**NATIONAL OPEN UNIVERSITY OF NIGERIA**
**FACULTY OF SOCIAL SCIENCES**
**DEPARTMENT OF ECONOMICS**
**2025_2 EXAMINATIONS**

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**COURSE TITLE: ADVANCED MONETRAY ECONOMICS**
**COURSE CODE: ECO 717**
**UNITS: 2**
**TIME ALLOWED: 2 HOURS**

**INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS.**

**QUESTION ONE**

1a. Given an initial deposit of ₦1,000 and reserve ratio of 10%, discuss the process of money (credit) creation by commercial banks. **(15 Marks)**

1b**.** What is monetary policy? List four (4) goals of monetary policy and discuss those. **(15 Marks)**

**QUESTION TWO**

2a. With the aid of a well-illustrated graph discuss monetary equilibrium. **(14 Marks)**
2b. Discuss Open Market Operations (OMO) as a quantitative tool for monetary policy. **(6 Marks)**

**QUESTION THREE**

**3a.** Make a distinction between nominal and real money supply **(14 Marks)**

**3b**. Highlight the three (3) components of balance of payments. **(6 Marks)**

**QUESTION FOUR**

4a. Identify the definitions of money by four main schools of thought. Discuss any three (3) of them. **(15 Marks)**

4b. Discuss Microfinance Banks **(5 Marks)**

**QUESTION FIVE**

5a. List and discuss four (4) monetary policy transmission mechanisms **(15 Marks)**
5b. What is the International Capital Market (ICM)? List the three (3) main ways in which the ICM provides medium-and long-term finance **(5 Marks)**