NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2025_2 EXAMINATIONS

Course Code: BFN301 **Credit Unit: 3.**
Course Title: PRACTICE OF BANKING
Time Allowed: 2 ½ HOURS
Instructions:

1. **Attempt Question 1 and any other three (3) Questions.**
2. **Question 1 is compulsory and carries 25 marks while the other Questions carry 15 marks each.**
3. **Present all your points in a coherent and orderly manner.**

Question ONE

- **a.** Discuss the operational position of Nigerian banks on the global economy **(15 marks)**
- **b.** Describe the operations of Development bank, citing examples of Development banks. **(10 marks)**

Question TWO

- **a.** There are three Categories of Unit Microfinance Banks, list and describe the nature of their operations. **(9marks)**
- **b.** What do you understand by a bank account? State and explain five types of bank account **(6marks)**

Question THREE

Briefly explain the following bank items:

- a. Holder of a negotiable instrument
- b. A paying banker
- c. A receiving banker **(15 marks)**

Question FOUR

- a. A collateral security is a pledge to obtain loan security from a bank, list and explain the properties involve. **(10 marks)**
- b. What is a Pledge? **(5 marks)**

Question FIVE

- a. Describe the basic steps to be taken before issuance of debentures.
- **b.** A firm will go into bankruptcy when it becomes insolvent, state two ways that makes a firm insolvent. **(15 marks)**