

BUSINESS LAW – PILOT QUESTIONS

SECTION A: MULTIPLE-CHOICE QUESTIONS (20 Marks)

ATTEMPT ALL QUESTIONS

Write ONLY the alphabet (A, B, C, D or E) that corresponds to the correct option in each of the following questions/statements

1. Which one prevails when there is conflict between laws?
 - A. Customary Law
 - B. Country Constitution
 - C. By- Law
 - D. Edict
 - E. National Assembly Bill.

2. The highest court in the hierarchy of courts in Nigeria is
 - A. Supreme Court
 - B. Superior Court
 - C. Chief Magistrate Court
 - D. Court of Appeal
 - E. High Court

3. In criminal liability, the proof against the defendant must be -----
 - A. Proof in ultimacy
 - B. Proof of adequacy
 - C. Proof beyond reasonable doubt
 - D. Proof of reponderance
 - E. Proof with benefit of doubt.

4. The remedy for Tort is -----
 - A. Imprisonment
 - B. Damages
 - C. Retaliation
 - D. Redress
 - E. Confrontation.

5. A promise which is made after the performance of an act that prompted the promise is called---
 - A. Promisee consideration
 - B. Promissor consideration
 - C. Past consideration
 - D. Induced consideration

- E. Promisser consideration
6. Which ONE of the following is the remedy for breach of warranty in law of contract?
- A. Rectification
 - B. Performance
 - C. Restoration
 - D. Damages
 - E. Disagreement
7. A contract for the purpose of carrying out an illegal act is
- A Void
 - B Unacceptable
 - C Challengeable
 - D Actionable
 - E Tortious.
8. A contract may be discharged in any of the following ways **except**:
- A By frustration
 - B By performance
 - C By inaction
 - D By agreement
 - E By breach.
9. Which **one** of the following is a remedy for breach of contract ?
- A Protest
 - B Rescission
 - C Malice
 - D Fight
 - E Silence.
10. Agency may be terminated by operation of law through the following, **except**
- A. Subsequent incapacity of a party
 - B. Mutual agreement
 - C. Death of principal
 - D. Lapse of time
 - E. Frustration
11. *Nemo dat quod non habet* in sale of goods means
- A. The goods must be available
 - B. The goods will be delivered on payment
 - C. The seller may refuse to sell
 - D. The seller cannot pass title he does not have
 - E. The buyer may reject the goods.

12. Under the Money Laundering (Prohibition) Act, a financial institution must preserve the record of its former customer for a period not less than.... ?
- A. 1 year
 - B. 5 years
 - C. 10 years
 - D. 15 years
 - E. 20 years.
13. Which of the following is a right of the owner against a third party who bought hire purchase goods without good title from the hirer?
- A. Recover possession of the goods
 - B. Refund instalments paid
 - C. Fight the hirer
 - D. Appeal to the third party
 - E. Claim damages.
14. Under contract of employment, which **one** of the following is a duty of an employee?
- A. Duty to apply skill and care
 - B. Duty to perform illegal instruction
 - C. Duty to compete with the employer
 - D. Duty to defraud the government
 - E. Duty to refuse transfer.
15. What is the maximum numbers of partners in a professional partnership of accountants?
- A. No limit
 - B. 20
 - C. 30
 - D. 40
 - E. 50
16. Which of the following is mandatory for a public company?
- A. Management meeting
 - B. Departmental Meeting
 - C. Statutory Meeting
 - D. Regulatory Meeting
 - E. Special Meeting.
17. The members of Tribunal panel of Alternative Dispute Resolution Tribunal are called...
- A. Justices of Peace
 - B. Registrars of Disputes
 - C. Jury
 - D. Arbitrators

E. Legal Luminaries

18. Which of the following is a duty of the Registrar of Companies of Corporate Affairs Commission?
- A. Issue practising certificate
 - B. Issue company incorporation certificate
 - C. Issue banking certificate
 - D. Issue insurance certificate
 - E. Issue income tax certificate.
19. Which **one** of the following actions may a customer take against a bank for wrongful dishonour of the customer's cheque ?
- A. Sue for breach of contract
 - B. Sue for moratorium
 - C. Sue for fraud
 - D. Sue for theft
 - E. Sue for insolvency.
20. The permitted objectives of incorporated trustees include the following **except**
- A. Establishment of scientific research fund
 - B. Establishment of social organisation
 - C. Establishment of non-governmental organisation
 - D. Establishment of educational foundation
 - E. Establishment of business organisation.

SECTION B : OPEN-ENDED QUESTIONS (80 MARKS)

SUGGESTED SOLUTION TO QUESTIONS

Answer any four out of six questions : 20 Marks Each.

Question 1

1(a) Equity and Common law are both features of the legal system.

Required:

- (i) Explain briefly why Equity was developed
- (ii) Explain **two** differences between Common Law and Equity.

