



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2025_1 EXAMINATION

Course Code: BFN308

Credit Unit: 3

Course Title: BANKING METHODS & PROCESSES

Time Allowed: 3 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. Critically discuss the five core functions performed by the financial system. **(15 marks)**

1b. Define the term “correspondent banking”. **(5 marks)**

1c. What is bank regulation. **(5 marks)**

2a. Itemize five core functions of central banks in any country. **(5 marks)**

2b. Explain the rationale behind the establishment of savings and loans banks. **(10 marks)**

3a. What is a cheque? **(6 marks)**

3b. Describe the three parties to a cheque. **(9 marks)**

4. Write a short note on the following electronic banking systems:

- i. Home Banking
- ii. Wireless Application Protocol
- iii. Telephone Banking
- iv. SMS Banking
- v. Internet Banking

(15 marks)

5. Identify and discuss the five principles of money and banking. **(15 marks)**