



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2024 I EXAMINATION.

COURSE CODE: BFN 302 CREDIT UNIT: 3
COURSE TITLE: MONETARY THEORY AND POLICY
TIME ALLOWED: 2 ½ 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. All points should be presented in coherent and orderly manner.
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Question 1

- (a) Critically examine the two main effects/problems of unemployment in a Country (10 Marks)
(b) Explain deflation and state five possible causes of deflation in a society (15 Marks)

Question 2

Analyze the differences between money market, money market operations, and money market instruments 15 Marks

Question 3

Identify five (5) monetary policy instruments and examine their effect on the Nigerian economy 15 Marks

Question 4

- (a) Outline three advantages and two disadvantages of fixed exchange rate. 10 Marks
(b) What does the "Gold standard" imply in monetary parlance? 5 Marks

Question 5

What is a budget and what purpose does it serve in the public service? 15 Marks