



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

JUNE 2021_1 EXAMINATION

COURSE CODE: CLL534

COURSE TITLE Company Law and Business Organisation II

CREDIT UNITS: 4

- INSTRUCTIONS:**
- (a) Indicate your Matriculation Number clearly
 - (b) Attempt Question one (1) and any other three (3) questions
 - (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 a straightforward, coherent and orderly manner.

TIME ALLOWED: 2.5 Hours

QUESTION 1

Black's Limited is a company trading in furniture and building materials. 5 people have indicated interest in becoming members of the company. The first is Jack who recently turned 16 years old and his uncle transferred his shares in the company to him as his birthday gift.

Zeng Hu is a Chinese man who has been in Nigeria for one month, he has decided to stay back and leverage on Nigeria's thriving economy to invest and carry out his business. He is yet to be issued a permanent residence permit and he is yet to renew his visa.

The other three individuals Peter, James and Joy have been allotted shares by the company. However, their names are not in the register of members.

- a. Ascertain the qualification of the Jack, Zeng Hu, Peter, James and Joy to become members of the company. (15 Marks)
- b. Advise Peter, James and Joy on the legal procedure to follow to have their names in the register of members of Black's Limited. (10 Marks)

QUESTION 2

- a. Discuss the concept of shares. (5 Marks)
- b. Mention and explain with relevant statutory the different types of shares. (10 Marks)

QUESTION 3

- a. Discuss the scope of the directors duty of "care and skill" under section 282 of the CAMA 2004. (8 marks)
- b. Outline the statutory procedure for removal of company directors. (7 marks)

QUESTION 4

- a. Examine the qualification for appointment of the Secretary of:
 - i. a private company (3 marks)
 - ii. a public company (3 marks)
- b. Outline the statutory procedure for removal of company secretary. (5marks)
- c. Outline the statutory duties of a secretary (4 marks)

QUESTION 5

Write short notes on the following:

- a. Quorum (3 marks)
- b. Voting (3 marks)
- c. Minutes of Meetings (3 marks)
- d. Adjournment of Meetings (3 marks)
- e. Proxy (3 marks)

QUESTION 6

- a. What are the grounds for a winding up order by the court? (7 marks)
- b. Outline the categories of persons who are entitled by law to present petition for the winding up of a company? (8 marks)