



ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

FACULTY: HUMANITIES, SOCIAL & MANAGEMENT SCIENCES
DEPARTMENT: ACCOUNTING & FINANCE
FIRST SEMESTER EXAMINATIONS 2020/2021 ACADEMIC SESSION

COURSE CODE: BFN 303

COURSE TITLE: FINANCIAL SYSTEM

DURATION: 2 Hours 30 minutes

INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS IN ALL

QUESTION 1

- A. What is financial system? (2 marks)
- B. List any two (2) functions of a financial system (2 marks)
- C. Explain the Nigerian financial system (2 marks)
- D. Identify any two regulatory bodies in the Nigeria financial system and list 2 functions of each of them (6 marks)
- E. Explain what financial institutions are (2 marks)
- F. List and explain types of financial institutions with examples (6 marks)

(Total: 20 marks)

QUESTION 2

- A. Explain financial regulation. (2 marks)
- B. List 3 examples of financial regulations in the financial sector in Nigeria (2 marks)
- C. List any 3 purposes of financial regulations (2 marks)
- D. Define financial markets (2 marks)
- E. Explain what financial market instruments are (2 marks)
- F. Explain the different classification of financial market instruments (4 marks)
- G. List functions of financial market (6 marks)

(Total: 20 marks)

QUESTION 3

- A. Discuss the classification of financial market (20 marks)

QUESTION 4

- A. What is money market? (2 marks)
B. List and explain two segments of the money market (4 marks)
C. What are money market instruments? (4 marks)
D. List and explain any five money market instruments known to you (10 marks)

(Total: 20 marks)

QUESTION 5

- A. A bankers' acceptance was issued at a discount rate of 13% on the sum of ₦2, 000,000 for duration of 90 days. Determine the discounted amount the lender will give to the borrower on the very day the instrument is issued (4 marks)
B. What if the lender decided to sell the instrument before the maturity date to another investor who becomes a new lender of the instrument assuming the old lender sold the instrument to the new lender at 7% and there are about 30 days remaining for the overall redemption of the instrument. What will be the rediscounted amount and the proceeds from this money market instrument? (4 marks)
C. How much will be the original lender's gain from this money market instrument based on the rediscounted amount? (3 marks)
D. List and explain any three characteristics of money market instruments (3 marks)
E. List two functions of the money market known to you (2 marks)
F. Discuss the structure of the Nigerian money market (4 marks)

(Total: 20 marks)