

JOSEPH AYO BABALOLA UNIVERSITY

IKEJI-ARAKEJI

COLLEGE OF LAW

SECOND SEMESTER EXAMINATIONS 2018/2019 ACADEMIC SESSION.

COURSE CODE: CIL 521

COURSE TITLE: COMPANY LAW II

TIME: 3 HOURS.

INSTRUCTION: Answer two questions from each section.

SECTION A

1. CARISTAS Plc, a company incorporated under CAMA, has registered office in Lagos and has as its main object, the provision of finance for road construction and capital projects. The company secured a loan of N100 million from Capital Finance Group for the supply of agro-allied products in Abuja. Meanwhile, the Managing Director and other directors attended a management retreat at Akodo in Lagos during which they were all involved in an accident and died.

Required:

With the aid of relevant statutory and case law authorities:

- i. Mention the possible ways of closing the affairs of Caritas Plc. (3 marks)
- ii. Discuss the grounds and procedure for effecting the closure. (7^{1/2} marks)
- iii. As between Caristas Plc and Capital Finance Group who stands a better chance of winding up the company? Give reasons for your answer. (2 marks)
- iv. When is a company said to be unable to pay her debts? (2 marks)
- v. Explain the contents of a declaration of solvency. (3 marks)

2. Jerry Nigeria Plc was incorporated in Nigeria in 2012 with a capital of N5 million shares of 50k each. It has a debenture capital of N2 million secured on the floating assets of the company. 40% of the shares were issued to shareholders within the first six months of operations out of which 30% were paid for and the remaining 60% of the shares were issued to shareholders in three equal instalments.

Required:

- i. What is the nominal share capital, issued capital and paid-up capital of the company, citing relevant provisions of CAMA, 2004? (6 marks)
 - ii. Explain the judicial definition of shares given in Borland's Trustees v. Steel Brothers Co.(1901) (3 marks)
 - iii. Mention two (2) ways in which shares of a company can be acquired. (3 marks)
 - iv. Citing relevant statutory and judicial authorities, explain the rules governing calls on shares. (5½ marks)
- Total = (17½ marks)**
3. a. Explain issuance of shares at a premium and discount within the meaning of the provisions of Sections 120 and 121 of CAMA, 2014 citing relevant examples. (4 marks)
 - b. How is a Public issue different from a Rights issue? (2 marks).
 - c. Compare and contrast shares and debentures. (7½ marks).
 - d. Explain Perpetual Debenture and Convertible Debenture. (4 marks)

SECTION B

4. With the aid of The Companies and Allied Matters Act LFN 2004 (CAMA), discuss the procedure by which a company may remove a director before the expiration of his period of office. (10 marks)
- b. Would your answer be any different if the director was appointed under Section 255 CAMA? (7½ marks)
5. The first meeting of the Board of Directors of ABC PLC has been fixed for 12th July 2019. ABC Plc. was incorporated on 12th July 2018. Some Directors on the board have approached you for advice on the following issues:
 - i. How to take decisions at the meeting
 - ii.. How to appoint a Chairman for their meetings and how his attendance or otherwise could impact proceedings at meetings
 - iii. The Use of committees by the Board
 - iv. The future use of resolutions without convening meetings (10 ½ marks)

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TIME: 3 HOURS.

INSTRUCTION: Answer two questions from each section.

SECTION A

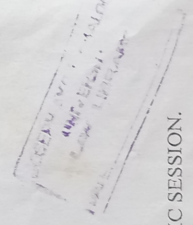
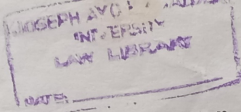
1. CARISTAS Plc, a company incorporated under CAMA, has registered office in Lagos and has as its main object, the provision of finance for road construction and capital projects. The company secured a loan of a N100 million from Capital Finance Group for the supply of agro-allied products in Abuja. Meanwhile, the Managing Director and other directors attended a management retreat at Akodo in Lagos during which they were all involved in an accident and died.

