old house which has refurbished and converted to an office complex. He has hired Ojo a suitable floor tiles for him at a cost of N250,000. In their contract Ojo asks that the money be paid directly to his wife, Victoria. Ojo insists that Yahaya purchase a specified type of tiles from a specialist supplier, Ndubest Ltd. Ndubest Ltd provide written assurances to Yahaya that the tiles will last for at least 20 years. The contract also provides that only that party to the contract will assume rights and obligations under the contract. Ojo fits the floor appropriately, but unfortunately, he is killed in an Okada accident before Yahaya has fully paid him. The floor he laid has begun to buckle and show signs of wear and tear after only a few weeks. This is as a result of the materials not Ojo's workmanship. Victoria has approached Yahaya to pay her the money.

Advise Yahaya as to whether:

- (a) He has an obligation to pay the money owed to Ojo to Victoria.
- (b) He can sue Nigertiles PLC on the assurances given to Yahaya on the durability of the flooring provided by Ndubest Ltd.
- (c) He can sue Nigertiles if Ndubest was Nigertiles agent.

QUESTION 5

Falilat is converting her three-bedroom bungalow into a restaurant and a supermarket. Johnson has agreed to do the conversion for the price of N200,000 payable on completion. Johnson completes the work on the restaurant but has walked off site as he has a more lucrative contract elsewhere. He claims Falilat owes him N100,000 for the work done on the restaurant part of the project. Falilat engages Emeka to complete the work on the supermarket and promised to pay N100,000. Emeka completes the work. Falilat refuses to pay as she claims the work is shoddy; the doors to the kitchen open inwards instead of outwards; and the supermarket counter slopes. The cost to the defect is N50,000. Mark has been hired, at a price of N75,000 to produce fliers, banners and posters to advertise the supermarket and Restaurant. Mark commenced work on it and had bought materials for the banners when Falilat calls him to cancel the contract. He decides to complete the work regardless of Falilat's wishes and bills her for the N75,000.

Advise Falilat as to any contractual liability she may have to Johnson, Emeka and Mark

QUESTION 6

The term "Illegality" though vague and imprecise is a very wide concept and has seen to the burial of so many would have been contracts in law and yet can be observed from its various classifications. Discuss