



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
JANUARY/FEBRUARY 2013 EXAMINATION**

**Course Code: MBA 845
Units: 2**

Credit

Course Title: International Banking

Time Allowed: 2 Hours

**ANSWER QUESTION 1 AND ANY OTHER TWO QUESTIONS.
PRESENT YOUR ANSWER LEGIBLY USING RELEVANT
EXAMPLES.**

1(a) Define international Banking, **(2 marks)**. Outline and explain the five (5) compelling motives for operating internationally with examples from indigenous relevant finance institutions.

10marks

(b) List and expatiate on six (6) vital modes for entry into international banking operations.

12marks

(c) Outline and briefly explain the significant role commercial Bank play as catalyst in developing nation like Nigeria, illustrating your answer with our indigenous Banking.

6marks

2(a) Identify salient role that differentiate between central Bank and commercial Banks functionalities in development of an economy.

12marks

- 2(b) Distinguish between role and functions of international commercial Banking and local commercial Banks in Nigeria?

8marks

- 3(a) What are the special constraints that most likely encountered by international Banking operations adventurers that are usually not vulnerable with local financial institutional operation?

10marks

- 3(b) Define and explain your understanding of letter of credit and its significant in international Business Transaction?

4marks

- 3(c) Write short notes with examples on the following:

- (i) Differentiate between irrevocable and Revocable credit
- (ii) Document Credit
- (iii) Sight Credit
- (iv) Transferable letter of Credit
- (v) Revolving letter of Credit
- (vi) Green Clause

6marks

- 4(a) List and briefly explain nine (9) objectives and how a country will go about to correct adverse balance of payment?

9marks

- 4(b) List the various types of exchange rate?

3marks

- 4(c) Briefly explain the mint party theory of rate of exchange?

2marks

- 4(d) What are the seven (7) important broad features of the system of exchange control processes?

7marks

- 5(a) What is demand and supply theory of exchange rate?

5marks

- (b) Why is balance of payment theory said to be superior to other theories in this relevance, outline three (3) reasons for the foregoing?

5marks

- (c) What factors are responsible for the fluctuation in the rate of exchange in an economy?

10marks

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