



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi, Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021-2 EXAMINATION

COURSE CODE: MBF 845 CREDIT UNIT: 3

COURSE TITLE: INTERNATIONAL BANKING

TIME ALLOWED: 2 AND HALF HOURS

Instructions:

- 1. Attempt question number one (1) and any other Three (3).**
 - 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your points in coherent and orderly manner.**
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1(a) International banks besides performing the usual commercial banking functions play an effective role in economic development. List and explain four of these roles? (8 marks)

(b) Different methods have been put in place for investors who want to venture into international banking operations. To this end, list and explain five available methods for entry into international banking operations. (15 marks)

(c) Give two reasons why international banking should be studied (2 marks)

2(a) Different schools of thoughts have identified some significant differences between Central Bank and Commercial banks. To this end, enumerate these differences. (5 marks)

(b) Central bank of Nigeria plays a major role in formulating policies that shapes the nation's economy. Therefore, list and explain five functions of Central Bank of Nigeria. (5 marks)

(c) Differentiate between Quantitative or general method and Qualitative or selective method as instruments of credit control used by the central bank. (5 marks)

3(a) Outline Five features of Balance of Payment (5 marks)

(b) Distinguish between Balance of Payments and Balance of Trade (5 marks)

(c) Discuss five causes of disequilibrium in the balance of payment (5 marks)

4(a) What do you understand by the term "Discounting Letter of Credit" (5 marks)

(b) Discuss five forms of cheques (5 marks)

(c) Discuss five Participants or important dealers in the foreign exchange market (5 marks)

5(a) Discuss five instruments of foreign exchange payments? 5 marks

(b) Outline four broad conclusions of the theory of interest arbitrage. 4 marks

(c) Discuss three types of exchange rate (6 marks)