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 Nigerian Deposit Insurance Corporation (NDIC) is a regulatory body established by the Federal Government to complement the efforts of the Central Bank in the supervision and regulation of the banking sector. Enumerate the responsibilities of the NDIC.

           Any 3 points x 5 marks =**15 Marks**

1b. Write short notes on the following:
   i.   Call over of vouchers **5Marks**
   ii. Spot Checks   **5Marks**

           Total Marks= **25 Marks**

2a. Enumerate the 5 internal control measures usually installed at the branch level of banks to ensure that individual staff discharges their functions within approved limits.
           5 x 2 Marks = 10 marks

2b. Briefly explain the following internal control mechanisms:
   i.   Control by means of returns **3marks**
   ii. Head office control system **2 Marks**

           Total Marks= **15 Marks**

3a. Explain the tenets of the Shiftability Theory. **7 Marks**
3b. Differentiate between group banking and chain banking. 4pointsx 2Marks = **8 Marks**

           Total Marks= **15 Marks**

4a. Explain the concept of bank fraud. **8 Marks**
4b. Enumerate and briefly explain the types of frauds 7 points x 1 mark each= 7Marks
           Total Marks= **15 Marks**

5a. What is a standing order?   **5 Marks**
5b. What are the advantages and disadvantages of a standing order? 5 points x 2 Marks
           (10 Marks)

           Total Marks= **15 Marks**