Required:

With the aid of relevant statutory and case law authorities:

- i. Mention the possible ways of closing the affairs of Caritas Plc. (3 marks)
- ii. Discuss the grounds and procedure for effecting the closure. (7^{1/2} marks)
- iii. As between Caristas Plc and Capital Finance Group who stands a better chance of winding up the company? Give reasons for your answer. (2 marks)
- iv. When is a company said to be unable to pay her debts? (2marks)
- v. Explain the contents of a declaration of solvency. (3 marks)

2. Jerry Nigeria Plc was incorporated in Nigeria in 2012 with a capital of N5 million shares of 50k each. It has a debenture capital of N2 million secured on the floating assets of the company. 40% of the shares were issued to shareholders within the first six months of operations out of which 30% were paid for and the remaining 60% of the shares were issued to shareholders in three equal instalments.





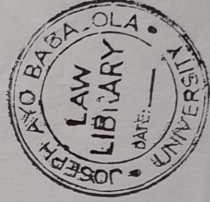
Course: Company Law

Second Semester Examinations, June 2016

Code: ACC 328
2015/2016 Session

INSTRUCTIONS: ANSWER 4 QUESTIONS. QUESTION (1) IS COMPULSORY

1. A company can be registered under any name; however whatever name that is chosen must satisfy the requirements of the Companies and Allied Matters Act (CAMA) Discuss.
{25 marks}
2. There are circumstances when the law would disregard the corporate entity and instead look at the individual members. Discuss with particular reference to instances when this is done under case law.
{15 marks}
3. With particular reference to the liability of members, differentiate between the different types of Registered Companies.
{15 marks}
4. (a) Who is a promoter?
(b) What are the duties of a Promoter and how can a promoter breach his duties?
(c) List any 4 possible functions of a Promoter
{15 marks}
5. (a) What is Corporate Personality?
(b) List and discuss any 5 legal consequences of Incorporation
{15 marks}
6. (a) Linda (aged 18) and Elizabeth (aged 16) have approached you with the intention of forming a Company limited by shares. Advise the Parties.
(b) Samuel and Emmanuel wish to register a company under CAMA. They plan to name the Company Federal Chamber of Commerce Limited or GTBank Plc but are unsure on which one to choose. Advise them.
(c) Tomiwa and Wunmi want to set up a Private Company and are confused as to the features of such a Company. Advise the parties.
{15 marks}



JOSEPH AYO BABALOLA UNIVERSITY
IKEJI-ARAKEJI
COLLEGE OF LAW

Course: Company Law II

Code: CIL 521

Second Semester Examinations, 2020/2021 Session

500 LEVEL

Time Allowed: 3 Hours

INSTRUCTIONS: ANSWER FOUR QUESTIONS BUT TWO QUESTIONS FROM EACH

SECTION

SECTION A:

1. (a) The Articles of Association of Mayfair Nigeria Limited contain the following provisions inter alia:

(i) The power to remove Directors is vested in the Directors themselves and this power can be exercised by a majority of the Directors in a validly convened Board of Directors meeting. **(4 marks)**

(ii) The members in General Meeting shall select 7 members of the General Meeting that shall be vested with the power of management of the Company. These members shall be determined through voting by a poll at the first Annual General Meeting of the company. This power can be further delegated to the Board of Directors, if necessary or expedient to do so. **(4 marks)**

(iii) The Directors must at all times act in good faith and with due diligence when exercising any powers conferred on them by these Articles or by the Companies and Allied Matters Act. In exercising these powers, the Directors must obey the resolutions of the General Meeting. **(4 marks)**

Assuming the provisions above are all independent of each other, discuss the validity or otherwise of these provisions.

(b) "...the company is a legal entity and the Directors are its agents and not agents of the shareholders". **Discuss this statement. (5 ½ marks)**

- (i) What effect would it have on your answer if you discovered that the Articles of Association of Jubilee Nigeria Limited contained a provision that allowed the General Meeting to make appointments of the Company Secretary? (7 ½ marks)

SECTION B

4. BLUECHIP Plc., a company incorporated under CAMA has its registered office in Ikeji Arakeji and has as its main object as the importation and exportation of general merchandise. The company secured a loan of N300 million from HABIB Bank Plc for the renovation of Apo Legislative quarters in Abuja. She has defaulted in the payment of the loan despite repeated demands. Meanwhile, the Managing Director and other Directors attended at Kiriji Games Reserve during which they were all involved in an accident and died.

