



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**FACULTY OF LAW**  
**2018 EXAMINATION**

**COURSE CODE: PPL 424**

**COURSE TITL: EQUITY AND TRUST II**

**Instruction: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE) QUESTIONS.**  
**(QUESTION 1 (ONE) ATTRACTS 25 MARKS)**

1. Yinka and Emeka are solicitors acting for mazamaza ltd, a property development company and maduka lenders in the same transaction. Mazamaza are borrowing N100,000,000 to fund a purchase of properties in Benue State. One of the terms of the finance arrangement is that the money is not to be forwarded until the charge has been finalized on the property. Yinka and Emeka heard informally that Mazamaza have had difficulties raising finance and have had some issues with repayments in the past but they did not disclose this to their clients. In breach of this arrangement Yinka and Emeka forwarded the money to Mazamaza two weeks before the transaction is finalized. Mazamaza later defaulted in repayment and when maduka Lenders repossess the property, it only realizes half the value due to the recent rapid economic crunch in the country. Analyse all the issues in this case. 25 marks
2. Why should political trusts" be denied charitable status?
3. A trust may be created during someone's lifetime. Explain?
4. Alahaji Alahamdu Usman makes the following provisions in his will: (i) N10,000,00 to my wife, Zara, to be distributed amongst my best friends and relatives at her discretion. Zara is able to determine conclusively who my best friends are. (ii) 10 Cows to my son, Musa. (iii) N500,000 to my wife, Zara, who is able, in her absolute discretion, to divide the fund amongst the people of Katangora, my home town. (iv)The bulk of my remaining estate to my brother, Sadik. (v) Whatever is left of my estate should be given to my surviving children equally. There are 50 cows in Alahaji Alahamdu's farm upon his death. The population of Katangora is 100,000 inhabitants. Are all the above gifts valid? Would your answer differ if Alahaji Alahamdu had made these gifts when he was alive, rather than in a will?
5. Chief Oyewole was worried about being sued by his creditors. In order to hide his assets, he transferred his shares in babaoyes Nig Ltd to his son, Femi, and gave his holiday home to his brother, babadele. Both Femi and Babadele knew why chief Oyewole was giving them the shares and house. Chief Oyewole's creditors are no longer looking into his affairs, but neither Femi nor Babadele are willing to transfer the property back to Chief. Fortified by the transfer of shares to his name, Femi

loaned money to his sister's struggling business, Oyidodo Nig Ltd, in order to enable her to pay dividends to her shareholders. Oyidodo Nig Ltd became insolvent before the dividends were paid. Advise all parties as to whether a valid trust was made.

6. Is the McPhail v Doulton test for certainty of objects workable? And why.?