

ECO 226



ALUPE UNIVERSITY
COLLEGE

Bastion of Knowledge...

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OFFICE OF THE DEPUTY PRINCIPAL

ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2018 /2019 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER REGULAR EXAMINATION

FOR THE DEGREE OF BACHELOR OF ARTS IN

ECONOMICS

COURSE CODE: ECO 226

COURSE TITLE: MONEY AND BANKING

DATE:

TIME: 3 HOURS

INSTRUCTION TO CANDIDATES

- SEE INSIDE

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INSTRUCTIONS TO CANDIDATES

- Answer Question **ONE** and any other **TWO** questions
- Question **ONE** carries 30 marks
- Time allowed: 3 hours



QUESTION ONE

- a) Discuss the main functions of money in an economy (10 marks)
- b) Discuss the determinants of money supply in the economy (10 marks)
- c) Distinguish between commodity money and representative money (5 marks)
- d) Explain the various qualities of money (5 marks)

QUESTION TWO

- a) Discuss the role of the central bank in the economy (10 marks)
- b) Discuss the various motives of holding money as stipulated by keyne (10 marks)

QUESTION THREE

Discuss the following classifications of money stating clearly there advantages and disadvantages

- a. Token money (7marks)
- b. Standard money (7 marks)
- c. Representative money (6 marks)

QUESTION FOUR

Explain the functions of commercial banks in the economy (15 marks)

Discuss the essence of a sound system of commercial banking in a developing economy (5 marks)

QUESTION FIVE

- i. Explain the following types of deposit accounts (3 marks)
 - a. Current account (3 marks)
 - b. Fixed account (4 marks)
 - c. Savings account (10 marks)
- ii. Discuss the concept of credit creation by commercial banks

QUESTION SIX

Discuss the classical quantity theory of money

(10 marks)

Discuss on the various sources of banking funds

(10 marks)

