



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS  
MARCH/APRIL 2016 EXAMINATION**

**SCHOOL OF MANAGEMENT SCIENCES**

**COURSE CODE: ACC 320**

**CREDIT UNIT: 2**

**COURSE TITLE: ECONOMIC AND BUSINESS ENVIRONMENT**

**TIME ALLOWED: 2 HRS**

**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 questions carry equal marks each excluding question number one.**

**3. Present all your points in coherent and orderly Manner.**

Question1. What were the policy measures that respective governments in Nigeria have employed to ameliorate the balance of payment position?

Question 2. What are possible causes of balance of payment disequilibrium?

Question 3. How does the central bank regulate the activities of the commercial banks?

Question 4. Explain the difference between Cash assets and Liquid assets.

Question 5a. How do commercial banks utilize the funds generated from the public?

Question5b. Explain how business firms maximise profit?