



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**MAY/JUNE 2012 EXAMINATION**

MBF733/833      MONEY AND BANKING

Time Allowed: 2 hours

Instruction: Attempt any 3 questions of your choice. Each question carries 23.3 marks.  
Present your answer legibly and logically using relevant examples.

1. The word “Money” was derived from the name of Roman goddess of Juno.  
Discuss the five stages in the evolution of money.
2. What does Barter System of exchange involve?  
Discuss five difficulties of the barter system.
3. With regard to factors influencing currency money, what do you understand by  
the following:
  - (a) Volume of transaction
  - (b) Method of payment
  - (c) The price level
4. What is the meaning of “inflation?”  
Does inflation really affect the purchasing power of money?  
Give your answer in the light of Keynes definition of inflation as phenomenon  
of full employment.

5. (a) Enumerate and discuss six factors that account for increase in demand.
- (b) What are the five objectives of monetary policy.