



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION

COURSE CODE: BFN407 **CREDIT UNIT: 3**
COURSE TITLE: INVESTMENT BANKING
TIME ALLOWED: 2½ Hours
INSTRUCTIONS: 1. Attempt Question Number one (1) and any other three (3).
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

Question One

- (a) Bill of Exchange Act 1882 and Stamp Duty Act 1891 attempted to give an “all-encompassing” definition of Bank and Banker. Critically examine these definitions against the definitions given by the Nigerian Banking Ordinance 1958 and the Nigerian Bills of Exchange Act 1958. **(13 Marks)**
- (b) With topical examples, give a brief history on evolution of modern banking practice. **(12 Marks)**

Question Two

Distinguish between the Real Bills Doctrine and the Anticipated Income Theory. **(15 Marks)**

Question Three

Write short notes on the following:

- (i) Central Bank **(5 Marks)**
- (ii) Bank’s Control and Supervision **(5 Marks)**
- (iii) Objectives of Credit Control by the CBN **(5 Marks)**

Question Four

Define Development Bank and enumerate the rationale for establishing Development Banks.
(15 Marks)

Question Five

Commercial Banks are agents of growth and development in an economy. The monetary policy of the apex bank is only realizable if commercial banks are absolutely carried along. Briefly explain the meaning of commercial bank and what functions they perform in the Nigerian economy. **(15 Marks)**

Question Six

(a) Enumerate the functions of Nigerian Industrial Development Bank (NIDB). **(8 Marks)**

(b) Outline and explain the principal powers of Nigerian Industrial Development Bank (NIDB) as per section 2 of NIDB decree. **(7 Marks)**