



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF LAW
JUNE/JULY 2013 EXAMINATION

COURSE CODE: LAW534

COURSE TITLE: COMPANY LAW II

TIME ALLOWED: 3 Hours

INSTRUCTION: Answer any 5 questions. All questions carry equal marks.

1a. Write notes on the following:

- (i) Allotment of shares
- (ii) Subscription of shares
- (iii) Transfer of shares

b. Why is it so important for a shareholder to actually be officially registered on the share register?

c. State and discuss the remedies of a debenture holder

2. "The Memorandum of Association is the fundamental law or charter defining the Objects and limiting the powers of a company". Explain

3. Examine the different kinds of and the importance of meetings recognized under Companies and Allied Matters Act 2004

4. Under Companies and Allied Matters Act 2004 before meeting can be a valid, it must have been convened through the issuance of a proper notice. In the light of the foregoing, examine the following fundamental requirements of a valid notice:

- (a) The contents of a notice.
- (b) Length of notice.
- (c) Persons entitled to notice.
- (d) Service of notice

5. Using case law and Companies and Allied Matters Act 2004 as your guide, examine the principle in *Foss v. Harbottle* (1843) 67 ER 189 and the various exceptions thereto.

6. Examine the duties, responsibilities and liabilities of directors under common law and the Companies and Allied Matters Act 2004.

7. A company secretary is merely regarded '*as a mere secretary; his position is that he is to do what he is told, and no person can assume that he has any authority to represent anything at all...*'- Lord Esher in *Barnet Hoares & Co v South London Tramways & Co* (1887) 18 QBD, 851, 817. Juxtapose the above quoted wordings of Lord Esher with the status of Company Secretary under Companies and Allied Matters Act 2004.

8. Mr. A claims to be a shareholder in XYZ (Nig.) Ltd. He filed a petition for winding up of the company before the Lagos State High Court of Justice on the ground that the company is owing him N100,000.00 which the company has neglected to pay for the past three weeks despite repeated oral demands. On the face of the petition, it is not established that Mr. A is a shareholder in the company.

(a) Comment on the validity or otherwise of the petition vis-à-vis his disputed status as a shareholder.

(b) Comment on the competence or otherwise of the petition as filed before the State High Court

9. Explain the following, highlighting the distinguishing characteristics of each.

- (a) Reconstruction
- (b) Arrangements
- (c) Compromise
- (d) Merger
- (e) Take over.