With the aid of relevant statutory and case law authorities:

- (i) Mention the possible ways of closing the affairs of Bluechip Plc. (2 marks)
(ii) Discuss the grounds and procedure for effecting the closure. (8 marks)
(iii) As between Bluechip Plc and Habib bank Plc who stands a better chance of winding up the company?
(iv) Give reasons for your answer. (2½ marks)
(v) State the procedures for distributing the assets of the company on winding up (2 marks)
(vi) Would your answer to (iii) be different if Bluechip Plc had defrayed the indebtedness. Give reasons for your answer (3 marks)

Total = 17½ marks

5. (i) Explain issuance of shares at a premium and discount within the meaning of the provisions of CAMA citing relevant examples. (4 marks)

(ii) Citing relevant decided authorities, discuss the legal status of a Prospectus in a public issue and rights issue. (5 marks)

(iii) Explain forfeiture and transmission of shares within the relevant provisions of CAMA, 2014. (4 marks)

(iv) How is a debenture stock different from a simple debenture? (4^{1/2} marks)

Total = 17^{1/2} marks

6. DAVIK Nigeria PLC was incorporated in Nigeria in 2006 with a capital of N20 million divided into forty million shares of 50k each. It has a debenture capital of N5 million secured on the floating assets of the company. 60% of the shares were issued to shareholders within the first three months of operation out of which 40% were paid for and the remaining 40% of the shares were issued to shareholders in equal instalments:

a. (i) What is the nominal share capital, issued capital and paid-up capital of the company, citing relevant provisions of CAMA (6 marks)

(ii) What is the percentage (%) of the company's equity capital. (2 marks)

b. (i) Explain the judicial definition of shares given in **Borland's Trustees v. Steel Brothers Co. (1901)** (2 marks)

(ii) Discuss three ways of offering shares of a company to the public. (5 marks)

(iii) Citing relevant statutory and judicial authorities, explain the rules governing calls on shares. (2^{1/2} marks)

Total = 17^{1/2} marks

JOSEPH AYO BABALOLA UNIVERSITY

IKEJI-ARAKEJI

COLLEGE OF LAW

SECOND SEMESTER EXAMINATIONS 2018/2019 ACADEMIC SESSION.

COURSE CODE: CUL 521 COURSE TITLE: COMPANY LAW II

TIME: 3 HOURS.

INSTRUCTION: Answer two questions from each section.

SECTION A

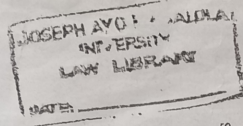
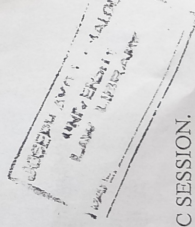
1. CARISTAS Plc, a company incorporated under CAMA, has registered office in Lagos and has as its main object, the provision of finance for road construction and capital projects. The company secured a loan of a N100 million from Capital Finance Group for the supply of agro-allied products in Abuja. Meanwhile, the Managing Director and other directors attended a management retreat at Akodo in Lagos during which they were all involved in an accident and died.

Required:

With the aid of relevant statutory and case law authorities:

- i. Mention the possible ways of closing the affairs of Caritas Plc. (3 marks)
- ii. Discuss the grounds and procedure for effecting the closure. (7^{1/2} marks)
- iii. As between Caristas Plc and Capital Finance Group who stands a better chance of winding up the company? Give reasons for your answer. (2 marks)
- iv. When is a company said to be unable to pay her debts? (2marks)
- v. Explain the contents of a declaration of solvency. (3 marks)

2. Jerry Nigeria Plc was incorporated in Nigeria in 2012 with a capital of N5 million shares of 50k each. It has a debenture capital of N2 million secured on the floating assets of the company. 40% of the shares were issued to shareholders within the first six months of operations out of which 30% were paid for and the remaining 60% of the shares were issued to shareholders in three equal instalments.



