



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

2023_2 EXAMINATIONS

COURSE CODE: CLL431

COURSE TITLE LAW OF BANKING AND INSURANCE 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.
 - (e) **Total available score is 100%** of which: TMA carries **30%**; Exam carries **70%**

TIME ALLOWED: 3 Hours

QUESTION 1:

Mr Samuel Dada a resident of Victoria Island, Lagos, Lagos State, created a legal mortgage in favour of Ajegunle Bank Plc in order to secure a loan of Five Million Naira from the bank. The mortgage was registered at the Lagos State Land Registry. However, the account later developed some issues and the mortgagee sought to sell the property. The legal mortgage so created was without the written consent of His Excellency, the Executive Governor of Lagos State.

- (a) With the aid of both statutory and judicial pronouncements, comment on the validity or otherwise of the mortgage so created. (15marks)
- (b) Would your answer be different from “a” above had the parties obtained the written consent of the Lagos State? (10marks)

QUESTION 2:

- (a) What do you understand by floating charge? (7marks)
- (b) Briefly state the legal effects of floating charge. (8marks)

QUESTION 3:

- (a) Hybrid banks are banks that are neither wholly expatriate nor wholly indigenous. Discuss. (5marks)
- (b) Briefly explain the efforts made at establishing indigenous banks in Nigeria. (10marks)

QUESTION 4:

- (a) Define bill of exchange? (7marks)
- (b) Explain parties to a bill of exchange. (8marks)

QUESTION 5:

- (a) With the aid of relevant judicial authorities, explain the basis of guarantee under the law of banking. (9marks)
- (b) State the features of a good guarantee. (6marks)

QUESTION 6:

Write short notes on the following:

- (a) Bank Customer. (5marks)
- (b) Insurance made subject to average. (5marks)
- (c) Bank customer. (5marks)