



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

2023_1 POP EXAMINATION₃₁

COURSE CODE: CLL 534

COURSE TITLE Company Law and Business Organisation 2

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. (a) Biss Plc is a company undergoing a financial difficulty and has offered sale of shares to Mr. Silas. Mr. Silas is interested in purchasing the shares on the condition that he is guaranteed 10 percent yearly return on his investment. Amos, Kanu, Kola and Charles that pooled their resources together to form Biss Plc want to take up shares in the company that will ensure that they reap the benefit of their investment for a long time. Biss Plc still needs additional finance but does not want more member to join the company. The general meeting of the company comes up next week but Mr. Silas's name is not found in the register of member and no notice of meeting is served on him. Advice the parties. (15 Marks)
 - (b) Discuss the various ways a person can become a member of a Biss Plc.
 - i. Subscription
 - ii. Allotment
 - iii. Transfer
 - iv. Transmission
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2. Mr. Okoro made a decision in 2000 to invest in Lamp Light Plc. Mr. Okoro was excited when Lamp Light Plc issued its shares to the public and he subscribed for 5

million worth of shares in January 2022. Mr. Okoro is worried because he has not heard from Lamp Light Plc since he made the subscription for the shares and has approached you for advice on:

- a. Allotment and procedure for allotment of shares (5 marks)
 - b. Payment of shares. (5 marks)
 - c. If allotted share, the extent of his liability Lamp Light Plc. (5 marks)
3. Using the relevant authorities discuss the following (5 marks each)
 - a. Debentures and charge
 - b. Shareholder and member of a company
 - c. Quorum and On -man meeting
4. Using relevant authority critically discuss:
 - a. The different type of Director known in Nigeria (5 marks).
 - b. What are the different legal ways a person may be appointed a director under the Nigerian law? (5 marks).
 - c. The fiduciary duties of Directors as provided for under CAMA. (5 marks).
5. Discuss the following:
 - a. The legal status of accompany secretary. (5 marks).
 - b. The procedure for the removal of a secretary of a public company. (5 marks)
 - b. Duties of accompany secretary. (5 marks).
6. Discuss the following:
 - a. The component of annual return under CAMA (5 marks).
 - b. The contents of directors' financial report (5 marks).
 - c. Duties and liabilities of an Auditor (5 marks).