



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja**  
**2020\_1 EXAMINATION**

**COURSE CODE:** CLL 332

**COURSE TITLE** LAW OF COMMERCIAL TRANSACTIONS – II

**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** 3 Hours

**ALLOWED:**

**Question 1**

(a) Brick Industries Ltd with office and production facility in Nkalagu appointed Designs Enterprises as the sole selling agents of its burnt bricks for the Lagos zone and for a period of 12 months. Ten months into the appointment, the manufacturers informed Designs Enterprises that it would sell directly to the customers in Lagos zone. Dissatisfied with this decision, Designs Enterprises sued the manufacturers. What is the nature of the relationship between the parties? – (5 marks)

(b) Are there any limitations to the rule that “*he who does an act through another is deemed in law to do it himself*”? (10 marks)

(c) Examine the proposition that one of the reasons behind the statutory intervention in the area of hire purchase transactions in Nigeria is to check the mischief of the owners or dealers of goods, the subject of every hire purchase agreement. (10 marks)

**Question 2**

Critically discuss the principle of law enshrined in the legal maxim that states “*qui per alium facit per se ipsam facere videtur*”. (15 marks)

**Question 3**

With the aid of statutory and judicial authorities identify and discuss the issues involved in the following scenarios:

(a) Rahinatu joined Freestyles Nigeria Ltd immediately she completed the mandatory National Youth Service Scheme. In order to appreciate her commitment and loyalty after three years of continuous satisfactory performance, the Company entered into a contract with her for the purchase of a motor vehicle for her use. The employee and the employer executed an agreement, which stated that the contract “is a loan of money payable by forty-eight monthly

installments”. Rahinatu could not meet up with the payments for several months, due to other pressing challenges at the home front, including hospital bills of her ailing mother. The employers repossessed the car and dismissed her. Rahinatu is contemplating action but is confused as to the nature of the transaction. Please advise Rahinatu. (5 marks)

- (b) Miss Sandra is a regular customer of Dan Suleiman, trading under the name Kantin Sauki Stores. However, she has always been making purchases as an agent of Mama Ibeji. On this particular occasion, Sandra was at Kantin Sauki Stores. She met the owner of the shop and told him that she was buying the goods specifically for her own benefit, as she needed to visit her aged parents. Convinced on the propriety of her mission, Dan Suleiman directed the shop attendants to release the goods to Miss Sandra, who promised to pay on her next visit. Following failure of Miss Sandra to pay after several visits, Dan Suleiman has threatened to sue and recover the money from Miss Sandra’s principal. Advise the parties. (5 marks)
- (c) Messrs Inter Motors Limited sold a second-hand motor vehicle to Prof Smart at 7,750,000 NGN. Out of the amount he paid 5,500,000 NGN, leaving a balance of 2,250,000 NGN to be paid. Following the sale, the Inter Motors Ltd and Prof Smart executed another agreement, called hire purchase agreement, on the same motor vehicle. By reason of the hire purchase agreement Inter Motors Ltd repossessed the motor vehicle and resold it to a third party for the outstanding balance. Advise Prof Smart on his chances of recovery. (5 marks)

#### **Question 4**

- (a) Catherine wanted a ticket for the first night of a new play at Diamond Cinemas. Owing to the frosty relationship between her and the owner of the theatre, Valiant, she unsuccessfully tried to get one. Catherine pleaded with Beatrice to buy a ticket for her. When she arrived at the theatre, she was not allowed to take her seat. In frustration, she left and the next day brought an action against Diamond Cinemas. What are her chances? 5 marks
- (b) Drawing on relevant statutory provisions discuss the proposition that under the Hire Purchase Act an owner of goods, subject matter of a hire purchase agreement, plays with fire if he/she levies what amounted, or would amount to, wrongful possession. 10 marks

#### **Question 5**

Frustration is an evil that blows no good to either party to a contract. This is also an issue in the case of hire purchase agreement. In some contracts, this is identified as Force Majeure and they include war, natural disasters, etc. Also, the contract embodied in a hire purchase agreement is amenable to frustration by factors beyond the contemplation of the parties.

- (a) To what extent does the law hold the hirer bound to his obligations under the hire purchase agreement? (7 marks)
- (b) The implied warranty as to quiet enjoyment under the Hire Purchase Act 1965 presupposes the presence of certain states of fact. What are they? (3 marks)
- (c) Identifying the relevant section of the Act, define “relevant proportion” of the hire purchase price in line with the Hire Purchase Act (5 marks)

#### **Question 6**

Write short notes on the following:

- (a) The remedial rights available to the agent (10 marks)
- (b) The implied conditions under the Hire Purchase Act 1965 (5 marks)