



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
FACULTY OF LAW
DEPARTMENT OF COMMERCIAL LAW
2023 2 EXAMINATIONS_

COURSE CODE: CLL 533

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 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.
- (e) **Total available score is 100%** of which: TMA carries 30%; Exam carries 70%

TIME ALLOWED: 3 Hours

1. Leban incorporated a company, Leban Company Plc and during the process engaged Christian to bring the Leban Company Plc into existence and ensure that it is a going concern. In the process, Christian entered into a contractual relation with Daniel for the weekly supply of 2000 liters of fuel at the price of N150 per liter for the next 2 years subject to any change in price. The contract was signed by Christian in the name of the company that was about to be formed. Leban Company Plc was register in January 2022, and three months after the price of fuel increase to N300 per liter. Leban Company Plc refused the payment of the fuel insisting that it must be sold to him at the new rate of N150 per liter because 300 rate is not government approved pump price while Christian is relying on the agreement that price is subject to change and is threatening to institute a legal action against Leban Company Plc to recover his money.

a. Advise the parties on the validity of the contract. (15 marks)

b. What is the legal status of ratification under common law and CAMA? (10 marks)