



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
2022_2 Examination

COURSE CODE: CLL533

COURSE TITLE Company Law and Business Association 1

CREDIT UNITS: 4

INSTRUCTIONS:

- (a) Indicate your Matriculation Number clearly
- (b) Attempt Question one (1) and any other three questions – four (4) questions in all
- (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 coherent and orderly manner.

TIME ALLOWED: 3 Hours

QUESTION ONE

- (a) Angela Thomas owns 1000 units of shares in ADDA Ltd which she fully paid-up last week. ADDA Ltd is faced with financial difficulty, owing the Bank of Nigeria Plc over 200 million naira. Angela Thomas's businesses are flourishing, and she has built and donated schools and hospitals across the States in Nigeria. Bank of Nigeria Plc intends to sue Angela Thomas to recover its money since ADDA Ltd lacks the financial capacity to repay. Advise the parties. **(10 Marks)**.
- (b) Bank of Nigeria Plc was approached last week by ADDA Ltd and Mr. Markus Uchenna, a sole proprietor for a loan to execute respective projects awarded to each of them by the government. Between ADDA Ltd and Mr. Markus Uchenna, who would you advise Bank of Nigeria Plc to grant the loan and why? **(8 Marks)**
- (c) Femi Olukoya is pulling out as a member of ADDA Ltd and he is demanding that either the company's building at Central Area, Abuja or the one at Kano which he used for payment of the shares allotted to him be transferred back to him. Advise the parties of the legality or otherwise of this demand. **(7 Marks)**

QUESTION TWO

Lukas Janeth has been in the business of cloth making for the past 15 years. She has maintained high quality which makes her brand the talk of the city and of high demand nationwide. Lukas Janeth is contemplating registering a company and has approached you. Advise her of the preliminary requirements for incorporation. **(15 Marks)**

QUESTION THREE

Yaya Boy incorporated a company by name Gold Limited in 2018. He claimed to be an investment company and in 2019 he called for investment from the public with assurance of a 100 percent profit within three months of such investment. Yaya Boy raised 704 million naira and a week after declared the company bankrupt. Investors are demanding the refund of their investment from Yaya Boy but Yaya Boy claims that he is different from the company and cannot be held liable. Advise the parties. **(15 Marks)**

QUESTION FOUR

Critically examine the current position of the law on pre-incorporation contracts in Nigeria. **(15 Marks)**

QUESTION FIVE

- (a) Discuss the different types of registered companies. **(7.5 Marks)**
- (b) Discuss the other forms of business organisation in Nigeria. **(7.5 Marks)**

QUESTION SIX

Discuss the contents and effects of the Article of Association of a company and establish, if any, its nexus with the Deed of Settlement studied in the evolution of company law. **(15 Marks)**