

BOWEN UNIVERSITY, IWO
COLLEGE OF LAW
1st SEMESTER EXAMINATION, 2023/2024 ACADEMIC
SESSION

COURSE: COMMERCIAL LAW I

CODE: PCL 301

TIME ALLOWED: 2 ½ HOURS

INSTRUCTIONS: Answer four (4) questions. At least two from each Section

SECTION A

1. Mallam Shuaib instructed Mr. Richard to sell his property, at No 14, Casino Road, Iwo and agreed to pay him Five Hundred Thousand Naira (N500,000) as commission. Mr. Richard sold the property for Ten Million Naira (N10M) and he paid the sum of Nine Million, Five Hundred Thousand Naira (N9.5m) to Mallam Shuaib having deducted his commission. Mallam Shuaib learnt later that Mr. Raphael had also received Five Hundred Thousand Naira (N500,000) from the purchaser and therefore he sued to recover the Five Hundred Thousand Naira and also the Five Hundred Thousand Naira (N500,000) which he had paid as commission.

- (a) Discuss briefly the status of both Mallam Shuaib and Mr. Richard in this transaction
- (b) Consider the legality or otherwise of the sum of Five Hundred Thousand Naira (N500,000) received by Mr. Raphael from the purchaser
- (c) Discuss briefly four rights of Mr Richard against Mallam Shuaib in respect of this transaction.

2.(i) How is a Del credere agent different from a general agent?

(ii) Mention and explain the various types of agency known to you.

(iii) Ada, 15 years engaged the services of Oredola Motors to buy a 2018 Toyota Camry car on her behalf and agreed to pay 5% of the total sum as commission. Similarly, Ada's father, Mr Gregory who resides in Abuja called Oredola Properties Company to sell his property at No 11, Glover Road, Ikoyi valued at N110m and sign all documents on his behalf. The commission is 10% and another 2% if Oredola Properties can guarantee that all monies payable to Mr Gregory will be duly paid. Relying on decided cases, identify and briefly discuss the legal issues.

3.(i) In what ways can the agency relationship be terminated.

(ii) Mrs Malachi is the wife of Mr Malachi under the Marriage Act. While Mr Malachi was away on Medical leave to Malaysia for two years, Mrs Malachi continued to collect goods from Bruno Food stores on credit on behalf of the husband as she had been doing before the husband travelled. However, unknown to her and Bruno stores, the husband had become insane in Malaysia and was in that condition for 2 years when he suddenly recovered and came back home. Bruno stores has brought an action against Mr Malachi to recover from him the cost of purchases made on credit by Mrs Malachi when he was away and Mr Malachi is resisting same. Advise the parties, citing relevant decided cases.

SECTION B

4. An act done without authority does not become the act of the principal unless it is adopted by the principal. With the aid of judicial authorities, discuss this assertion.
- 5a. Billionz owed his agent Paul, the sum of N9, 000,000:00k (Nine Million Naira) and to discharge the debt, he executed a power of attorney by which he authorised Paul to sell certain parcels of land belonging to Billionz in Ikeja, Lagos State. Billionz later purported to revoke the authority but Paul ignored the purported revocation and sold the land. Billionz has gone to court to challenge the purported sale. With the aid of appropriate authorities, identify the legal issues involved in the case and advise the parties appropriately.
- 5b. Briefly discuss Agency by Cohabitation.
6. ABC Transport is a haulage company with a branch office in Kano. She contracted to transport 50 tones of Tomatoes and Okro from Bishi Farms, Kano to Lagos on behalf of Mallam Shehu, a businessman who resides in both Kano and Lagos. The consignments were to be delivered within 4 days. The Lorry broke down at Jebba after two days as a result of a major engine fault that required two weeks to fix. This also occurred during the nationwide strike of all telecommunication networks which lasted for one week which prevented ABC Transport from reaching Mallam Shehu and vice versa. After six days, the tomatoes and okros were already going bad and the driver, Yusuf approached the local markets in Jebba and sold off the goods. Mallam Shehu is deeply aggrieved and is contemplating an action against ABC Transport to recover the cost of the goods. With the aid of relevant decided cases, advise the parties.