



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2023_2 EXAMINATIONS

COURSE CODE: MBF839 **CREDIT UNIT: 3**
COURSE TITLE: QUANTITATIVE TECHNIQUES FOR BANKING AND FINANCE
TIME ALLOWED: 2^{1/2}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

QUESTIONS

- 1(a) Explain the following terms
- i. Matrix
 - ii. Sensitivity Analysis
 - iii. Quantitative techniques **(10 marks)**
- 1(b) Musa bought a computer set costing N140,000 and makes a down payment of 40% while the balance will be amortised in 6 equal monthly instalments over a 2year period at 9% per year compounded monthly, what will be the amount of each monthly instalment. **(15 marks)**
- 2 Dauda requires N2.1 million to be invested in a car business that have the following cash inflow of N300,000 annually for four years. The Capital cost of capital is 12% annually, determine whether the project should be taken or not? **(15 marks)**
3. State and explain the three major top concepts under which a business decisions are made? **(15 marks)**
- 4(a) Explain and illustrate the use of the following as tools of quantitative analysis.
- i. Payback period
 - ii. Net present value NPN **(7 marks)**
- 4(b) Suppose the future value of a N600,000 loan payable in 4 years is N744,000 = determine the naira amount of interest due on the loan. **(8 marks)**
5. Explain the following term
- i. Decision tree analysis
 - ii. Sample design
 - iii. Motivation in research **(5 marks each)**