



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja**  
**Faculty of Management Sciences, Department of Financial Studies**  
**2021\_1 EXAMINATION**

**Course Code: BFN748**

**Credit Unit: 2.**

**Course Title: FINANCIAL INSTITUTIONS AND MARKETS**

**Time Allowed: 2 HOURS**

**Instructions:**

- 1. Attempt Question 1 and any other two (2) Questions.**
- 2. Question 1 is compulsory and carries 30 marks while the other 2 Questions carry 20 marks each.**
- 3. Present all your points in a coherent and orderly manner.**

1. On the bases of equity, activity, client's security, loan recovery and interest rate clearly distinguish between money lender and banks. 30 marks
2. Identify and explain with 4 advantages each the three major capacity in which central bank acts as banker to other banks in the economy. 20 marks
3. Commercial banks as funds hunting financial institutions contribute to the economic development of the country. Discuss any five (5) of such contributions. 20 marks
4. Identify and explain five (5) sources of income to banks. 20 marks