



**MBF 733**

**MONEY AND  
BANKING**

**Course Guide**



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**MONEY AND BANKING**

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## Introduction

The course **Money and Banking** is prepared in such a way that it gives the reader a thorough understanding of the concepts of money and banking. It is prepared for the post-graduate students of the National Open University of Nigeria. However it will be very useful to other readers who want to have understanding of the general concepts of the course.

### Objectives of the course are

- To give the students and other readers a general understanding of the concepts of money and banking.
- To aid the students to be able to discuss the concepts of money and banking any where and any time they are called upon to do so and
- To help the student to be able to pass their examinations with flying colours.

The course is divided into two parts. Part one is made up of eight units and covers topics in **Money** while part two is divided into seven units and covers topics in **Banking**.

**Unit one** deals with the meaning and evolution of money. **Unit two** discusses the barter system and the role of money. **Unit three** treats the characteristics and function of money. **Unit four** treats demand for money and **Unit five** explains the supply of money. In **unit six** the concepts, features and types of inflation were discussed. **Unit seven** discusses the causes, effects and control of inflation while **Unit eight** discusses the monetary policy.

**Unit nine** discusses the meaning and evolution of banking. **Unit ten** discusses the central bank and its functions. **Unit eleven** discusses the role of central bank and the credit control policy of the central bank. **Unit twelve** discusses commercial banks and their functions. **Unit thirteen** discusses credit creation by commercial banks. **Unit fourteen** discusses merchant banks and their functions and some development banks and their functions. Lastly **Unit fifteen** discusses the **NDIC**, the role of **NDIC** in the banking industry and essentials of banking regulation.

The writer of the course material has been teaching the course at the university level for so many years. The course material will benefit both the postgraduate students of Business Administration and allied disciplines in the National Open University of Nigeria as well as the general reading public.