



BOWEN UNIVERSITY, IWO
COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES
ECONOMICS PROGRAMME
BSc DEGREE 2022/2023 ACADEMIC SESSION
FIRST SEMESTER EXAMINATION

Course code: ECN 361

Course Title: Monetary and Financial Institutions

Answer question one (1) and any other two questions

Course credit: 2

Time Allowed: 2 hours

Question One

- a. The Nigerian Building Society in 1977, under Decree No. 7 of the Federal Military Government of Nigeria, metamorphosed into what is today known as the Federal Mortgage Bank of Nigeria (FMBN). Explain five functions assigned to FMBN. **5 marks**
- b. The Nigerian Deposit Insurance Corporation (NDIC) is a special type of insurance company; it complements the efforts of the Central Bank. Specifically, NDIC performs certain functions, discuss the main functions of the NDIC. **5 marks**
- c. Discuss any five features/characteristics of a developed money market **10 marks**
- d. Discuss the problems and challenges facing the Nigerian Capital Market **10 marks**
(30 marks)

Question Two

- a. Discuss the Macroeconomic implications of the Exchange Rate on the following:
 - i. Inflation **2 marks**
 - ii. Oil Prices **2 marks**
 - iii. Domestic Interest Rates **2 marks**
 - iv. Asset Prices **2 marks**
 - v. Reserve Management **2 marks**
- b. Explain the following concepts
 - i. Fixed Exchange Rate Regime (Exchange Rate Targeting) **5 marks**
 - ii. Flexible Exchange Rate Regime **5 marks****(20 marks)**

Question Three

- a. Explain the advantages and drawbacks of the IMF to the Nigerian economy **10 marks**
- b. Discuss the importance and disadvantages of recapitalization of the banking sector in Nigeria **10 marks**

Question Four

- a. What do you understand by deregulation of the Financial System? **5 marks**
- b. Discuss the importance of deregulation of the Financial System. **10 marks**