



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2019_2 EXAMINATION

COURSE CODE: BFN405 **CREDIT UNIT: 3**
COURSE TITLE: BANK LENDING AND LOAN ADMINISTRATION
TIME ALLOWED: 2 Hours 30 Minutes
INSTRUCTIONS: 1. Attempt question Number one (1) and any other three (3).
2. Question number 1 is compulsory and carries 25 marks, while the other questions carry 15 marks each
3. Present all your points in coherent and orderly manner

1. There are some seven (7) conditions precedent for Credit Analysis in a loan request. What are these conditions? Discuss any six (6) of them. **25marks**

2. Analyze the five (5) considerations for initial evaluation of loan request. **15marks**

3. Discuss any five (5) principal components of a loan agreement. **15marks**

4. Explain any five (5) forms of valuable that can be pledged as Collateral Security. **15marks**

5. Discuss any five (5) factors to be considered in granting term loans. **15marks**

6. Explain any five (5) conditions for assessing the credit worthiness of customers seeking for loan facilities. **15marks**