



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
2022_1 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

QUESTION 1

Chief Marcus Fasesin, an accomplished businessman, intends to launch into the sphere of international trade. To help him make up his whether to venture into it, he has approached you for counsel on the following:

- (a) Since some of his shipment will be air, what are the basic of elements of liability in relation to the carrier of goods by air. (5 marks)
- (b) He made arrangement with Global Haulage and Logistics Limited to truck the shipment to his Abuja office when it arrives in Lagos port. His worry is that the company has limited its liability in case of loss or damage to the goods. He needs your advice on the position of the law here. (10 marks)
- (c) His bankers agreed to support the transaction by opening a letter of credit on highly favourable terms for him. To help him save cost and manage his risk, he was advised to stay action on the letter of credit until the arrival of the shipment at the port of destination before steps will be taken to open one. He seeks your trusted counsel in this intricate area of international business. (10 marks)

QUESTION 2

Nigeria is taking steps to cash in on the opportunities offered by the African Continental Free Trade Area Agreement (AfCFTA). Towards sensitizing the Nigerian business community in this connection, you have been invited to give a talk on “**FOB CONTRACTS: An Appraisal of Three Critical Duties of the Seller and Four Key Duties of the Buyer.**” Prepare your talk. (15 marks)

QUESTION 3

Under Rule 4, it should be observed that property and risk in the goods taken on sale or return remains in the seller. If they are destroyed or stolen while in the buyer’s possession, the seller

cannot sue for the price, if the damage was not occasioned by the buyer's fault. Discuss. (15 marks)

QUESTION 4

Write short notes on:

- (a) The main categories of letter of credit in international trade. (8 marks)
- (b) The concept of passing of property with respect to an FOB contract. (7 marks)

QUESTION 5

With the aid of statutory and judicial authorities, discuss the concept of “**good faith buyer without notice of defect in title**” with respect to sale by a person whose title to the goods is voidable. (15 marks)

QUESTION 6

- (a) With the use of a decided case, differentiate between a sale and a gift. (5 marks).
- (b) Using statutory as well as judicial authorities discuss the buyer's rights in an CIF Contract. (10 marks)