



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2023_1 POP EXAMINATION.

Course Code: BFN304

Credit Unit: 3.

Course Title: FINANCIAL SYSTEMS

Time Allowed: Two and half HOURS

Instructions:

- 1. Attempt Question 1 and any other three (3) Questions.**
- 2. Question 1 is compulsory and carries 25 marks while the other Questions carry 15 marks each.**
- 3. Present all your points in a coherent and orderly manner.**

THEORY QUESTIONS

Question ONE

- a. Define a financial system from your understanding of its operations.
- b. There are primary operators of the financial system in terms of the suppliers of funds and the raisers of funds, discuss. (25 marks)

Question TWO

- a. In a financial system of any jurisdiction, there are certain players referred to as financial regulators. Explain who are financial regulators with example.
- b. Describe the various phases in the evolution of Nigerian financial system. (15 marks)

Question THREE

- a. The structure of the Nigerian financial system can be viewed from the institutions and regulatory agencies that are established and geared towards achieving the basic goals of financial intermediation. Discuss the banking institutions.
- b. Describe what a financial asset is and give four examples of equity debts under the Nigerian money market. (15 marks)

Question FOUR

- a. Financial assets have unique characteristics that are normally used to determine their rating in the financial markets, state and explain five of these characteristics.
- b. The central bank is regarded as the apex bank in any economy and the commercial banks evolved from their trading activities, give five differences on their operational and structural differences. (15 marks)

Question FIVE

- a. State what you understand by Universal banking and give each two of its advantages and disadvantages.
- b. State some reasons for marketing of bank services. (15 marks)