



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_1 EXAMINATION**

COURSE TITLE: MONEY AND BANKING

COURSE CODE: ECO 444

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER ONLY THREE (3) QUESTIONS.

- 1a). Differentiate between the era of barter system of exchange and the era of money exchange **(8 marks)**
- 1b). Briefly discuss the static role of money in removing the difficulties associated with the barter system **(15 marks)**
- 2a). Explain the term 'credit' to a layman **(5 marks)**
- 2b). Enumerate the constraints faced by banks in their efforts to create money in the economy. **(18 marks)**
- 3a). Briefly explain the ways commercial bank achieve its primary functions of advancing loans to its customers. **(9 marks)**
- 3b). Commercial banks in Nigeria are faced with different problems. Discuss any four (4) **(14 marks)**
- 4a). Differentiate a spot market from a forward market **(10 marks)**
- 4b). The foreign exchange market condition are subject to change due to changing domestic and external economic conditions. Highlight the conditions **(13 marks)**