



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2020_2 EXAMINATION

COURSE CODE: BFN 304 **CREDIT UNIT: 3**

COURSE TITLE: FINANCIAL SYSTEM

TIME ALLOWED: 2½HOURS

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**

- 1a. What is an international financial market? *1½marks*
b. Enumerate *five* functions of a financial system *7½marks*
c. Mention *three* main players of international financial market *3marks*
d. Briefly discuss *four* features of a financial system *8marks*
e. Mention *five* operators of Nigerian Capital market *5marks*
- 2a. State *five* benefits of insurance policy *10marks*
b. Indicate *four* principal instruments of capital market *2marks*
c. Enumerate *six* instruments of money market *3marks*
- 3a. What is credit control? State *five* of its objectives *9marks*
b. Briefly discuss *four* credit control mechanism *6marks*
- 4a. Enumerate *five* features of Islamic banking *7½marks*
b. Highlight *five* of the assets of a commercial bank *7½marks*
- 5a. What is universal banking?. Mention *five* of its advantages *7marks*
b. State *four* objectives of rural banking *4marks*
c. Enumerate *four* features of banking products *4marks*
- 6a. Identify *five* differences between central and commercial bank *7½marks*
b. Indicate *five* major regional development banks *2½marks*
c. State *five* functions of merchant banks *5marks*