



**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: MBF845**

**CREDIT UNIT: 3**

**COURSE TITLE: INTERNATIONAL BANKING**

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

**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.** There is a growing concern by financial analysts and scholars on the dwindling value of Naira. As a post graduate student of Finance, explain the concepts of Overvaluation and Undervaluation in the context of exchange rate management. **(10 marks)**

**b.** Discuss briefly the basis for Special Drawing Rights (SDRs) in the context of International Liquidity. **(5 marks)**

**c.** The various instruments of credit control used by the Central Bank of Nigeria (CBN) can be broadly classified into two. Discuss. **(10 marks)**

**2a.** Compare and contrast the concepts of Devaluation with that of Depreciation of currency. **(10 marks)**

**b.** Explain the concept of cyclical disequilibrium of balance of payment. **(5 marks)**

**3a** Discuss four (4) instruments of foreign exchange payments. **(12 marks)**

**b** Banks are agents of their customers. Discuss **(3 marks)**

- 4a.** Explain the concept of Mint party theory of exchange rate determination. **(10 marks)**
- b.** Flexible Exchange Rate system relies on the forces of demand and supply. Discuss. **(5marks)**
- 5a.** IBRD's founding strategy has some fundamental objectives. Discuss. **(10 marks)**
- b.** Explain the meaning of Firm-commitment syndication as a style of loan marketing. **(5 marks)**
- 6a.** African Development Bank (ADB) is blessed with different sources of funding. Discuss. **(5 marks)**
- b.** In a bid to manage the exchange rate volatility, the Central Bank of Nigeria (CBN) adopted the Flexible exchange rate system. Contrast the flexible rate system with the fixed exchange rate system. **(10 marks)**