

**BOWEN UNIVERSITY, IWO, OSUN STATE**  
**COLLEGE OF LAW**  
**2021/2022 FIRST SEMESTER EXAMINATION**  
**COURSE CODE: PCL 301      COURSE TITLE: COMMERCIAL LAW I**  
**TIME ALLOWED: 3 HOURS**

Each question carries 17 ½ marks

**INSTRUCTIONS: ANSWER AT LEAST ONE QUESTION FROM EACH SECTION AND FOUR (4)**

**QUESTIONS IN ALL**

**LOGICAL AND GRAMMATICALLY CORRECT PRESENTATION OF ANSWERS ARE IMPORTANT**

**SECTION A**

1. Chief Akindele a wealthy businessman resident in Abuja appointed Akinbade, his bosom friend, via a telephone conversation as his agent for the purpose of collecting rent from his tenants living in his estate at Ibadan. He also instructed him to purchase 40 hectares of Land for him in Benin City.  
Akinbade located a property fitting Chief Akindele's specification which purportedly belonged to KBM Ltd (a company in which Akinbade was a major shareholder) in Benin City and entered into a conveyance agreement with KBM Ltd for the property.  
Chief Akindele has also received reports that Akinbade has been charging rent above the amount he was instructed to collect and keeping the difference. **Advise Chief Akindele.**
  
2. Mallam Dasuki (a wholesale tomato seller in Kaduna State) agreed to supply Mr Lateef Adepoju (a grocery seller in Lagos) with 1000 baskets of tomatoes in April 2020. It was agreed between the parties that the right of ownership would remain in the seller until the Tomatoes were physically delivered to the buyer. The Tomatoes were transported by Alhaji Abubakar (who owns a Lorry that transports goods between Kaduna and Lagos). In the course of transit, the engine of the Lorry transporting the tomatoes knocked at Lokoja. In the course of searching for another Lorry, the Federal Government suspended interstate movement so as to curb the spread of the Covid-19 Virus. Alhaji Abubakar tried to get in touch with Mallam Dasuki to inform him of the development and to seek his counsel on what to do. However, he could not reach him on phone due to the fact that GSM networks were shutdown in order to enable to government to deal with the rising spate of banditry in Kaduna State.  
Alhaji Abubakar decided to sell all the tomatoes at grocery sellers in Lokoja. In the process, he sold the tomatoes for N1, 500, 000 while he remitted N1, 000,000 to Mallam Dasuki. Mallam Dasuki is angry that Alhaji Abubakar did not supply the tomatoes to Mr Lateef Adepoju as instructed and questioned his authority to sell the goods. Also, Mallam Dasuki recently found out that Alhaji Abubakar kept back N500, 000 for himself and has asked him to return the money. Alhaji Abubakar claimed that he is entitled to the money as his remuneration for facilitating the sale of the tomatoes which was not part of the transportation contract. Also Alhaji Abubakar claimed that he paid N200, 000 to store the tomatoes in a warehouse before he got a buyer in Lokoja. **Advise the parties.**
  
3. There is no difference between a paid and a gratuitous agent. They both have a duty to obey the instructions of the principal and a duty of care and skill. **To what extent is this statement correct?**

4. An act done without authority does not become the act of the principal unless it is adopted by the principal. **In the light of this statement discuss the conditions for ratification.**

## SECTION B

5. Owoblow owed his agent, Papilo, the sum of N9,000,000:00 (Nine Million Naira), and in order to discharge the debt, he executed a power of attorney by which he authorised Papilo to sell certain parcels of land belonging to him (Owoblow) in Ikeja, Lagos State. Owoblow later purported to revoke the authority, but Papilo ignored the purported revocation and sold the land. Owoblow 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.**
6. **With the aid of judicial authorities, discuss the liabilities of parties in the following cases:**
  - a. Banky and Halima sold 10 gallons of palm oil to Paul, a broker, who failed to disclose that he was acting for a principal. The palm oil was delivered without payment of the purchase price. Okeke and Ada who were Paul's principals, paid the purchase price to Paul and asked him to pay over the money to Banky and Halima. Paul became insolvent and was unable to pay over the money to Banky and Halima who, upon discovering the identity of Paul's principals, wants to sue to recover the purchase price from them (Okeke and Ada). In addition, Banky and Halima also want to sue Paul in order to recover the purchase price paid to him by his principals in case they are unable to recover same from Okeke and Ada.
  - b. Jaja acted as the agent of Lanre, a student aged 16 years, with regard to the sale of some properties owned by Yakubu in Ikoyi, Lagos State, worth N90,000,000:00 (Ninety Million Naira). Yakubu wants to sue Lanre and Jaja for failure to pay the purchase price of the properties.
7. An agency relationship is brought to an end through various means. **Discuss holistically termination of agency by operation of law with the aid of judicial authorities.**