



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION

COURSE CODE: BFN748

CREDIT UNIT: 2

COURSE TITLE: FINANCIAL INSTITUTIONS AND MARKETS

TIME ALLOWED: 2 Hours

INSTRUCTIONS:

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

- 1a. Highlight five contributions of financial market system to Nigerian economy. **7½marks**
- b. Give five reasons for the establishment of money market in Nigeria. **5marks**
- c. Briefly discuss eight objectives of Nigerian Capital Market. **10marks**
- d. Mention and discuss briefly five regulators within Nigerian financial market. **7½marks**

- 2a. Discuss briefly five of the instruments of money market. **7½marks**
- b. Compare and contrast banks and money lenders. **7½marks**
- c. Enumerate five role of banking institutions in Nigeria. **5marks**

- 3a. Indicate five advantages of Central Bank's monopoly of notes issue. **7½marks**
- b. Mention five merit of Central Bank's functions as lender of last resort to other banks. **7½marks**
- c. Enumerate five duties both the Central Bank and commercial banks perform to government. **5marks**

- 4a. Briefly discuss three forms of commercial banking based on ownership structure. **6marks**
- b. Highlight four sources of bank income. **8marks**
- c. Indicate three challenges of Contribution Pension Scheme. **6marks**

- 5a. State five principles underlying the investment policy of banks. **7½marks**
- b. Highlight five achievements of Contribution Pension Scheme in Nigeria. **7½marks**
- c. Enumerate five functions of the World Bank. **5marks**