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: BFN 401 **Credit Unit: 3**
Course Title: INTERNATIONAL FINANCE
Time Allowed: TWO AND HALF HOURS
Instructions:

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

1a. The balance of payments identifies transactions along functional lines. List and explain the four classifications of balance of payment. **(12 marks)**

1b. Define the term “international finance” **(3 marks)**

1c. How does the Price Mechanism help restore international equilibrium? **(10 marks)**

2a. List the four well-known multilateral institutions which have vast resources and tremendous influence, and also supply foreign capital for different purposes. **(4 marks)**

2b. Differentiate between internal and external debts. **(6 marks)**

2c. What is devaluation? **(5 marks).**

3a. The reasons for trade between countries are not in any way different from reasons individuals trade within a country. Itemize five importance of international trade. **(5 marks)**

3b. List and explain five causes of balance of payments deficit. **(10 marks)**

4a. List and explain five characteristics of capital. **(5 marks)**

4b. Discuss five various types of capital. **(5 marks)**

4c. What is capital flow? **(5 marks)**

5a. What is exchange rate? **(3 marks)**

5b. Explain the different types of exchange rate system. **(9 marks)**

5c. State three advantages of managed float system. **(3 marks)**