



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91, Cadastral Zone, Nnamdi Azikwe Express Way, Jabi-Abuja**  
**Faculty of Management Sciences**  
**October/November Examination 2016**

**COURSE CODE: MBA 843**

**COURSE TITLE: INTERNATIONAL BANKING**

**CREDIT UNIT: 3**

**TIME ALLOWED: 2 HOURS 30 MINUTES.**

**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.** What do you understand by International Banking?

**1b.** A country is said to be on the gold standard if some conditions are satisfied. What are these conditions?

**1c.** The various instruments of credit control used by the Apex bank can be broadly classified into two. Discuss clearly.

**2a** Discuss the absolute version of the purchasing power parity theory of Exchange rate.

**2b** In a bid to manage the exchange rate volatility, the Central Bank of Nigeria (CBN) adopted the Flexible exchange rate system. Contrast this concept with the fixed exchange rate system.

**3a.** IMF contributes to the international liquidity in two ways. Discuss

**3b.** What do you understand by the concept of cyclical disequilibrium of balance of payment?

**4a.** Today, the issue of Corporate Governance is of growing concern in the Nigerian banking sector. What then is “Corporate Governance” all about?

**4b.** Discuss briefly the basis for Special Drawing Rights (SDRs) in the context of International Liquidity.

**5a.** Discuss the fundamental objectives of World Bank’s funding strategy.

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

**6a.** Define the term International liquidity?

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