



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

**Course Code: MGS715**

**Course Title: Principle of Finance**

**Credit Unit: 2**

**Time Allowed: 2 Hours**

**Instructions:**

- 1. Attempt Question 1 and any other two (2) Questions.*
- 2. Question 1 is compulsory and carries 30 marks while the other 2 Questions carry 20 marks each.*
- 3. Present all your points in coherent and orderly manner.*

- 1a). Differentiate between capital and capital formation *6 marks*
- b). Mention and explain 8 types of capital *24 marks*
- 2a). State 4 traditional functions of a Finance Manager *10 marks*
- b). Discuss any five modern functions of the finance managers *10 marks*
- 3). Enumerate and discuss 8 short-term sources of finance. *20 marks*
- 4). Discuss in detail 8 external resources of capital formation. *20 marks*
- 5). List and explain 4 major functions of the financial manager? *20 marks*