Required:

- i. What is the nominal share capital, issued capital and paid-up capital of the company, citing relevant provisions of CAMA, 2013. (6 marks)
 - ii. Explain the judicial definition of shares given in Borland's Trustees v. Steel Brothers Co. (1901). (3 marks)
 - iii. Mention two (2) ways in which shares of a company can be acquired. (3 marks)
 - iv. Citing relevant statutory and judicial authorities, explain the rule governing calls on shares. (5 1/2 marks)
- Total = (17 1/2 marks)**
3. a. Explain issuance of shares at a premium and discount within the meaning of the provisions of Sections 120 and 121 of CAMA, 2014 citing relevant examples. (4 marks).
 - b. How is a Public issue different from a Rights issue? (2 marks).
 - c. Compare and contrast shares and debentures. (7 1/2 marks).
 - d. Explain Perpetual Debenture and Convertible Debenture. (4 marks)

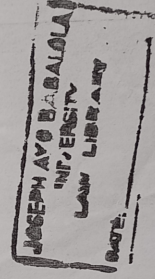
SECTION B

4. With the aid of The Companies and Allied Matters Act LFN 2004 (CAM) discuss the procedure by which a company may remove a director before expiration of his period of office. (10 marks)
- b. Would your answer be any different if the director was appointed under Sec 255 CAMA? (7 1/2 marks)
5. The first meeting of the Board of Directors of ABC PLC has been fixed 12th July 2019. ABC Plc. was incorporated on 12th July 2018. Some Directors of the board have approached you for advice on the following issues:
 - i. How to take decisions at the meeting
 - ii. How to appoint a Chairman for their meetings and how his attendance otherwise could impact proceedings at meetings
 - iii. The Use of committees by the Board
 - iv. The future use of resolutions without convening meetings (10 1/2 marks)

- b. Would it make a difference to your answer if you discovered that the notice for the meeting was sent out on 1st July 2019
- c. What would your advice be for the issuance of a notice for the Board meeting to a Director who is currently outside the country?
- d. What would be the effect if only one member of the board shows up for the board meeting?(7 marks)

6. With the aid of CAMA, identify all the legal issues involved in the following:
Foster Nig. PIC, incorporated on 10th January 2017, held its first general meeting on 10th January 2019. The notice for the meeting was sent out on 1st January 2019. The notice stated inter-alia that the meeting would be held in Ghana. The notice was also only sent out to members in Ghana and Lagos and not to other members. The notice also stated that the purpose of the meeting was to transact ordinary business of the company. The directors intended at the time the notice was sent out to discuss matters that were not stated in the notice at the general meeting.
(13^{1/2} marks)

- I. Can a general meeting be held when the legal requirement as to length of notice has not been met?(2 marks)
- II. Assuming all requirements of the law regarding notice in the question above have been complied with, what other legal requirement would you expect Foster Nig. PLC to comply with?(2marks)



INSTRUCTIONS: ANSWER ANY 2 QUESTIONS EACH FROM SECTION A AND B

TIME: THREE (3) HOURS

SECTION A – ANSWER TWO QUESTIONS FROM THIS SECTION

1. (a) By a notice dated 2nd December 2021, a meeting of the 9 members of the Board of Directors of Hilton Nigeria Limited was called for 13th December 2021. Among the issues to be discussed at the meeting was the hiring of a business development Manager for the Company after presentations from the two candidates for the post at the board meeting. The articles of the company provided that this appointment was to be made by the Board in a duly convened meeting. There were 2 candidates for the post, including a close friend of the Managing Director. The Managing Director had a private meeting with 4 of his fellow directors and asked them to vote in favour of his friend even though the other candidate was more qualified for the post. The 4 directors agreed to do so as they were very loyal to the managing director and the articles allowed for votes to be pre-determined before meetings. **Discuss the legal issues involved. (6 marks)**
(b) What would be the position of the law assuming only 2 members are present on the day of the meeting. **(6 marks)**
(c) Would any part of your answer be different, assuming the articles of the company provided that: ‘...every director must be given 10 days’ notice in writing before board meetings.’ **(5 ½ marks)**

2. With the aid of the Companies and Allied Matters Act, 2020, answer the following:

- (a) What are the conditions for the operation of a derivative action? **(6 marks)**

(b) What orders may a court make for a derivative action? (6 marks)

(c) When can a derivative action be discontinued? (5 ½ marks)

3. At the board meeting of XYZ Nigeria Plc. held on 12th July 2022 the board resolved to pay Mr Johnson, who was retiring, the sum of N20million and also transfer ownership of 2 company cars to Mr Johnson in recognition for his impressive performance as a director. This resolution was later disclosed to the members at the Annual General Meeting held on 30th August 2022. Two members of the general meeting who are majority shareholders are aggrieved by this payment and have decided to take legal action. It was also later discovered that the directors had also spent the sum of 500 million that was taken by the company as a loan to further the business of the company on personal trips to Dubai, London and New York for themselves and their families.

