



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

2023_1 POP EXAMINATIONSM

COURSE CODE: CLL 533

COURSE TITLE Company Law and Business Organisation 1

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.
 - e) **Total available score is 100%** of which: TMA carries **30%**; Exam carries **70%**

TIME ALLOWED: 3 Hours

1. Mr. John is your neighbour who has been in the business of fish farming since 2007. From a single fish pond in his house, he has succeeded in opening branches in 12 States in Nigeria. Mr. John is planning to expand his business to all the States in Nigeria and will require loan from the banks but wants the business to be separate from him while he remains the sole owner. He is confused on how his plans can become a reality. Your father has always boasted whenever they were having meetings that you are the 21-century lawyer. Mr. John has approach you for advice regarding his plan and wants you to educate him of the consequences, if he succeeds in his plan. (25 Marks)

2. Bamidele was engaged in January 20022 to help bring a company into existence. In the process of registering the company, Bamidele sold one of his personal lands to the company without indicating that he was the vendor. He also entered into other contracts for the company during the process of the registration to enable the company commence smoothly. The company is now registered but there is a serious dispute between Bamidele and the members of the company regarding selling his land to the company and

the contracts. Advise the parties on the common law position and the position under CAMA 2020. (15 Marks)

3. Discuss the growth and development of company law and the assertion that the Bubble Act was as dead letter law. Discuss (15 Marks).

4. (a) Ms. Joan a popular hair dresser is planning to register her business name, Joan Beauty Centre and has approached you for advice regarding all the documents required for the registration. Advise the party.

(b) The maximum of twenty persons is permitted to form a company, association or partnership or the purpose of carrying on business for profit or gain by the company or association or partnership, or by the individual members thereof. Are there exceptions? if any, discuss.

5. Ibrahim who is ready to register his company by name Ibro Agro Ltd, has approached you to educate him on all the preliminary requirements for registration of company in Nigeria. Educate Ibrahim. (15 Marks)

6. Angela is the manager of Polis Bank Plc and she is considering advancing 500 million naira loan to Ebuka Onwuka who is the manager of TK Transport Limited. Ebuka Onwuka in the loan application stated that the loan is needed to expand the business of the company, TK Transport Limited. The Articles of Association of TK Transport Limited provides that the maximum loan the company can borrow is 2 million naira and the memorandum states that the company's object is transportation business.

Advise Angela what she must consider before granting the loan (8 Marks).

b. Explain the concept of ultra vires (7 Marks).