

FBQ1: Elements of Banking provides student with a ----- understanding of the subject matter.

Answer: conceptual

FBQ2: "This is the process of legally organizing an outfit to create, safe-keep, manage and transfer money from one person to another, from business to business or in a nut shell between surplus and deficit spending economic agents/ units". What type of business does this statement refer?

Answer: Banking

FBQ3: Why did majority of the banks fail in the 1950s _____

Answer: lack of regulation

FBQ4: At the epicentre of a nation's financial system is its _____

Answer: Central Bank

FBQ5: _____ is the difference between loans and advances

Answer: Tenor

FBQ6: What is the full meaning of BOFIA?

Answer: Banks and Other Financial Institutions Act

FBQ7: When was the Central Bank of Nigeria established?

Answer: 1959

FBQ8: Who is the current Governor of the Central Bank of Nigeria?

Answer: Godwin Emefiele

FBQ9: Which organisation has acceptance of deposits as its primary function?

Answer: Commercial banks

FBQ10: What common name would you call Mortgage bank, Micro finance bank, Development bank and Community bank?

Answer: Specialized banks

FBQ11: From the economic stand point defined money in terms of -----

Answer: function

FBQ12: Fixed, Inventory and _____ are types of Investment

Answer: Replacement

FBQ13: A bill is discharged when all the orders it contains have been _____

Answer: carried out

FBQ14: Money can be demanded for the following motives: Transaction, Precaution and ----

Answer: Speculative

FBQ15: Legal Department is a _____ form of Departmentalization?

Answer: Functional

FBQ16: Commercial paper is one of the _____ of the money market

Answer: instruments

FBQ17: What do you call the system that involves exchanging merchandise for merchandise?

Answer: Barter

FBQ18: $Y = C + S + I + G + (x - m)$. Y represents _____ in the equation

Answer: National income

FBQ19: -----refers to the several of a country's money supply in order to measure the money supply in an economy.

Answer: Money aggregates

FBQ20: The money market is a market where ----- funds are bought and sold.

Answer: short term

FBQ21: Treasury bills, Treasury certificates, Commercial paper, Call money, Certificates of deposit, Bankers Unit Fund and Eligible Development Stock. What are these collectively called?

Answer: Money market instruments

FBQ22: -----is a financial intermediaries licensed by the government to buy and sell foreign currencies on a small scale.

Answer: Bureau de change

FBQ23: The monetary sector of the economy is anchored by the -----sector

Answer: banking

FBQ24: ----- to save measures how much of the additional disposable income is saved i.e. not consumed

Answer: Marginal Propensity

FBQ25: A balance sheet is a financial statement that provides a snap shot of the _____ position of a business at a particular at point in time, usually the of a business's financial year.

Answer: financial

FBQ26: A _____ is a bill of exchange drawn on a banker and payable on demand.

Answer: cheque

FBQ27: Autonomous Investment and ----- investment were identified by Keynes

Answer: Induced

FBQ28: Cost of capital asset Expected rate of return and ----- are determinants of Investment

Answer: Market rate of interest

FBQ29: What does the acronym NPV represent _____

Answer: Net Present Value

FBQ30: _____ refers to the highest rate of return expected from an additional unit of a capital asset over its cost.

Answer: Marginal Efficiency of Capital

FBQ31: The economy of any country is basically driven by the banking system, as it contributes to _____ development

Answer: economic

FBQ32: National Income = Consumption + -----

Answer: Investment

FBQ33: What concept did Bernard Mandeville first introduce?

Answer: Paradox of Thrift

FBQ34: Cash flow of a bank involves sources and _____ of funds

Answer: uses

FBQ35: These are parties in a bill of exchange transaction: Drawer, Drawee, Acceptor, Endorser and -----

Answer: Payee

FBQ36: Bills can be classified on the basis of time/period namely: Demand and -----

Answer: Time

FBQ37: ----- is the process of transferring a bill of exchange from one person to another such that the benefits written on the bill the becomes payable to the new holder

Answer: Endorsement

FBQ38: _____ is a term that is commonly used to describe the way business firms are managed

Answer: Corporate governance

FBQ39: Parties to a cheque include Drawee, Drawer and -----

Answer: Payee

FBQ40: -----is a written order, signed by the drawer (i.e. the customer) that is used by a drawer to notify the drawee (i.e. the bank) to stop the payment of a cheque, he had previously issued.

Answer: Countermand

FBQ41: Types of Endorsement are Special, Blank and _____

Answer: Restrictive

FBQ42: Banks channel scarce resources from surplus economic units to ----- units.

Answer: deficit

FBQ43: What are the basic conditions for lending? (a) Character, (b) Capacity-contractual, (c) Capital, (d) Condition and (e) _____

Answer: Collateral

FBQ44: It has been previously held that for a person to be a Bank customer, it is essential and indispensable that the person should have _____ in the bank

Answer: opened an account

FBQ45: Two basic principles actually guide the design of the organization structure of a bank: Principle of unity of objective and -----

Answer: Principle of efficiency

FBQ46: The Nigeria banking system could be said to be a mixture of the branch banking system and the ----- system

Answer: unit banking

FBQ47: What body does Chief Executives of all banks in Nigeria and the Governor of the CBN as Chairman constitute?

