



**NATIONAL OPEN UNIVERSITY OF NIGERIA
UNIVERSITY VILLAGE, JABI-ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2019_2 EXAMINATION**

COURSE CODE: BFN 740

CREDIT UNIT: 2

COURSE TITLE: REGULATIONS OF FINANCIAL INSTITUTIONS

TIME ALLOWED: 2 HOURS

- Instructions:**
- 1. Attempt question number One (1) and any other Two (2) questions.**
 - 2. Question number 1 carries 30 marks, while the other questions carry 20 marks each.**
 - 3. Present your work in coherent and orderly manner.**
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QUESTION 1 (COMPULSORY)

a) The Central Bank of Nigeria (CBN) has devised some measures and safeguards against the use of the financial system as channel for money laundering and other financial frauds. Elucidate such CBN measures. **10 marks**

b) Discuss any five (5) various strategies that the Nigeria Deposit Insurance Corporation has used, from its inception, in complimenting the operations of CBN.

20 marks

QUESTION 2

The financial system in any country enhances the exchange of funds between lenders, investors, and borrowers. Elucidate on this based on any four (4) of its peculiar characteristics. **20 marks**

QUESTION 3

Evaluate the operations of the International Monetary Fund in respect of the provision of financial assistance to distressed economies. **20 marks**

QUESTION 4

a) Distinguish between Monetary Policy and Fiscal Policy. **5 marks**

b) Direct controls are usually imposed by government to expressly forbid or restricts certain kinds of investment or economic activity. Discuss any five (5) drawbacks inherent in the use of this kind of economic policy. **15 marks**

QUESTION 5

There are mainly four (4) types of targeting regarding the strategies inherent in the use of monetary policy. Explain how all such strategies are employed in regulating money supply. **20 marks**