



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF LAW  
2019\_1 EXAMINATION**

**COURSE CODE:** CLL534

**COURSE TITLE:** COMPANY LAW AND BUSINESS ASSOCIATION 2

**CREDIT UNIT:** 4

**INSTRUCTION 1:** ANSWER QUESTION 1 (25 MARKS) AND 3 OTHER QUESTIONS (15 MARKS EACH)

**INSTRUCTION 2:** THE USE OF POOR GRAMMAR AND NON-LEGAL LANGUAGE SHALL BE PENALISED

**QUESTION 1**

- (a) Loin Heart Company Ltd is a registered company in Nigeria with 500 million authorized share capital. Mr. OkolieDipo acquired shares worth 200 million naira worth of shares of the company in 2017. At the last annual general meeting of the company Mr. OkilieDipo was denied the right to speak and vote because his name was not found in the register of members. Also, the meeting agreed to issue shares to the public at 3 naira per share to raise additional 500 million naira in line with its plan to expand to the Northern part of the country. Mr. OkilieDipo is not accepting any of these and has approach you for legal advice. Using relevant authorities, advice the parties as to the legal implications of the above decisions and highlight necessary steps they must take **(20 Marks)**
- (b) Draw distinction between a company limited by shares and public limited company in Nigeria. **(5 Marks)**

**QUESTION 2**

Discuss the following:

- (a) Three (3) kinds of shareholders in Nigeria. **5 marks**  
(b) Procedure of allotment of shares. **5 marks**  
(c) 4 ways of acquiring of a company. **5 marks**

**QUESTION 3**

Alake Jimoke was appointed a director of JK Global Limited and she has approach you for advice on her duties to the company.

- (a) Explain to Alake Jimoke using relevant authorities, her duties to the company. **(8 marks)**

- (b) How can Alake Jimoke be removed and will your answer be different if she is life director? (7 marks)

#### QUESTION 4

According to Salmon L.J. in *Panorama Developments (Guilford) Ltd v. Fidelis Furnishing Fabrics Ltd* (1971)2 QB 711):

“At the end of the last century, a company secretary still occupied a very humble position, very little higher, if any than a minor clerk. Today, not only has the status of a company secretary been enhanced, but that state of affairs has been recognized by statute”. Discuss. (15 marks)

#### QUESTION 5

- (a) Discuss one man meeting under CAMA(5 marks)
- (b) Joshua Aloko has a share worth 2 naira in Zero Fort Ltd. Before the last general meeting, Joshua Alokomentioned in his discussion with the Chairman that his first daughter (Ada) will be getting married same day. The notice of the meeting was not sent to Joshua Aloko and those that were served had no sufficient detail of the business of the meeting because the Chairman felt it would amount to waste of limited resources of the company.
- (i) Discuss the implications of failure to give notice to Joshua Aloko.(5 marks)
  - (ii) What is the legal effect(s) of not stating sufficient details of the business of the meeting? (5 marks)

#### Question 6

Discuss 5 exceptions in Nigeria to the rule in *Foss v. Harbottle*. (15 marks)

