



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2024_2 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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QS. 1. (a) Give a brief description of the liquidity preference theory. 7 Marks
(b) State and explain the motive for holding money 18 Marks
Total Marks: 25 Marks

QS. 2. Ascertain five functions of Security and Exchange Commission (SEC)
5points points x 3 Marks=**Total Marks: 15 Marks**

QS. 3. (a) What is tax? 3 Marks
(b) Outline four (4) reasons why government impose tax? 12 Marks
Total Marks: 15 Marks

QS.4 a. Evaluate the reasons why countries embark on public debt? 3points x 5 Marks
Total Marks: 15 Marks

QS 5.a Using 3 basiC differentiate economic growth from economic development? 3points x 3 Marks = 6Marks
b. State three (3) factors that inhibit rapid economic development in developing countries? 6points x 1.5 Marks = 9Marks
Total Marks: 15 Marks