



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: CLL804

COURSE TITLE: COMPANY LAW

CREDIT UNITS: 3

- 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

Alhaji Daram Dam-Dam desires to formally register his thriving textile and tailoring business. Hearing that you have an in-depth knowledge on business and company matters, he has approached you with the following questions to enable him to make up his mind:

- (a) When did law regulating the formation and activities of businesses in Nigeria take effect? (3 marks)
- (b) What is the institutional framework for giving effect to the law? (4 marks)
- (c) If he opts for partnership, explain to him the distinguishing features of a limited partnership. (8 marks)
- (d) Alhaji Daram Dam-Dam wants to know what, if any, can stop him from being a director of his new company. (10 marks)

QUESTION 2

Following the introduction of online company registration system your services have been retained by Marcos Pocantos to register and incorporate a company by the name, Multifacets Nigeria Limited. In your opinion, you have observed and followed all requirements as to registration, including uploading the memorandum and articles, the particulars of directors, among others. Your client asked to know:

- (a) What are the points or issues the law allows the Commission to consider in exercising discretion to register the memorandum and articles of a company? (12 marks)
- (b) In your own words, define a promoter. (3 marks)

Question 3

- (a) Using the case of Orhobo v Tarka (1976) 1 FNLR 208, dissect the Nigerian judicial attitude to the question of pre-incorporation contract. (11 marks)
- (b) Enumerate the two functions of the object clause. (5 marks)

QUESTION 4

- (a) Apart from the elements common to every memorandum of association, state the two critical or distinguishing contents of the memorandum of a company limited by guarantee. (8 marks)
- (b) Noting the specific section of CAMA 2020, state five elements to be found in Model Articles. (7 marks)

QUESTION 5

- (a) Mr. X was the promoter of Child Support Services Limited. Fifteen years after, the company discovered that Mr. X inflated the price of the property he bought for the company and thereby made a personal gain. The company's secretary brought an action to recover the money. Comment on the chances of success of this suit. (8 marks).
- (b) Why are companies required to provide a statement of the situation of its registered office? (5 marks)

QUESTION 6

You have been invited to give a talk on the topic "RIGHTS ATTACHED TO SHARES IN NIGERIA" before an international gathering of investors. Prepare your speech. (15 marks)