



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2023_2 EXAMINATIONS

Course Code: MBF833

Credit Unit: 3.

Course Title: MONEY AND BANKING

Time Allowed: 2 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 3 Questions carry 15 marks each.

3. Present all your points in a coherent and orderly manner.

1a. The evolution of money has passed through different stages depending upon the progress of human civilization at different times and places. State the five (5) the stages. **(5marks)**

1b. The controversy over what should be described as money has been largely settled by the evolution of the basic characteristics of money. Discuss five (5) of these basic characteristics as a student of money and banking in Nigeria. **(10marks)**

1c. Inflation is one of the hydra-headed issues in Nigeria that appears to have defied every policy initiatives of the current government in Nigeria. Discuss five (5) causative factors of inflation attributable to increase in aggregate demand for goods and services in a developing economy like Nigeria. **(10marks)**

2a. Barter system suffered some obvious setbacks that led to the introduction of money in a modern economy. Highlight five (5) of them. **(5marks)**

2b. Money plays very significant functions in today's economy that are tagged "Contingency functions" of money. Discuss four (4) of these functions in a developing economy like Nigeria **(10marks)**

3a. The concept of Money Supply has witnessed different expert opinions. Discuss the modern view of money supply in an economy. **(6marks)**

3b. Explain three (3) secondary functions of Money in a Modern economy. **(9marks)**

4a. Define Velocity of Money. **(5marks)**

4b. The various methods of credit control deployed by the apex bank are categorized into two. Discuss the qualitative method of credit control mechanism. **(10marks)**

5a. Discuss three (3) corporate financial services of a merchant bank otherwise known as wholesale banks in Nigeria. **(9marks)**

5b. As a student of Money and Banking, adduce three (3) strong reasons for the regulation of the Banking sector in Nigeria. **(6marks)**