Answer: Bankers Committee

FBQ48: The three basic types of fund transmission modes used in correspondent banking are SWIFT, Mail and Telegraphic transfers (cable transfers) and -----

Answer: Electronic

FBQ49: What does this acronym, IBRD stand for?

Answer: International Bank for Reconstruction and Development

FBQ50: What Regulation concerns cheques and funds transfer, as per cheque collection and returns, cash and non-cash items processes through central bank, as well as fund transfer through feel wire? _____

Answer: Regulation J

MCQ1: What other name is commercial bank known?

Answer: Acceptance house

MCQ2: Banking and banking business is said to be highly

Answer: regulated

MCQ3: As a Banker and Lender of Last Resort to banks, the CBN performs the following functions except

Answer: Printing of bank notes

MCQ4: Which is the first merchant bank to be established in Nigeria?

Answer: NAL Merchant Bank

MCQ5: What is the basis of Institutional definition of Money?

Answer: Backed by the force of law

MCQ6: At what point is the evolution of money?

Answer: Electronic

MCQ7: What does Y_d represent in this equation: $Y_d = C + S$?

Answer: Disposable income

MCQ8: What does this equation $Y = C + I$, mean?

Answer: National Income = Consumption + Investment

MCQ9: The structure of banks could generally be analysed in terms of the following characteristics, except

Answer: Initial paid up capital

MCQ10: What is the full meaning of the acronym, SWIFT?

Answer: Society for Worldwide Inter-Bank Financial Telecommunications

MCQ11: Eliminate the option that is not a type of bank lending

Answer: Foreign exchange loan

MCQ12: The bank financial statement may contain the following information except

Answer: Government budget expenses

MCQ13: What other name is bank known?

Answer: Acceptance house

MCQ14: Why did majority of banks of the 1950s fail?

Answer: Lack of proper regulation and control

MCQ15: When was the Central Bank of Nigeria established?

Answer: 1959

MCQ16: Which is the first merchant bank to be established in Nigeria?

Answer: NAL Merchant Bank

MCQ17: The following are functions of Mortgage Banks except

Answer: Granting of overdraft

MCQ18: Which is not a characteristic of money?

Answer: Indivisibility

MCQ19: What does Money Aggregate measure?

Answer: Money supply

MCQ20: What are the two forms of investment identified by Keynes?

Answer: Autonomous and Induced

MCQ21: What is marginal efficiency of investment?

Answer: The rate of return expected from a given investment on a capital asset after

covering all its costs, except the rate of interest

MCQ22: Negotiable instruments are often times _____ instruments that are acceptable means of payments in transactions

Answer: near cash

MCQ23: A cheque is said to be stale

Answer: when it is presented after the expiration of the date specified on it.

MCQ24: What is the concern of REGULATION J?

Answer: Cheques and funds transfer

MCQ25: In what transaction is Letter of Credit involved?

Answer: International trade and commerce

MCQ26: When was the local branch of the Institution of Bankers established in Nigeria?

Answer: 1963

MCQ27: The bottom line of the banking business is an efficient payment and

Answer: intermediary system

MCQ28: Why is the Central Bank called the apex bank?

Answer: It is empowered by law to regulate and supervise commercial banks

MCQ29: As a Banker and Lender of Last Resort to banks, the CBN performs the following functions except

Answer: Printing of bank notes

MCQ30: What other name is Merchant Bank called?

Answer: Wholesale bank

MCQ31: Bank is an outfit legally registered to accept funds and other valuables for -----

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Answer: safe keeping

MCQ32: What year was seen as an era for free banking?

Answer: 1952

MCQ33: Prior to the establishment of the Central bank of Nigeria in 1959 there was a

Answer: West African Currency Board

MCQ34: Who is charged with the responsibility of administering the Banks and Other Financial Institutions Act (BOFIA) 1991?

Answer: Central Bank of Nigeria

MCQ35: What is the designation of the Chief Executive Officer of the Central Bank of Nigeria?

Answer: Governor

MCQ36: Accepting deposit is one of the primary functions of which organisation?
Answer: Commercial banks

MCQ37: What determines the difference between loans and advances?
Answer: Tenor

MCQ38: Merchant banks are usually defined in terms of their -----
Answer: functions

MCQ39: The functions of these specialized banking institutions vary according to their --

Answer: types

MCQ40: The ownership structure of the community banks is shared among how many groups?
Answer: three

MCQ41: Which is not a specialized bank?
Answer: Commercial bank

MCQ42: From this Economics stand point, for money to be generally acceptable, it must backed up by the -----.
Answer: institutional force of law

MCQ43: Which other way can you express money as a measure of value?
Answer: Units of accounts

MCQ44: What is the common name for these concepts? Treasury bills, Treasury certificates, Commercial paper, Call money, Certificates of deposit, Bankers Unit Fund, Eligible Development Stock, Interbank Market, Negotiable Certificate of Deposit?
Answer: Financial instruments

MCQ45: Savings is defined as the difference between disposable income and-----
Answer: consumption

MCQ46: What other name is Merchant Bank called?
Answer: Wholesale bank

MCQ47: Which one is not a type of investment?
Answer: Annual investment

MCQ48: The Board of Directors of a bank is not involved in -----
Answer: The day-to-day running of the bank

MCQ49: What type of instrument is a cheque?
Answer: Negotiable

MCQ50: Which is not a type of bank lending?

Answer: Composite