



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

**2023\_2 EXAMINATIONS**

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**COURSE CODE: BFN401** **CREDIT UNIT: 3**

**COURSE TITLE: INTERNATIONAL FINANCE**

**TIME ALLOWED: 2<sup>1/2</sup>HOURS**

**INSTRUCTIONS:**

- 1. Attempt question Number one (1) and any other three.**
- 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.**

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**Question 1 (Compulsory)**

a) You are approached as a finance expert by the Minister of Finance to throw light on how to restore International Equilibrium. Discuss the application of Price Mechanism as one method through which the country's Equilibrium can be restored in international finance. **10 marks**

b) International trade is beset with some peculiar problems when compared to domestic trade. Clarify five (5) of such problems. **15 marks**

**Question 2**

Differentiate between International Monetary Fund (IMF) and International Bank for Reconstruction & Development (IBRD). **15 marks**

**Question 3**

Commercial banks constitute one of the participants in foreign exchange market. Identify and explain the three (3) major ways of their involvement in such market. **15 marks**

**Question 4**

Capital is very essential in the world economy. Clarify in three (3) ways in which it enhances the financial prosperity of the economy. **15 marks**

**Question 5**

In analyzing devaluation, the exact nature of the initial disequilibrium is important. Identify and discuss the three Approaches for analysis Devaluation theory. **15 marks**