



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.**
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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)