



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2020_2 EXAMINATION**

COURSE TITLE: MONEY AND BANKING

COURSE CODE: ECO 444

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ATTEMPT QUESTION ONE (1) AND ANY OTHER TWO (2) QUESTIONS

- 1a. Define money according to the views of 5 economic schools of thought. **(10 marks)**
- b. Discuss the functions of money. **(15 marks)**
- c. What are the criticisms against Keynesian theory of money? **(5 marks)**

2. Discuss **five** of the six (6) C's banks consider before giving loans. **(20marks)**

3. Describe the factors that determine the structure of interest rate. **(20 marks)**

4. What are the importance of financial institutions to the development of a nation?
(20 marks)

- 5a. What are the advantages of flexible exchange rate? **(10 marks)**
- 5b. Enumerate the diasadvantages of flexible exchange rate. **(10 marks)**