



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

**2021\_2 EXAMINATION**<sup>45678</sup>

**COURSE CODE:** CLL431

**COURSE TITLE** Law of Banking and Insurance I

**CREDIT UNITS:** 4

- 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

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**QUESTION 1:**

A Deed of legal mortgage was created by Mr. Samuel Gwani in favour of Millennium Bank Plc and was duly registered on 5-9, 1980 at the Lagos State Land Registry. The mortgage was purposely created to secure advances made by the bank. The account later developed some problems and the bank sought to sell the property. The legal mortgage was without written consent of the Governor of Lagos State.

With the help of relevant statutory and judicial authorities comment on the validity of the mortgage so created. **25marks.**

**QUESTION 2:**

It is a settled law that a banker-customer relationship can be terminated by either party and in several ways. Identify and discuss any three of those ways. **15marks**

**QUESTION 3:**

Identify and explain the regulatory significance of the relevant laws that regulate banking operation in Nigeria. **15marks.**

**QUESTION 4:**

- (a) Define the term “Bank Draft.” **5marks**
- (b) What is the legal implication of a crossed draft by a beneficiary? **5marks**
- (c) Citing the appropriate decided case(s), explain the type of relationship created where a bank issues a draft to a non-account holder. **5marks**

**QUESTION 5:**

- (a) What are the duties a bank owes to its customer? **7marks**
- (b) Enumerate the reciprocal duties a customer has towards the bank? **8marks**

**QUESTION 6:**

Write short notes on the following:

- (a) Insurance policy. **5marks**
- (b) Insurable Interest. **5marks**
- (c) Third party rights. **5marks**