Discuss the legal issues involved. (13 marks)

(i) What would be the effect if one of the cars had already been sold and the proceeds had already been paid to Mr Johnson at the time of the Annual General Meeting? (4 ½ marks)

SECTION B – ANSWER TWO QUESTIONS FROM THIS SECTION

- 4.(i) Explain issuance of shares at a premium and discount within the meaning of the provisions of CAMA, 2020 citing, relevant examples.(4 marks). Are there changes made to the provisions by CAMA, 2000? Discuss (2 1/2 marks)
- (ii) Citing relevant decided authorities, discuss the legal status of a prospectus in a public issue and rights issue. (5 marks)
- (iii) Explain forfeiture and transmission of shares within the relevant provisions of CAMA, 2020. (4 marks)
- (iv) How is a debenture stock different from a simple debenture? (2 marks)
- Total = 17 1/2 marks**

5. PALOPA Plc, a company incorporated under CAMA, has its registered office in Ado Ekiti and has as its main object as the manufacturing of drugs and chemical devices. The company secured a loan of N200 million from JEUNKOKU Bank Plc for the supply of electrical products in Abuja. She has defaulted in the payment of the loan despite repeated demands. Meanwhile, the Managing Director and other directors attended a management retreat at Ikogosi Warm Spring during which they were all involved in an accident and died.

With the aid of relevant statutory and case law authorities:

- (i) Mention the possible ways of closing the affairs Palopa Plc (4 marks)
- (ii) Discuss the grounds and procedure for effecting the closure (6 marks)
- (iii) As between Palopa Plc and Jeunkoku Bank Plc who stands a better chance of winding up the company? Give reasons for your answer. (2 marks)
- (iv) State the procedure for distributing the assets of the company on winding up (2 1/2 marks)
- (v) Would your answer to (iii) be different if Palopa Plc had defrayed the indebtedness. Give reasons for your answer (3 marks) **Total = 17 1/2 marks**

6. DeJewels Nigeria PLC was incorporated in Nigeria in 2008 with a capital of ₦20million divided into forty million shares of 50k each. It has a debenture capital of ₦10million secured on the floating assets of the company. 60% of the shares were issued to shareholders within the first three months of operation out of which 40% were paid for and the remaining 40% of the shares were issued to shareholders in two equal installments.

- (a)
(i)
(ii)
(b)

What is the nominal share capital, issued capital and paid-up capital of the company, citing relevant provisions of CAMA. (6 marks).

What is the percentage (%) of the company's equity capital. (2 marks)

- (i)
(ii)
(iii)

Explain the judicial definition of shares given in *Borland's Trustees v. Steel Brothers Co (1901)* (2 marks).

Mention and discuss three ways of offering shares of a company to the public. (4 marks)

Citing relevant statutory and judicial authorities, explain the rules governing calls on shares. (3 1/2 marks).

Total= 17 1/2 marks.

JOSEPH AYO BABALOLA UNIVERSITY
IKEJI ARAKEJI, OSUN STATE
COLLEGE OF LAW

SECOND SEMESTER EXAMINATIONS, 2022/2023 ACADEMIC SESSION

COURSE: COMPANY LAW II CODE: CIL 521 TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS: ANSWER ANY 2 QUESTIONS FROM SECTION A AND ANY 2 FROM SECTION B

SECTION A

1. (a) The Articles of Oxford Nigeria Limited contains the following provisions inter alia:

