NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_1 EXAMINATION 202505

COURSE TITLE: FINANCIAL INSTITUTIONS
COURSE CODE: ECO 346
UNITS: 2
TIME ALLOWED: 2 HOURS
INSTRUCTION: ANSWER THREE (3) QUESTIONS. QUESTION ONE (1) IS COMPULSORY.

QUESTION 1

1a. what is a financial system?

1b. how does the financial systems contribute to the growth of an economy? (30 MARKS)

QUESTION 2

2a. Five reasons why capital markets matter in Nigeria

2b. what is the difference between „saving" and a „financial surplus"?

QUESTION 3

3a. What is the Money Market and Give four examples of credit instruments of the money market.

3b. what are Advantages and Disadvantages of Money Markets

QUESTION 4

4a. what is the concept of present value (or present discounted value)?

4b. what is the present value of $250 to be paid in two years if the interest rate is 15%?