



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2024 1 EXAMINATION

Course Code: BFN301

Credit Unit: 3.

Course Title: PRACTICE OF BANKING

Time Allowed: 2 ½ HOURS

Instructions:

- 1. Attempt Question 1 and any other three (3) Questions.**
- 2. Question 1 is compulsory and carries 25 marks while the other Questions carry 15 marks each.**
- 3. Present all your points in a coherent and orderly manner.**

- 1a** State four statutory functions of the Bank of Agriculture (BOA) in Nigeria **(10marks)**
- 1b.** Discuss five (5) conditions to fulfil for the conduct of a National Banking Model in Nigeria **(15marks)**
- 2a.** State four implications of allowing a person to open an account without satisfactory reference. **(10marks)**
- 2b.** List five special types of accounts opened by banks. **(5marks)**
- 3a.** Define a Bill of exchange according to the Bill of Exchange Act **(5marks)**
- 3b.** State five (5) conditions upon which payment of cheques can be stopped by a banker **(10marks)**
- 4a.** Explain the concept of Anomalous Mortgage **(5marks)**
- 4b.** Prior to accepting debentures, issued by a company, as collateral securities for advancing money, it is necessary for the bank to take some basic steps to ensure the protection of its own interest. State five of these steps. **(10marks)**
- 5.** Clearly identify and discuss five (5) factors that can lead to Bankruptcy in Banking Industry **(15marks)**