



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja**  
**Faculty of Management Sciences, Department of Financial Studies**  
**JULY Examination 2017**

**Course Code: MBA 843**

**Credit Unit: 3.**

**Course Title: INTERNATIONAL BANKING**

**Time Allowed: 3 Hours.**

**Instructions:**

- 1. Attempt Question 1 and any other three (3) Questions.**
- 2. Question 1 is compulsory and carries 25 marks while the other 3 Questions carry 15 marks each.**
- 3. Present all your points in a coherent and orderly manner.**

**Questions**

**1a.** In a bid to manage the exchange rate volatility, the Central Bank of Nigeria (CBN) adopted the Flexible exchange rate system. Contrast the flexible rate system with the fixed exchange rate system.

**1b.** Discuss briefly the basis for Special Drawing Rights (SDRs) in the context of International Liquidity.

**1c.** The various instruments of credit control used by the Central Bank of Nigeria (CBN) can be broadly classified into two. List and discuss them.

**2a.** Compare and contrast the concepts of Devaluation with that of Depreciation of currency.

**2b.** What do you understand by the concept of cyclical disequilibrium of balance of payment?

**3a** Discuss the various instruments of foreign exchange payments.

**3b** Banks are agents of their customers. Explain briefly.

**4a.** Explain what you understand by the mint party theory of exchange rate determination.

**4b.** Flexible Exchange Rate system relies on the forces of demand and supply. Discuss briefly.

**5a.** IBRD's founding strategy has some fundamental objectives. List and discuss them.

**5b.** What do you understand by Firm-commitment syndication as a style of loan marketing?

**6a.** African Development Bank (ADB) is blessed with different sources of funding. Explain succinctly.

**6b.** Explain the concepts of Overvaluation and Undervaluation in the context of Exchange Rate Control.