



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2020\_1 EXAMINATION**

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**COURSE CODE: BFN748** **CREDIT UNIT: 2**

**COURSE TITLE: FINANCIAL INSTITUTIONS AND MARKETS**

**TIME ALLOWED: 2 Hours**

**INSTRUCTIONS:**

- 1. Attempt question Number one (1) and any other two (2).**
- 2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each**
- 3. Present all your points in coherent and orderly manner**

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- 1a. Highlight five contributions of financial market system to Nigerian economy. *7½marks*  
b. Give five reasons for the establishment of money market in Nigeria. *5marks*  
c. Briefly discuss eight objectives of Nigerian Capital Market. *10marks*  
d. Mention and discuss briefly five regulators within Nigerian financial market. *7½marks*
- 2a. Discuss briefly five of the instruments of money market. *7½marks*  
b. Compare and contrast banks and money lenders. *7½marks*  
c. Enumerate five role of banking institutions in Nigeria. *5marks*
- 3a. Indicate five advantages of Central Bank's monopoly of notes issue. *7½marks*  
b. Mention five merit of Central Bank's functions as lender of last resort to other banks. *7½marks*  
c. Enumerate five duties both the Central Bank and commercial banks perform to government. *5marks*
- 4a. Briefly discuss three forms of commercial banking based on ownership structure. *6marks*  
b. Highlight four sources of bank income. *8marks*  
c. Indicate three challenges of Contribution Pension Scheme. *6marks*
- 5a. State five principles underlying the investment policy of banks. *7½marks*  
b. Highlight five achievements of Contribution Pension Scheme in Nigeria. *7½marks*  
c. Enumerate five functions of the World Bank. *5marks*