



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

**2019\_2 EXAMINATION**

**COURSE CODE:** CLL 534

**COURSE TITLE** Company Law and Business Association 2

**CREDIT UNITS:** 4

- INSTRUCTIONS:**
- (a) Indicate your Matriculation Number clearly
  - (b) Attempt Question one (1) and any other three questions – four (4) questions in all
  - (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 coherent and orderly manner.

**TIME ALLOWED:** 3 Hours

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**QUESTION ONE**

Mr. Ikedi Josi has a furniture business which he established in 2010 in Lagos. Mr. Ikedi Josi intends to raise more capital in order to expand the production base of the business as a result of which he plans to register it as COXA Furniture PLC. Mr. Ikedi Josi as the founder of the company and with his vast knowledge in running the business since 2010 is confident of huge returns for the company in forms of earnings and profit. He is interested in having unrestricted share in the future dividend of the company. John Okoh is interested in buying the shares of the company when issued but wants assurance that his entire fixed percentage (including any outstanding) dividend will be paid any time the company declares dividend.

- (a) In view of the above, advise the parties on the class or classes of shares to buy. -- 5 marks
- (b) Discuss the procedure for voluntary winding up of COXA Furniture PLC ----- 5 Marks
- (c) John Okoh is interested in taking over COXA Furniture PLC. Clearly explain the procedure for takeover to him. 5 Marks
- (d) Discuss the legal effect of failure to give notice of meeting by COXA Furniture PLC. ---- 5 Marks
- (e) If COXA Furniture PLC is planning a meeting, explain the content of the notice of meeting. 5 Marks

## QUESTION TWO

- (a) Membership of a company is different from being a shareholder. Discuss -----3 marks
- (b) Lion Heart Plc. is one of the progressive transport companies with branches in every State capital in Nigeria. Akudo is one of the returnees from South Africa following the attacks on Nigerians in South Africa. Akudo has approached you to advise him on how to become a member of any company and specifically, the option or options available for him to become a member of Lion Heart Plc. ----- 12 marks

## QUESTION THREE

- (a) Draw a clear distinction between winding up and dissolution of a company --- 6 marks
- (b) Discuss 4 ways a company can be dissolved -4 marks
- (c) Discuss 5 differences between partnership and incorporation ---- 5 marks

## QUESTION FOUR

- (a) Discuss in details using relevant authorities the procedures for merger and takeover  
10 Marks
- (b) Differentiate between merger and takeover ---- 5 marks

## QUESTION FIVE

Discuss the following:

- (a) Five types of directors – 2.5 Marks
- (b) Rotation of director ---- 2.5 Marks
- (c) 3 duties of a director ---- 10

## QUESTION SIX

In *Panorama Developments (Guilford) Ltd v. Fidelis Furnishing Fabrics Ltd* (1971)2 QB 711), Lord Denning M.R. stated that “But times have changed. A company secretary is a much more important person than he was in 1887...” In the light of Lord Denning’s Statement above, discuss the *Status, duties and procedure* for removal of company secretary in Nigeria. 15 Marks