



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2024_2 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 The apex bank in Nigeria was established to discharge some intended economic policies. State Five(5) of these policies. **(10marks)**

1b. The CBN banking regulation guideline specified that a commercial banking license shall confer on an operator to carry out some specified banking activities and no other. Discuss Five(5) of these operations**(15marks)**

Total Marks: 25 Marks

2a. There are cases where the banker cannot exercise his right of lien. Discuss five (5) of these special cases. **(10marks)**

2b. Definition of Garnishee Order **(5 Marks)**

3a. Discuss Five (5) conditions that an instrument must fulfil before it can be called a 'cheque' **(10marks)**

3b. State Five (5) differences between a cheque and a bill of exchange **(5marks)**

4a. State Four(4) basic approaches to the valuation of real estate**(10marks)**

4b. Explain the term Hypothecation **(5marks)**

5. Compare and contrast between a Contract of Guarantee and a Contract of Indemnity **(15marks)**