



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

2019_2 EXAMINATION

COURSE CODE: CLL 431

COURSE TITLE LAW OF BANKING AND INSURANCE 1

CREDIT UNITS: 4

INSTRUCTIONS:

- (a) Indicate your Matriculation Number clearly
- (b) Attempt Question one (1) and any other three questions – four (4) questions in all
- (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 coherent and orderly manner.

TIME ALLOWED: 3 Hours

QUESTION ONE

a) Harat Bank Nig. Plc. is one of the licensed banks in Nigeria. The Central Bank of Nigeria has recently introduced cashless policy and Biometric Verification Number into the banking system. Harat Bank Nig. Plc is challenging this CBN policy. Advise the parties. 10 Marks.

(b) Harat Bank Nig. Plc has approached you to advise her on banking business. Succinctly explain the laws regulating banking business and the establishment of a Bank in Nigeria.

QUESTION TWO

The Bank Customer relationship is essentially creditor-debtor relationship. Discuss citing relevant authorities.

QUESTION THREE

(a) Tope maintains a current account with Best Bank Ltd. Tope issued a cheque in favour of Tina. On presentation for payment by Tina, Best Bank Ltd refused to honour the cheque because the bank has no sufficient cash because of the cashless policy. Advise the parties. 5 marks

(b) Explain 5 duties of a bank to its customer. 5 marks

(c) The existence of banker-customer relationship automatically creates contractual duties on the banker and the customer. Identify 5 duties of a customer to his/her bank. 5 marks

QUESTION FOUR

Mr. Tayo is a customer of Harat Bank. In what ways can Mr. Tayo's relationship with Harat bank come to an end?

QUESTION FIVE

Write short note on the following:

- a. Banker and banking business
- b. Combination of account
- c. Promissory note

QUESTION SIX

- (a) Relying on *New Nigerian Bank v. Odiase*, discuss who a bank customer is in Nigeria.
- (b) Discuss the exceptions to the rule of appropriation of payments.