



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: MBF 833.

Credit Unit: 3

Course Title: MONEY AND BANKING

Time Allowed: TWO AND HALF 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. Discuss five static roles of Money (15marks)

1b. Explain the concept of barter system (10marks)

2. Monetary economists hold different views regarding the constituents of money supply. Differentiate between the traditional view and the modern view. (15marks)

3. Inflation has different effects on different sectors of the economy. Explain five(5) adverse effects of inflation on production in the economy. (15marks)

4a. The monetary policy aiming at promoting economic growth must satisfy two conditions. Discuss (10marks)

4b. State five limitations of commercial bank credit creation power (5marks)

5a. Discuss four banking services of a merchant bank in Nigeria (10marks)

5b. Trace briefly the historical development of Nigerian Deposit Insurance Corporation (5marks)