**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**UNIVERSITY VILLAGE, JABI-ABUJA**

**FACULTY OF MANAGEMENT SCIENCES**

**2018 JANUARY EXAMINATION**

**COURSE CODE: BFN 748 CREDIT UNIT: 2**

**COURSE TITLE: FINANCIAL INSTITUTIONS & MARKETS**

**TIME ALLOWED: 2 HOURS**

**Instructions: 1. Attempt question number One (1) and any other Two (3) questions.**

 **2. Question number 1 carries 25 marks, while the other questions carry 15          marks each.**

 **3. Present your work in coherent and orderly manner.**

**QUESTION ONE (COMPULSORY)**

(a) Explain the Nigerian Financial System as espoused by the Central bank of Nigeria (1993).

(b) A sound financial system is made up of four major interdependent pillars. Explain this statement on the basis of the four interdependent components.

(c) The functions of the Nigeria Capital Market are consistent with its objectives and missions. **Elucidate.**

**QUESTION TWO**

The financial system, according to Crockett (2011), incorporates a number of separate, though interdependent components, which are essential to its effective working. **Expatiate.**

**QUESTION THREE**

There are some government regulatory institutions that supervise the operations of the Nigerian Financial system. Discuss the statement on the basis of such regulatory organizations.

**QUESTION FOUR**

Money market instruments are fixed income assets of high liquidity associated with very low risk and short maturity. Identify and discuss such money market instruments.

**QUESTION FIVE**

Banks in any economy are categorized according to their roles, functions and operations. Discuss this statement with particular reference to the development banks in Nigerian economy.