



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

2021_2 EXAMINATION

COURSE CODE: 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: 2.5 Hours

QUESTION 1

Mary in forming Lix Company Plc entered into a contract with Manuel for the sale of 2,000 liters of fuel to Lix Company Plc at N100 per liter for the next 2 years. The contract was signed in the name of the company about to be formed. Shortly after the registration of Lix Company Plc, the price of fuel reduced to N97 per liter. Lix Company Plc refused delivery of the fuel insisting that it must be sold to him at the new rate of N97 per liter. Manuel is insisting on the agreed price of N100 per liter and is threatening to institute a legal action against the Lix Company Plc.

- a. Advise the parties on the validity of the contract Mary entered into on behalf of the company and the implications. (15 marks)
- b. Discuss the concept of ratification. (10 marks)

QUESTION 2

- a. List and explain the basic forms of business organisations. (10 marks)
- b. Mention the differences between partnerships and companies. (5 marks)

QUESTION 3

List and explain the different types of companies stating the purpose each type of company is registered to fulfill. (15 marks)

QUESTION 4

With the use of relevant authorities, discuss the doctrine of corporate personality viz-a-viz the effect of registration as provided for under section 37 of the CAMA 2004. (15marks)

QUESTION 5

Discuss under what circumstances the courts will lift the veil of incorporation of a company. (15 marks)

QUESTION 6

Examine critically the current position of the law in relation to the doctrine of ultra vires. (15 marks)