



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2025_2 EXAMINATIONS

Course Code: BFN304

Credit Unit: 3.

Course Title: FINANCIAL SYSTEMS

Time Allowed: Two and half HOURS

Instructions:

- 1. Attempt Question 1 and any other three 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.**

Question ONE

- a. Briefly explain your understanding of the operation of a financial system. **(5 marks)**
- b. List and explain the two broad primary operators of the financial system. **(20 marks)**

Question TWO

- a. Which are the relevant regulators of financial systems in free market economies as well as mixed economies? **(5 marks)**
- b. Enumerate the evolution phases of Nigerian financial system. **(10 marks)**

Question THREE

- a. List and explain the functions of three banking institutions in the Nigerian financial institutions. **(9 marks)**
- b. What do you understand by financial assets and debt instruments in a financial system, list four from the money market? **(6 marks)**

Total 15 marks

Question FOUR

- a. Financial Assets can also be referred to as financial securities, explain the basic characteristics of these securities. **(10 marks)**
- b. What are the operational and structural differences between Central bank and Commercial banks? **(5 marks)**

Question FIVE

- a. Describe the operation of a Universal banking, listing each two of its advantages and disadvantages. Mention how it was introduced and later abolished in Nigeria.
- b. State at least four reasons for marketing of bank services by the banks. **(Total 15 marks)**