



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
FACULTY OF LAW
DEPARTMENT OF COMMERCIAL LAW
2020_1 Examination

COURSE CODE: CLL 305

COURSE TITLE BANKING LAWS AND REGULATIONS

CREDIT UNITS: 3

INSTRUCTIONS:

- (a) Indicate your Matriculation Number clearly
- (b) Attempt Question one (1) and any other three questions – four (4) questions in all
- (c) Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
- (d) Using appropriate statutory and judicial authorities, present all your points in coherent and orderly manner.

TIME 3 Hours
ALLOWED:

QUESTION 1.

The global economy has recently suffered from systemic problems and put the top economies at financial jeopardy. While different nations have developed different strategies to regulate its banking sector, Nigeria too is searching for the best form of regulations to cure its financial systems. If Regulation remains a key factor to absorbing financial shocks, with your knowledge of Nigerian Banking Laws and Regulations, discuss the following types of economic regulation stating which type you believe will serve Nigeria's fragile Banking Sector best.

- a. Government or command and control regulation
- b. Self-regulation
- c. Incentive based regulation
- d. Market based regulation

QUESTION 2.

Banking reforms are keys to the regulation of any financial system. Briefly trace key reforms in the Nigerian Banking sector under the following headings:

- a. The era of Free Banking or Laissez-Faire Banking (1891-1951)
- b. The era of Structural Adjustment Programme (SAP)/ Financial System Deregulation (1986-1993)
- c. Banking reforms of 2009-2012

QUESTION 3.

Protection of bank deposits is a key part of any Nation's financial system. The Nigeria Deposit Insurance Corporation (NDIC) Act established the NDIC to protect bank deposits and enhance public confidence in the banking Industry.

Briefly discuss its aims, objectives and functions, and how it has been successful in fostering a robust banking sector in Nigeria from its establishment till date.

QUESTION 4.

Every profession has a set of codes and ethics laid down to foster and guide the behaviour or conduct of its members. The Nigerian banking System is not left out.

Discuss the general objectives of Banking Code of Ethics for bankers in Nigeria as laid down by the Bankers Committee, highlighting the basic principles of Professional Code of Ethics under Section 1 of the Bankers Code of Conduct (Professional Code of Ethics and Business Conduct) 2014.

QUESTION 5.

Discuss the major sources of instability in the Banking sector under the following headings:

- a. Macroeconomic environment
- b. Asymmetric Information
- c. Weak management
- d. Inappropriate Corporate Governance Structures
- e. Inadequate or poor Regulatory and Supervisory Capacity

QUESTION 6.

Discuss the role of regulation in the banking industry under the following headings:

- a) Protection of Depositors
- b) Monetary and Financial Stability
- c) Efficient and Competitive Financial System
- d) Consumer Protection