



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

2024 I EXAMINATION

COURSE CODE: CLL307

COURSE TITLE: COMMERCIAL LAW

CREDIT UNITS: 3

- INSTRUCTIONS:
- Indicate your Matriculation Number clearly
 - Attempt Question one (1) and any other three (3) questions
 - Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
 - Using appropriate statutory and judicial authorities, present all your points in a straightforward, coherent and orderly manner.

TIME ALLOWED: 3 Hours

Question 1

- (a) Hon Emilokan Gburugbru approached you to register a private company limited by shares by the name Ewalokan Worldwide Technologies Limited. The proposed members (shareholders) are Hon Emilokan Gburugbru (46 years), Mrs. Smart Gburugbru (35 years), Master Gburugbru Jr (17 years) and Mr Engr Kwalabe. The share capital is proposed to be N8,500 to be taken up as follows: Hon Emilokan Gburugbru – N4,000.00; Mrs. Gburugbru – N2,500.00; Master Gburugbru – N2,000.00; and Engr Kwalabe (who has earlier been found to be of unsound mind) – N500.00. In fact, Hon Emilokan Gburugbru intends to use the Company as a vehicle of empowerment for his community. Accordingly, he has submitted the names of 100 members of the community, from 25 ears and above. The proposed directors of the Company are Hon Emilokan Gburugbru and Master Gburugbru. Your professional advice is sought on the following:
- The presence of Master Gburugbru Jr as a member/shareholder of the new company. (3 marks)
 - The legality of Engr Kwalabe being a member/shareholder of the new company. (3 marks)
 - Whether the proposed authorised share capital of N8,500.00 is in line with the law. (3 marks)
 - In view of the proposed number of shareholders, what is the position of the law as to membership of the Ewalokan Worldwide Technologies Ltd, a private limited company? (3 marks)
 - Can Master Gburugbru be a director on the board of Ewalokan Worldwide Technologies Ltd? (3 marks)
- (b) Prof Divine Peterson was appointed director for life in the board of Valuepoint Services Ltd. Following misunderstanding between her and other members of the royal family, she was asked to resign her directorship. She refused and contended that she is not amenable to retirement, resignation or removal by reason of her status as a life director. Is she correct? (10 marks)

Question 2

Ms Happiness, by letters posted on 18 January 2024, offered to sell her Samsung Fold 5 to Jessica, and Malami for a highly discount amount of NGN1.050 MILLION. According to her, she wanted one of her friends to have the feel of a good life and that was why she chose to make the offer to them at the price. Consequently, the offer would remain open till 30 January 2024, failing which she would be at liberty to trade it with Samsung Fold 5 Max.