



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
JANUARY Examination 2018

Course Code: BFN 304

Credit Unit: 2.

Course Title: FINANCIAL SYSTEM

Time Allowed: 2 Hours.

Instructions:

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

Questions

(1a) What do you understand by financial system?

(1b) State five functions of the Nigerian Financial system.

(1c) The funds raisers and suppliers often constitute subsystems of institutions and facilitators in the operations of the financial system. Enumerate and discuss five (5) suppliers of funds.

2a. Discuss the three main players of the international financial system

2b. State five functions of the Central Bank of Nigeria.

3a. State three characteristics of financial assets.

3b. Money market instruments have certain qualities that make them useful for wholesale transactions. Discuss the three (3) qualities you know.

4. List and explain the various instruments being used to raise funds through the operations of capital market in Nigeria.

5a Discuss five basic differences between the Central Bank and commercial banking operations.

5b Identify and discuss five main benefits of insurance policies.