



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

COURSE CODE: BFN304

CREDIT UNIT: 2

COURSE TITLE: FINANCIAL SYSTEMS

TIME ALLOWED: 2 HRS

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

1(a) What is a Financial System? List five (5) of its functions

(b) What are the methods of credit control by The Central Bank of Nigeria?

(c) What are Financial assets? Explain six (6) characteristics of financial assets

2(a) Explain the functions of network of participants in International Financial System?

(b) What is a capital market? List and explain the roles of five (5) major players in the capital market

3(a) Mention three methods of issuing new securities?

(b) Mention the functions being performed by the Asset Management Company of Nigeria (AMCON)

4(a) List eight (8) instruments that are traded in the money market?

(b) What are the benefits of insurance policies?

5 (a) The merchant banks perform various functions in the course of their operations in the economy. List six of the functions of a Merchant Bank?

(b) What are the differences between Islamic and conventional Banks?