



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16, AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
FACULTY OF MANAGEMENT SCIENCES
2020_1 EXAMINATION**

Course Code: MBF845

Credit Unit: 3.

Course Title: INTERNATIONAL BANKING

Time Allowed: 2 ½ 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, All the basic tools and concepts of domestic bank management are relevant to international banking. However, special problems or constraints arise in international banking not normally experienced when operating at home. Discuss five (5) of these problems.

1b. Discuss the concept of International liquidity within the confine of international trading activities among African countries..

1c. While in foreign developing countries, international banks besides performing the usual commercial banking functions play very effective role in their economic development, Discuss five(5) of these roles. **25 marks**

2a. Persistent disequilibrium in the balance of payment, particularly the deficit balance, is undesirable because it weakens the country's economic position at the international level, and affects the progress of the economy adversely. Discuss five (5) causes of disequilibrium in the balance of payment

2b Explain the concept of Firm-commitment syndication as a style of loan marketing.

15 marks

3a. Currency Devaluation is often confused as Currency Depreciation even among scholars. As a scholar of Finance and Banking, contrast clearly, the concepts of Devaluation and Depreciation of currency.

3b. Explain the concept of Cyclical Disequilibrium of Balance of payment. **15 marks**

4a. Discuss the Mint Party theory of exchange rate determination.

4b. The issue of exchange rate fluctuation has been a major source of concern to many stakeholders especially the key players in the international business whose business fortunes hinged on Exchange Rate system. What then is Flexible exchange rate system? **15 marks**

5a. International Bank for Reconstruction and Development's founding strategy has some fundamental objectives. Discuss three of these objectives.

5b. Discuss three instruments of foreign exchange payments.

15 marks

6a. Explain the concept of Correspondent banking system within the context of international trade.

6b. African Development Bank (ADB) is receiving funding from different sources. Discuss five of these sources.

15 marks