



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKWE EXPRESS WAY, JABI – ABUJA
FACULTY OF LAW
JANUARY 2018 EXAMINATION

COURSE CODE: CLL431

COURSE TITLE: LAW OF BANKING AND INSURANCE I

CREDIT UNIT: 4

TIME ALLOWED: 2 ½ hrs

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS.

- 1) Mr Desmond is married to Jacky, he opened an account with First bank in Isolo in his family joint name and has been operating the account as a sole signatory for seven years. Jacky being suspicious of the husband spending visited the bank where the husband had the account and demanded to be issued a statement of account in the bank on the account which the husband opened in their joint name and she was denied access to her request. While she was still in the bank, Lady Linda presented a cheque for clearing which was issued by Mr Desmond from the said account in the sum of One Million Naira and Jacky instructed that the cheque should not be honoured and her action caused a commotion in the bank that the bank had to use their Securities to throw her out of the premises. Lady Linda's cheque was dishonoured on the claim of Madam Jackey. This development got to Mr. Desmond and he wants to sue the bank likewise Madam Jacky want to sue the bank for refusing to give her the statement of account. Lady Linda also has engaged a lawyer to sue the bank for their action in not honouring her cheque. Advise the parties to their claims.
- 2) Banking Law in Nigeria as it is presently is a product of developmental processes and certainly has its roots entrenched in a pool of long historical antecedents: Discuss.
- 3) Banking Law in Nigeria though a creation of common and Orthodox practices, it is nonetheless, one that has been developed and sustained through several legislative directions: Discuss.
- 4) Apart from the basic and statutory regulation of banking law in Nigeria which establishes and defines the kind of relationship between banker and customer. It will rather not be out of place to say that the banker and customer relationship create a relationship with special flavour synonymous with other contractual commercial relationship, examine this in the life of relevant judicial decision.

5) Chief Oriyomi a versatile Businessman dealing in the sale of automobiles with office location at Oshodi in Lagos State he operates a current account at "YEMIWO INT'L Bank" Oke Afa, Lagos State because of the sensitive nature of his business operations his bank mandate directed signing any bank documentation for withdrawal with an indigo ink pen customised for him without which instrument for withdrawal will not be honoured. Chief Oriyomi business operation also commands a lot of cash movement which movement within town may present risk and it was for this reason that the Bank had an agreement with him to pick the sale of each day's proceed from his office by 4pm every day. On the 8th of April, 2017, Dr. Daniel one of the Agent/Dealer of Chief Oriyomi presented a cheque issued by Chief Oriyomi at "YEMIWO INT'L Bank" which was duly signed and marked but with a green biro, and the payment was subsequently denied and this invariably occasioned loss of supply to Chief Oriyomi. That same day, "YEMIWO INT'L Bank" Bullion Van went to pick cash from Chief Oriyomi's office with another customer of the bank "Upperhand Ventures" who invariably was credited with all the cash collected in Chief Oriyomi's office in his presence and he protested against such transaction and wrote a letter of displeasure to the management of the Bank. Not being satisfied with the response of the bank, Chief Oriyomi wants to maintain an action in court and he has engaged MISS ORE a young and fresh lawyer from the Law School to file a suit against the Bank for the denial of Mr Daniel's cheque and for crediting "Upperhand Ventures" with cash collected from his office. As a well groomed Law Graduate from the National Open University of Nigeria, enunciate the legal principles on this scenario and advice Chief Oriyomi accordingly.

6) With the aid of Statutory and Judicial Decisions write short notes on the following:

1. Definition of Bank (Banker)
2. Appropriation of Payment
3. Combination of Accounts and Conditions of set off.
4. Overdraft and Classification of Overdrafts