

Elizade University, Ilara Mokin
Ondo-State, Nigeria
Department of Economics
2nd Semester 2018/2019 Examination Questions



Course Code: ECN 318/ECO 412

Course Title: Monetary Theory and Policy

Instruction: Answer any THREE questions. Each question carries 20 marks.

Time Allowed: 2 hours

Date: 17th July, 2019

- 1a. In terms of **payment** of credit market instruments, there are **four** basic types of credit market instrument. Mention and explain them. *8 Marks*
- b. The debt burden of Nigeria has greatly increased over the years. Explain at least six reasons for the increase. *12 Marks*
- 2a. The level of interest rate is determined by a lot of factors, Explain **five** of them. *10 Marks*
- b. Explain for or against the current exchange rate regime currently practiced in Nigeria. (**5 points**) *10 Marks*
- 3a. Monetary policy is expected to proffer solution to some macroeconomic problems, Explain **four** major objectives of monetary policy. *8Marks*
- b. Policy makers are often faced with the challenge of achieving a number of goals together, but during implementation, they discover that there is a trade-off between some policy objectives. Mention and explain **two** different set of conflict in policy objectives. *12 Marks*
- 4a. Though the instruments used in the Nigerian money market vary from time to time, highlight and explain at least **five** instruments used in the money market giving relevant examples. *10 Marks*
- b. Explain **five** problems experienced by the Nigerian Money market. *10 Marks*