



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja**  
**2022\_2 Examination**

**COURSE CODE:** CLL331

**COURSE TITLE** LAW OF COMMERCIAL TRANSACTIONS 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:** 3 Hours

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**QUESTION 1**

- (a) The Law Students Society is organising a seminar on “The Ease of Doing Business in Nigeria.” As the best student in Commercial Law, you have been chosen to give a talk that touches on the topic, “**A critical analysis of the conceptual definition of goods in a contract of sale.**” (15 marks)
  
- (b) A strict application of the cardinal rule of construction of contracts which insists that the discovery of the terms of a contract is evidential. This explains why the courts always insist that the parties must limit themselves to the four corners of the words in which they chose to express their agreement. Mindful that strict application of the rule can work manifest injustice and thereby defeat the business efficacy test laid out in *The Moorcock* (1889) 14 PD 14, the courts allow a departure from this rule. Identify and explain those exceptions. (10 marks)

**QUESTION 2**

Write short notes on the following:

- (a) Passing of property in an FOB contract (5 marks)
- (b) Passing of property in a CIF contract. (5 marks)
- (c) Duty of the seller to pass good title. (5 marks)

**QUESTION 3**

Mr. Simeon Ndanusa (alias NO SHAKING) and his friends robbed and dispossessed Miss Jamila Jamo who had just returned to Nigeria from Canada of her valuables, including her SUV, 2021

Model Lexus. He decided to enjoy the ride for a few days before disposing it to any willing and ready buyer. On this day, he visited his two brothers who are traders in Wuse Market, Abuja. One trades in foodstuffs and the other sells articles of various description. Alhaji Saminaka Bawasa who had accompanied his wife to the market in preparation for the Ramadan Fast saw the vehicle and expressed interest. Immediately, he agreed the price with No Shaking who handed over the car keys and its particulars to him. A few days after the purchase, the head of the Intelligence Response Team (IRT) of the Nigeria Police Force put a call to him that he is wanted in connection with a stolen vehicle. Give your legal advice to Alhaji Bawasa on the following issues:

- (a) What is the position of the law with respect to a sale in a market overt? (5 marks)
- (b) Assuming Alhaji Bawasa settled the price with Miss Jamo, who gave him the car to test drive for two days before completion of the transaction. On the last day, Alhaji Bawasa sold the car to his friend, Senator Boss Bamagana, collected the money and relocated to the UK. Advice Ms Jamo. (10 marks)

#### QUESTION 4

The keynote speaker at a conference eloquently submitted that “*terms in a contract that operate by way of implication are nothing more than conditions or warranties, which the statute, the courts or custom and usage. A typical example is the statutory implication of fitness.*” In a tutorial class, your friends asked you to expatiate on this statement of the speaker. (15 marks)

#### QUESTION 5

Calling in aid relevant authorities, discuss the personal remedies available to a seller. (15 marks)

#### QUESTION 6

With the use of relevant statutory and judicial authorities, identify and discuss the five elements which must be considered in a textual analysis of the definition of a contract of sale. (15 marks)