- (i) The directors must at all times act in good faith and with due diligence when exercising any powers conferred on them by these articles or by the Companies and Allied Matters Act, 2020. In exercising these powers the Directors must obey the instructions of the General Meeting. (4 marks)
 - (ii) The members in General Meeting shall select 12 members of the General Meeting that shall be vested with the power of management of the Company. These members shall be determined through voting by a poll at the first Annual General Meeting of the company. This power can be further delegated to the Board of Directors if necessary or expedient to do so. (4 marks)
 - (iii) The power to remove Directors is vested in the Directors themselves and this power can be exercised by a majority of the Directors in a validly convened Board of Directors meeting. Assuming the provisions above are all independent of each other, discuss the validity or otherwise of these provisions. (4 marks)
- (b) "...the company is a legal entity and the directors are its agents and not agents of the shareholders". Briefly discuss this statement. (5 ½ marks)

2. With the aid of the Companies and Allied Matters Act, 2020, answer the following:

- (a) What is a derivative action and how can it be commenced? (5 ½ marks)
- (b) What are the conditions for the operation of a derivative action? (12 marks)

3. At the AGM of ZVZ PLC, there was a motion to vote on whether dividends should be paid to shareholders in view of the company's poor performance in the previous financial year. The Chairman of the board requested a vote by each shareholder voting per the number of shares they have. Mr. Frank objected to this as he claims this request by the Chairman was not allowed by the articles of the company. Mr. Frank, Mrs. Frank his wife and their daughter who are all members of the company as a result of the disagreement with the chairman requested that a poll should be taken for an adjournment. The chairman then directs that although the poll is not allowed by the articles, he would permit a poll to be taken at the end of the meeting just before the closing prayer as the meeting would finish early due to the restriction of movements declared in the state.

At the same meeting, Mr. Emeka a subscriber to the memorandum of the company who was appointed by Mr. James to attend and vote on his behalf was told by the Chairman that Mr. Emeka would not be allowed to vote at the meeting as the document from Mr. James appointing him only got to the company 3 days before the meeting contrary to the provisions of the articles that stated that all such documents must be received by the company at their head office at least 4 days before the meeting. (17 ½ marks)

SECTION B

4. Capitol Nigeria PLC was incorporated in Nigeria in 2010 with a capital of ₦30 million divided into sixty million shares of 50k each. It has a debenture capital of ₦10 million secured on the floating assets of the company. 60% of the shares were issued to shareholders within the first three months of operation out of which 40% were paid for and the remaining 40% of the shares were issued to shareholders in two equal installments.

(a)
(i)
(ii)
(b)

What is the nominal share capital, issued capital and paid-up capital of the company, citing relevant provisions of CAMA, 2004. (6 marks).

What is the percentage (%) of the company's equity capital. (2 mark)

(i)

Explain the judicial definition of shares given in *Borland's Trustees v. Steel Brothers Co (1901)* (2marks).

(ii)

Mention and discuss three ways of offering shares of a company to the public. (4marks)

(iii)

Citing relevant statutory and judicial authorities, explain the rules governing forfeiture of shares. (3 ½ marks).

Total = 17 ½ marks

5. EMILOKAN NIG. Plc, a company incorporated under CAMA, has its registered office at Ikeji Arakeji and has as its main object as the manufacturing of drugs and chemical devices. The company secured a loan of N200 million from SANYO Bank Plc for the supply of electrical products in Abuja. She has defaulted in the payment of the loan despite repeated demands. Meanwhile, the Managing Director and other directors attended a management retreat at Ikogosi Warm Spring during which they were all involved in an accident and died.

With the aid of relevant statutory and case law authorities:

- (i) Mention and discuss the possible ways of closing the affairs of Emilokan Plc (8 marks)
- (ii) As between Emilokan Plc and Sanyo Bank Plc who stands a better chance of winding up the company? Give reasons for your answer. (2 marks)
- (iii) Would your answer to (iii) be different if Delinks Plc had defrayed the indebtedness. Give reasons for your answer (3 marks)
- (iv) When is a company said to be unable to pay her debts within the provisions of CAMA, 2020. (4 ½ marks)

Total = 17 ½ marks

- 6.(i) Explain issuance of shares at a premium and discount within the meaning of the provisions of CAMA, 2020 citing relevant examples. (4 marks) ✓
- (ii) Citing relevant decided authorities, discuss the legal status of a prospectus in a public issue and rights issue. (4 marks) ✓
- (iii) Explain the rules governing calls and transmission of shares within the relevant provisions of CAMA, 2020. (4 marks)
- (iv) How are shares different from debentures? (5 ½ marks)

Total = 17 ½ marks