



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

2023_1 POP EXAMINATION

COURSE CODE: CLL804
COURSE TITLE Business and Company Law
CREDIT UNITS: 3

- INSTRUCTIONS:
- Indicate your Matriculation Number clearly
 - Attempt Question one (1) and any other three (3) questions
 - Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
 - Using appropriate statutory and judicial authorities, present all your points in a straightforward, coherent and orderly manner.
 - Total available score is 100% of which: TMA carries 30%; Exam carries 70%

TIME ALLOWED: 3 Hours

QUESTION 1

Great Innovations Africa Ltd is a budding Nigerian IT firm. Its clients network services providers, food and beverages manufacturing entities, among others. Over the past four years, the company has posted consistently an annual turnover in excess of NGN500 million. The company is focused on building a strong governance and compliance system and has retained your services to advise her on the following:

- The managing director has a nephew who is a trained business systems consultant. He has decided to recommend him to the board for appointment as the company secretary. With his nephew on the position, the business strategy of the company anchored on growth, prosperity and sustainability will be boosted. Advise the managing director on the propriety or otherwise of the decision. (8 marks)
- The company has a strong and diversified board of directors. One of the board members, Ms. Adenike Jones, is a member of the Association of National Accountants of Nigeria. To cut cost and boost firm value, it is proposed to appoint her as the secretary. Can she hold, and act in, the two positions at the same time? (5 marks)
- At an annual colloquium on Cybersecurity and Data Protection Systems held in Warsaw Poland, the secretary represented the company. When she returned from the trip, the Internal Audit department raised queries on her settlement. It was discovered that she uttered the hotel receipts and claimed three extra days of stay in the Mariupol, where she went to see her cousin, a student at the Mariupol College of Cybernetics and Artificial Intelligence. The board seeks to dispense her services and requests for your professional guidance in this respect. (12 marks)

QUESTION 2

With the enactment of Companies and Allied Matters Act 2020, academics, legal practitioners, accountants, economists, and thinkers believe that the Nigerian company's law has turned full circle. As one of the proponents of this position, address the following issues to justify your position:

- Carefully trace the history of Nigerian company law from 1912 to 1922. (5 marks)
- With the aid of appropriate provisions of the law, specify the responsibilities of the institutional mechanism for giving effect to Companies and Allied Matters Act 2020. (10 marks)

QUESTION 3

Using the case of Caligara v Sartori Company Limited (1963) 3 All NLR as a relevant guide, carefully distinguish between the common law treatment of pre-incorporation contract and Companies and Allied Matters Act. 15 marks

QUESTION 4

Per Aguda, "Legal personality relates basically to human beings but over the years English common law faced with problems of property, law of commerce and business transactions, evolved a system of corporate personality." To what extent is this statement justified in the context of the Nigerian company law regime? 15 marks

QUESTION 5

In a seminar organised to brainstorm on the necessity of retaining the memorandum of association as constitutional document, you have been asked to address the following specific issues:

- (a) Is there any difference between the limited liability clause in a company having a share capital and the same clause in a company limited by guarantee? 10 marks
- (b) What the effect of memorandum and articles of association of company? 5 marks

QUESTION 6

Write short notes on:

- (a) How a personal representatives can become a member of a company 8 marks
- (b) Preference shares 7 marks