



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_2 EXAMINATION**

COURSE TITLE: FINANCIAL SYSTEMS

TOTAL UNITS: 3

COURSE CODE: BFN 304

TIME ALLOWED: TWO AND HALF HOURS

INSTRUCTION: Question ONE is compulsory **30marks** and answer any other TWO questions **20marks**

Question ONE

- a. Financial system functions to ensure adequate supply of fund to service the requirements of the economy and facilitates the transfer of funds between economic units. Expatiate on the operations of a financial system. (14marks)
- b. The financial system functions on a network of a mechanism which involves some relevant participants such as fund suppliers and fund raisers. Discuss two (2) participants each from the suppliers and users funds in the operations of a financial system. (16 marks)

Question TWO

- a. Describe a money market and its instruments. (10marks)
- b. The network of participants in international financial institutions includes but not limited to financial institutions. Identify and explain any 3 of the global international financial institutions. (10 marks)

Question THREE

- a. Discuss the evolutionary phases in the Nigerian financial system. (10 marks)
- b. Describe five vital functions of the Securities and Exchange Commission (SEC).
(10 marks)

Question FOUR

- a. The National Insurance Commission (NAICOM) was established to replace the Nigerian Insurance Supervisory Board (NISB). Discuss five specific functions performed by the commission. (10 marks)
- b. Classify List 3 each of debt instruments used for financial transaction in the money market and capital market. (10 marks)

Question FIVE

- a. There are various functions identified that are performed by the Commercial banks in the course of their operations. Discuss any five of such functions. (10 marks)
- b. Assets of a bank are items from which it receives income and profit while liabilities are claims on it. List 3 each of the assets and liabilities. (10 marks)