



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESS WAY, JABI – ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**DEPARTMENT OF FINANCIAL STUDIES**  
**2019\_1 EXAMINATION**

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**COURSE CODE: BFN301**

**CREDIT UNIT: 3**

**COURSE TITLE: PRACTICE OF BANKING**

**TIME ALLOWED: 2<sup>1/2</sup> HOURS**

**INSTRUCTIONS:**

- 1. Attempt Question One (1) and any other three (3) questions**
  - 2. Question 1 carries 25 marks, while the other questions carry 15 marks each.**
  - 3. Present all points in coherent and orderly manner**
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**1a.** Discuss four (4) unpleasant implications that a banker would be faced with if a customer with incomplete account opening references is allowed to operate an account with the bank.

**(12 marks)**

**1b.** Discuss seven (7) business activities which the Deposit Money Banks (DMBs) are not permitted to delve into.

**(7 marks)**

**1c.** Commercial banks in Nigeria are dichotomized into three (3) with the abrogation of universal banking model. Distinguish the three (3) categorizations.

**(6 marks)**

**2a.** Discuss eleven (11) functions of the Bank of Industry.

**(11 marks)**

**2b.** Discuss four (4) statutory functions of Bank of Agriculture.

**(4 marks)**

**3a.** The duty to maintain secrecy is not absolute, but qualified. Discuss briefly four (4) conditions under which a bank can disclose customer's information.

**(8 marks)**

**3b.** Explain 'a bank account'.

**(7 marks)**

**4a.** The Central Bank of Nigeria (CBN) was primarily established to perform some basic roles as well as to meet some intended economic policy objectives. Discuss the four (4) basic roles and five (5) economic policy objectives of the CBN. **(9 marks)**

**4b.** Discuss any four (4) of the requirements of negotiability of Negotiable Instruments. **(6 marks)**

**5a.** Discuss any five (5) circumstances under which a banker is justified in refusing payment of a cheque drawn on it. **(5 marks)**

**5b.** Write short notes on the following types of mortgage: **(10 marks)**

- i. Simple Mortgage
- ii. Anomalous mortgage

**6.** Discuss ten (10) factors that can lead to bankruptcy in the banking industry. **(15 marks)**