



**BOWEN UNIVERSITY, IWO  
(OF THE NIGERIAN BAPTIST CONVENTION)  
COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES (COMSS)  
ACCOUNTING AND FINANCE PROGRAMME  
B.SC. ACCOUNTING DEGREE  
2023/2024 FIRST SEMESTER EXAMINATION**

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**COURSE CODE: ACC 205**

**COURSE TITLE: BUSINESS LAW**

**DATE: JANUARY 2024**

**TIME: 2½ HOURS**

**INSTRUCTIONS: ATTEMPT QUESTION 1 AND ANY OTHER 3 QUESTIONS**

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**Question 1**

- a. Agency exists where the principal has authorised an agent to act on his behalf.  
**Required: State FIVE (5) conditions under which a principal could ratify his agent's act. (5 marks)**
- b. The Constitution of the Federal Republic of Nigeria is supreme over all other Nigerian laws.  
**Required: Explain the supremacy of the Constitution. (5 marks)**
- c. In an auction sale at Osogbo High Court, Othniel bided for a Camry Motor Car in response to Caleb, the auctioneer's request, for bids. However, before Caleb's rang his bell, Othniel withdrew his bid, as he was reliably informed that the Camry had no engine. As the auctioneer had no other bid and asked Othniel to pay for his bid, Othniel insisted that he had already withdrawn his bid and refused to pay. The auctioneer is threatening to sue Othniel.  
**Required: Advise the auctioneer. (7 marks)**
- d. ABC Limited sells clothes and shoes. Andrew is an employee in ABC company and a friend to Samuel and Theophilus. Samuel sent a text message to Andrew instructing him to buy two shirts for him. Andrew thought Theophilus would also need some shoes and bought two pairs of shoes for Theophilus. Theophilus praised Andrew for his decision to buy two pairs of shoes without prior consultation with him and paid for same.  
**Required: Explain your understanding on the above, stating the types of agency created by the actions of:**
- Andrew and Samuel
  - Andrew and Theophilus

**(8 marks)**

**[Total: 25 Marks]**

### Question 2

- a. Sale of goods is a contract in which the seller's title to goods is extinguished.

**Required:**

- i. List and explain FOUR (4) types of goods under the Sale of Goods Act. (8 marks)  
ii. Explain the implied terms of "Title of the Seller" (4 marks)

- b. Treaty is a source of law.

**Required:** Explain Treaty.

(3 marks)

[Total: 15 Marks]

### Question 3

- a. Hire purchase agreement facilitates commercial transactions by payment in instalments.

**Required:** Provide FIVE (5) duties of the owner in hire purchase contract. (5 marks)

- b. Fundamental rights are basic rights to which every citizen is entitled to.

**Required:** Mention FIVE (5) fundamental rights provided in the Nigerian Constitution.

(5 marks)

- c. Maxims of equity are set of general principles which govern the way equity operates.

**Required:** Give FIVE (5) maxims of equity.

(5 marks)

[Total: 15 Marks]

### Question 4

- a. Courts in Nigeria are arranged hierarchically.

**Required:** State and explain the composition and jurisdiction of the National Industrial Court. (5 marks)

- b. Equity is part of the Received English Law.

**Required:** Explain equity and state the main reason for the development of equity.

(5 marks)

- c. One of the duties of a bank is to honour a customer's cheque.

**Required:** State FOUR (4) conditions that must exist for the performance of this duty.

(5 marks)

[Total: 15 Marks]

### Question 5

- a. A contract can be discharged by frustration.

**Required:** State FIVE (5) situations that frustrate a contract.

(5 marks)

- b. The principle of privity of contract has exceptions.

**Required:** Explain privity of contract.

(5 marks)

- c. There are various types of financial instruments used in business transactions.

**Required:** Explain the term "Bill of Exchange", and state THREE (3) parties involved.

(5 marks)

[Total: 15 Marks]

**Question 6**

a. Negligence has some essential elements.

**Required:**

- i. Explain the term "Negligent misstatement" (4 marks)
  - ii. State the elements of the tort of negligence. (3 marks)
- b. In a tabular form, provide FOUR (4) distinctions between Criminal liability and Civil liability. (8 marks)

**[Total: 15 Marks]**