



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
 CLL533

COURSE TITLE Company Law and Business Organisation I

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: 3 Hours

QUESTION 1

In the cause of incorporating LEXO Company Ltd, it was decided that LEXO Company Ltd should purchase a piece of land at Jabi, Abuja. John, the promoter engaged by Oliver to incorporate LEXO Company Ltd owns a piece of land which he previously purchased at Jabi, Abuja for two million naira. John informed Oliver about his land and sold it to LEXO Company Ltd at 15 million naira. After the incorporation of LEXO Company Ltd, Mr. Mark Leo, one of the directors later found out that John paid two million naira for the land. He has gone ahead to inform all the directors of LEXO Company Ltd about his findings. The directors are threatening to recover the excess amount from John.

- a. Will the action of the directors against John succeed? (10 Marks)
- b. How can a promoter escape liability for any profit made in the cause of his incorporating a company? (5 Marks)
- c. Briefly discuss 4 consequences of incorporation of LEXO Company Ltd. (10 Marks)

QUESTION 2

Trace the historical development of company law from 1825 till present day highlighting the different enactments on company law within the period. (15 Marks).

QUESTION 3

- a. Amos runs a tailoring business alone and is interested in registering the name of his business. Advice Amos on the documents required to register the business name under the Companies and Allied Matters Act 2004. (7 Marks).
- b. The concept of mandatory incorporation is not absolute. Discuss. (8 Marks).

QUESTION 4

Examine the preliminary requirements for registration of company in Nigeria. (15 Marks)

QUESTION 5

Examine the concept of corporate personality and list the merits and the demerits of company incorporation.

QUESTION 6

Examine the concept of ultra-vires and its relationship with the memorandum of association (15 Marks).