



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

2023_2 EXAMINATIONS

COURSE CODE: CLL 534

COURSE TITLE Company Law and Business Organisation 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.
- e) **Total available score is 100%** of which: TMA carries **30%**; Exam carries **70%**

TIME ALLOWED: 3 Hours

1. Toluka limited is a company with the object of manufacturing and trading in solar plates. The company is undergoing going conversion process to Plc. Already, 15 Nigerians are awaiting eagerly to join the company as members. One of them is Okonkwo who recently turned 14 years old and one of the existing shareholders is insisting that instead of bringing in more member that Toluka Ltd should seek other means of financing it objects. Also, Jacky Ebuka who has been a shareholder of the company for the past two years two years upon inspection of the register of members found to his dismay that his name is not in the register. Charles the secretary to the Company told Ebuka that he will never include his name in the register of member for not allowing him to marry his younger sister.

- a. Advise the 15 Nigerians on how to become a member of company in Nigeria. (15 Marks)
- b. Advise Okonkwo whether he is qualified to be a member of a company.
- b. Advise Toluka Ltd ways of raising company finance in Nigeria (10 Marks)

2. a. Makus Ltd was advance a loan of 50 million in 2017 by Lion Savings. The due date for the full repayment was 10th February, 2022. Since the due date, Makus Ltd has not made any attempt at repayment and the Manager of Lion Savings has approached for advice.
Advise the Manager of the Lion Savings of any remedy available to Lion Savings. (7 Marks)
b. The Members of Makus Ltd are planning to remove James as a Director but James insists that there is nothing in the company's Articles of Association providing for the procedure for his removal as such having been appointed, he cannot be removed. Advise the Parties (8 Marks)
3. a) Makus PLC was recently converted to a public company and has issued his shares to the public. Mama Emma, your neighbour is interested in purchasing shares from the company and has approached you for advice on different classes of shares. Advise Mama Emma. (8 Marks)
b) Ms Jane has been the secretary of Makus Ltd since inception before the conversion of the company to Makus Plc. What qualifications does Ms Jane require to remain the secretary of the company and what statutory procedure can Makus Plc take to remove Ms Jane. (7 Marks)
4. (a) A director has fiduciary duty which include duty of "care and skill" under section 282 of the CAMA 2004. Discuss (10 marks)
b. Analyses the different types of directors existing under CAMA. (5 marks)
5. Discuss the importance of the notice of company's meeting under CAMA and the consequences of failure to give notice and the effect of omission or error in the content of the notice of meeting. (15 marks)
6. (a) Discuss the mechanism for the protection of minority under CAMA (5 marks)
(b) What are the grounds for derivative action. (5 Marks).
(c) Discuss 5 items that should be on the partnership deed. (5 Marks)