



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi, Abuja**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2024\_2 EXAMINATION**

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**COURSE CODE: BFN 405**

**CREDIT UNIT: 2**

**COURSE TITLE: BANK LENDING AND LOAN ADMINISTRATION**

**TIME ALLOWED: 2 HOURS**

**INSTRUCTIONS:** Question ONE is compulsory, carries **(30 marks)** and Answer any other two questions which carry **(20 mark)** each.

**1a. State five (5) reasons why it is necessary for loan officers to visit the customer's business (15marks)**

**1b. Discuss five principal components of a loan agreement (15marks)**

**2a. Mention five features of a real estate loan granted by banks to their customers (10marks)**

**2b. State five Rights of the Bank in Case of loan default (10marks)**

**3. Disuses briefly the following risks involved in Export Credit**

**a. Buyer risk (9marks)**

**b. Transfer risk (5marks)**

**c. Political risk (6marks)**

**4. Discuss the following critical issues in Asset and Liability Management in Banks.**

**i. Liquidity Management (6marks)**

**ii. Mismatch Management and Performance Measurement(7marks)**

**iii. Funds Transfer Pricing(7marks)**