



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**MARCH/APRIL 2015 EXAMINATION**

**COURSE CODE: MGS748**

**CREDIT UNIT: 2**

**COURSE TITLE: FINANCIAL INSTITUTIONS AND MARKET**

**TIME ALLOWED: 2 HOURS**

**INSTRUCTIONS:**

- 1. Attempt question number one (1) and any other two (2).**
- 2. Question number 1 is compulsory and carries 30 marks while the other 2 carry 20 marks each.**
- 3. Present all your points in coherent and orderly manner.**

1. (a) Discuss the role of the financial manager in a firm. (5 marks)  
(b) What do you understand by financial intermediation? (5 marks)  
(c) Describe the various forms of financial intermediation. (10 marks)  
(d) Why do companies list their shares on more than one exchange? (10 marks)
2. (a) Differentiate between money and capital market. (5 marks)  
(b) Describe the major financial instruments of the Nigerian capital market. (15 marks)
3. (a) Evaluate the importance of a well-run stock exchange. 10 marks)  
(b) Describe the various tasks for stock exchanges. (10 marks)
4. (a) Explain project finance. (5 marks)  
(b) Discuss the advantages of project finance. (10 marks)  
(c) What are the advantages of trade credit? (5 marks)
5. (a) As the level of sales increases, there are three possible types of impact on the level of working capital. Discuss. (5 marks)  
(b) What is overtrading? (5 marks)  
(c) Explain the motives ascribed to the holding of cash. (10 marks)