



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2022_2 EXAMINATION**

COURSE TITLE: NIGERIAN FINANCIAL SYSTEM

COURSE CODE: ECO724

UNITS: 2 UNITS

TIME ALLOWED: 2 HOURS

**INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS. ALL QUESTIONS CARRY
EQUAL MARKS. AWARD ONE MARK FOR GENERAL CLARITY**

QUESTION ONE

- (a). Financial system is a pool of instructional as well as other arrangements that transfer savings from persons that creates them to persons who eventually utilize them for productive activities such as investments or for expenditure. Do you agree with the statement? Discuss. **(8 marks)**
- (b). Differentiate between Surplus and Deficit economic entities. **(5 marks)**
- (c). Explain the historical development of financial system in Nigeria. **(10 marks)**

QUESTION TWO

- (a). Briefly discuss the formal and informal sector of Nigerian financial system. **(7 marks)**
- (b). List and Explain five (5) essential Features of an Ideal Financial System. **(10marks)**
- (c). Discuss the term “Financial System Stability” **(6marks)**

QUESTION THREE

- (a). Financial institutions are engaged in the business of handling monetary, financial as well as economic transactions, for instance, credits, investments, credit exchange, loans and advances. Do you agree with the statement? Discuss **(5 marks)**
- (b). Discuss two (2) types of Financial Institutions. **(10marks)**
- (c). Discuss the roles of Financial Institutions in the development of financial market in Nigeria. **(8marks)**

QUESTION FOUR

- (a). Present and explain the Problems faced by Financial Institutions in Nigeria. **(11 marks)**
- (b). Briefly differentiate between Money market and Capital market. **(8marks)**
- (c). Explain the term “Financial Market” **(4marks)**