Course Code: BFN308   **Credit Unit: 3.**
Course Title: BANKING METHODS AND PROCESSES
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 3 Questions carry 15 marks each.
3. Present all your points in a coherent and orderly manner.

1a. The banking system has internal control mechanisms that guide its operations. Different between Control by Means of Returns and Control at Branch Level **(15 marks)**

1b. Differentiate between the real bills doctrine and the anticipated income theory. **(10 marks)**

2a. What is cash? **(5 marks)**
2b. State the disadvantages of using cash as a form of payment. **(10 marks)**

3a. What is a commercial bank? **(5 marks)**
3b. State the traditional functions of the Central Bank. **(10 marks)**

4a. Explain cash management. **(3 marks)**
4b. What are the reasons that would make companies to prefer holding cash? **(12 marks)**

5a. Enumerate ten objectives of regulation of the Nigerian banking system **(10 marks)**

5b. State the problems associated with bank regulation in Nigeria. **(5 marks)**

Arrivals at a cyber café, which has only one PC, follows a Poisson process with a rate 9 minutes. The service time is exponentially distributed with a mean of 3 minutes. If the queueing discipline is FCFS, determine the following:

A. The probability that an arriving customer will not wait before using the PC. (3 marks)
B. The average queue length formed from time to time. (6 marks)
C. The owner of the cyber café will buy a second PC when convinced that an arriving customer will wait for more than 4 minutes Find the increase in the flow of arrivals which will justify buying a second PC (6 marks)

QUESTION THREE
A. What is a seed? (3 marks)
B. Explain how you can generate random numbers using a seed? (7 marks)
C. Describe the Kendall notation for queues (5 marks)

QUESTION FOUR
A. Discuss not less than three (3) point the difference between Descriptive statistics and Inferential statistics? (6 marks)
B. What is Univariate analysis? (1 mark)
C. Name and explain the three (3) characteristics of Univariate analysis? (8 marks)

QUESTION FIVE
A. Distinguish the statisticians three levels of modeling assumption? (6 marks)
B. Discuss Poisson process with respect to it five (5) essential feature? (7½ marks)
C. Give any three (3) example of Poisson process? (1½ marks)

QUESTION SIX
A. Mention two (2) mode of inference and give three (3) example of Poisson process? (3 marks)
B. List two (2) key factors of Cochran's (1977) Formula? (4 marks)
C. List four (4) ways of Cochran (1977) to estimating population variances for sample size determinations? (8 marks)