



**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:** 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**

- (a) Companies and Allied Matters Act 2004 (CAMA), CAMA 2020, unequivocally made provisions for the establishment of the Corporate Affairs Commission (CAC). Identify and point out the characteristics of CAC as a body established under the Act. (10 marks)
- (b) Jasper Muguruza (14), Mbele Opawale (16) and Dalars Sodipo (18) returned from the United States of America to settle in Nigeria. Born in the US, they all studied at the Massachusetts Institute of Technology. They are here to incubate, nurture and deliver robust IT-driven solutions to complex issues bedeviling the country's agribusiness. With the aid of legal authorities, advise them on the following:
  - i. The chances of three of them incorporating a company for the business. (2 marks)
  - ii. Whether there are any other factors likely to limit their joining to form the company. (4 marks)
  - iii. State the types of incorporated companies under CAMA 2020 (6 marks)
- (c) State three types of application capable of being made under CAMA. (3 marks)

**QUESTION 2**

Write short note on the following persons usually engaged in a company's winding up proceedings.

- (a) Official receiver (4 marks)
- (b) Provisional liquidator (4 marks)
- (c) Special manager (3 marks)
- (d) Receiver (4 marks)

**QUESTION 3**

As the Executive Director responsible for finance and administration in your company, the board of directors has asked to prepare a highly and strictly summarised version on the procedures that attend to and order "creditor's voluntary winding up". This is to enable the board to prepare for a worst-case scenario in case the going concern situation of the company becomes threatened by the decimation of economic activities following the raging and indeed festering Chinese coronavirus pandemic. (15 marks)

**QUESTION 4**

It has been vigorously submitted that the thematic principles on which the provisions of CAMA 2020 (section 305) in respect of the duties of directors are set merely xeroxed the principles of the duties under CAMA 2004 (section 279). Lay out at least five of such principles. (15 marks)

**QUESTION 5**

- (a) The law regards company form as a great vehicle for sustenance of economic activity and does not take lightly the question of corporate governance. For instance, the service of notice is a serious governance issue. Failure to serve proper notice can vitiate the entire proceedings in a meeting to which such a notice relates. Nevertheless, this legal rule is not cast in concrete.
- (i) State the cases where a meeting called by a shorter can still validly hold. (2 marks)
  - (ii) List the statutorily prescribed modes for service of notice. (3marks)
- (b) Differentiate between “founder’s shares” and “preference shares”. (10 marks)

**QUESTION 6**

Section 330(1) CAMA 2020 provides that “except in the case of a small company, every company shall have a secretary.” This means that both private and public companies in Nigeria, other than a small company as defined by the Act, must have a secretary. Bearing this in mind, attempt the following:

- (a) State the qualifications which the secretary of a public company must possess. (5 marks)
- (b) State the statutorily prescribed duties of a secretary as set out in CAMA. (8 marks)
- (c) State the case in which principle of corporate personality was expounded eloquently (2 marks)