(6 marks)

1(b). Customary law is a source of law recognised in the Nigerian legal system.

You are required to state and explain briefly, **two** evidences to prove existence of customary law **(6 marks)**.

1(c). Ade and Mausi entered into joint venture agreement on equal profit sharing basis, to import frozen turkey into Nigeria through Apapa sea port, because of subsisting general ban of importation of the item, known to both parties.

Ade had paid the foreign supplier for the goods as well as the shipping costs, while Mausi was to pay for the clearing and local freight charges on the consignment. The consignment was seized by the Customs at the Apapa port. Mausi refused to pay his own share of the costs incurred by Ade, and he intends to sue Mausi.

You are required to advise Ade, stating the legal issues involved.

(8 marks).
(Total 20marks)

Question 2

2(a) Criminal and civil laws are classified under separate legal headings. Torts are part of civil law

Required:

- (i) Explain briefly the term "Tort"
- (ii) State **three** common rules applicable to Tort.

(6 Marks).

2(b) Insurance contracts are governed by some essential elements.

You are required to explain briefly the following:

- (i) Insurable interest **(3 Marks).**
- (ii) Disclosure of material fact. **(3 Marks).**

2(c) Employment contract is between the employer and the employee.

Required:

- (i) State **four** duties of the employer

(4 Marks)

(ii) State **four** duties of the employee.

(4 Marks).

(Total marks 20marks)

3.(a) Under the Criminal Code, it is not everything that is capable of being stolen.

You are required to state and explain briefly, category of things capable of being stolen and give **three** examples. (6 Marks)

3.(b) Authority of partners in a partnership are of different types.

Required:

(i) Explain briefly "implied authority" of partners in a partnership (3 Marks)

(ii) State **five** examples of partners' implied authority. (5 Marks)

3(c) The Central Bank of Nigeria (CBN) regulates the operations of banks and other financial institutions.

Required :

(i) Explain briefly "discount house". (3 Marks).

(ii) State **three** types of instruments traded by discount houses. (3 Marks).

4(a) Abu, a businessman is aggrieved because the name he filed to register his business, " Abu Federal Security Ventures " was rejected by the Registrar of companies.

Required:

(i) Explain the legal issues that was relied upon by the Registrar of companies to reject the registration of the proposed business name. (4 Marks)

(ii) State **four** other names that may be rejected for similar reasons. (4 Marks)

4(b) Okon owns a large parcel of farm land which he offered to sell to Ade for ₦20million to be paid fully within 4 weeks and Ade accepted. Two weeks after, Ade wanted to pay for the land, but Okon refused after he found out that the land was worth ₦30million. Okon quickly formed a company and conveyed the land to the company, claiming that the land belongs to the new company and Ade should now deal with the new company. Ade is aggrieved and intends to sue Okon for breach of contract.

You are required to advise Ade, stating the legal issues involved. (6 Marks).

4(c) For a dispute to qualify for arbitration procedure under Alternative Dispute Resolution (ADR), it must possess some essential elements.

You are required to state 6 of these essential elements.

(6 Marks)

(Total =20 Marks)

5(a) Receivership is an alternative to liquidation of an insolvent company.

You are required to state **four** powers of an appointed Receiver/Manager.
(4 Marks)

5(b)i. Under administration of estates, will is a very important document.

You are required to state **four** essential elements of a valid will.
(4 Marks)

ii. Trusts are created by appointment of Trustees to manage the estate of a person for the benefit of named beneficiaries, under Trusteeship law.

You are required to state and explain **two** methods to terminate trusteeship.
(4 Marks)

5(c)i The sale of goods law regulate contracts of sale of goods.

Required:

- i. Explain briefly, bailment and distinguish between contract of sale and bailment.
(4 Marks)
- ii. Hire Purchase is a type of sale of goods with certain conditions.

Required:

Explain briefly, **two** characteristics of hire purchase contract.
(4 Marks)
(Total = 20 Marks)

6(a) Under the legal system, it is the duty of the courts to interpret the provisions of statutes and legislations whenever the need arises.

Required:

Explain briefly, the following terms:

- (i) Literal Rule (2 Marks)
- (ii) Mischief Rule. (2 Marks)

6(b)i Bribery is an offence relating to official corruption against guilty public officials, under the Criminal Code.

Required:

Explain briefly **two** elements of bribery. (4 Marks)

ii. E-Signature is an essential of element of e-contracts in modern day business transactions.

Required:

Explain briefly e-signature, and state the proof of e-signature as an electronic evidence.
(4marks)

6(c)i The Money Laundering (Prohibition) Act provides punishments for persons found guilty of obstructing officials of authorised agencies from performing their duties under the law.

Required:

State the punishments for individual and body corporate found guilty of this offence. (4marks)

ii. There are different classes of agents under agency law.

Required:

State **four** classes of agents.

(4 Marks)

(Total = 20 Marks)

