



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
JUNE/JULY, 2013 EXAMINATIONS**

COURSE CODE: MBF833 CREDIT UNIT: 2
TIME ALLOWED: 2HOURS
COURSE TITLE: MONEY AND BANKING
INSTRUCTION: QUESTIONS ONE IS COMPULSORY AND ANSWERS ANY OTHER TWO (2) QUESTIONS BELOW.

1. (a) The evolution of money has passed through the following five stages depending upon the progress of human civilization at different times and places. Discuss these stages.
(b) In brief, regulation of banking evolved to serve many goals which include some factors. Discuss.
2. (a) Explain the differences between Central Bank and Commercial Banks.
(b) Economists have pointed towards the following characteristics or qualities for a thing to be money.
3. (a) On the basis of speed, inflation can be classified as what? Discuss
(b) In fact, economic growth has been aptly made the primary objective of monetary policy. The following arguments can be advanced in favour of economic growth. Explain such arguments.
4. (a) Discuss the types of money you know.
(b) The barter system is the most inconvenient method of exchange. It involves loss of much time and effort on the part of people in trying to exchange goods and services. Discuss the difficulties of Barter system.
5. (a) Explain the two primary functions of money.
(b) The Cambridge economists considered a number of factors which tend to influence the demand for holding money. Explain these factors.