



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2024 1 EXAMINATION**

**COURSE TITLE: MONEY AND BANKING**  
**COURSE CODE: ECO 444**  
**CREDIT UNITS: 2 UNITS**  
**TIME ALLOWED: 2 HOURS**  
**INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO (2) QUESTIONS**

**QUESTION ONE**

- 1a. What do you understand by the term money? **(2 marks)**.
- 1b. Discuss 6 of the static role of money in the economy. **(18 marks)**.
- 1c. Describe five characteristics of a good money. **(10 marks)**.

**QUESTION TWO**

- 2a. Distinguish between the Fishers equation of exchange and the Cambridge approach to demand for money. **(8 marks)**.
- 2b. Explain James Tobin's risk aversion theory of liquidity preference. **(12 marks)**.

**QUESTION THREE**

- 3a. Distinguish between a central bank and a commercial bank in Nigeria. **(5 marks)**.
- 3b. Discuss the main sources of fund available to a merchant bank. **(15 marks)**.

**QUESTION FOUR**

- 4a. Distinguish between spot market and forward market of foreign exchange market. **(5 marks)**.
- 4b. What are the causes of changes in the equilibrium exchange rate? **(15 marks)**.