ASSESSMENT OF MONEY MARKET INSTRUMENTS ON THE LIQUIDITY OF COMMERCIAL BANKS IN NIGERIA

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.) DEGREE IN BANKING AND FINANCE

[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Assessment of Money Market Instruments on the Liquidity of Commercial Banks in Nigeria" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

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EXTERNAL EXAMINER	Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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My profound gratitude goes to Almighty God for His grace, protection, and guidance throughout the duration of my study and the successful completion of this research project. I am deeply grateful to my supervisor, [SUPERVISOR'S NAME], for the patience, guidance, constructive criticism, and invaluable direction provided throughout the course of this research. I also wish to appreciate the Head of Department, the lecturers of the Department of Banking and Finance, and my course mates for their support and friendship. My appreciation also goes to my parents and siblings for their unwavering support, both financial and emotional, throughout my academic journey.

ABSTRACT

This study examined assessment of money market instruments on the liquidity of commercial banks in nigeria, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of assessment; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with assessment and money. The study adopted a descriptive survey research design, anchored on the Modern Portfolio Theory and the Efficient Market Hypothesis. A sample size of 404 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 390 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 3.18). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.564$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 9.4, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.27$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on assessment.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of assessment of money market instruments on the liquidity of commercial banks in nigeria is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

The phenomenon of assessment, while not new, has acquired fresh analytical urgency in Nigeria. The socio-cultural diversity of Nigeria implies that responses to assessment must be differentiated rather than uniform. Longitudinal research by Kalu and Chukwu (2016) revealed that sustained attention to assessment yields appreciable dividends over time. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. The work of Okonkwo and Adeniyi (2023) extended earlier analyses by demonstrating that money reinforces the effects of assessment. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

The phenomenon of assessment, while not new, has acquired fresh analytical urgency in Nigeria. Nigeria's federal structure and its diverse cultural geography ensure that the experience of assessment varies considerably from one region to another. The aggregate picture emerging from Oyelaran and Adigun (2023) points to a modest but consistent association between assessment and the outcomes of interest. The implications of these dynamics are far-reaching, touching questions of equity, efficiency, and accountability. Evidence assembled by Salami and Okonkwo (2015) across twelve states underscored the heterogeneity of outcomes linked to assessment. The implications of these dynamics are far-reaching, touching questions of equity, efficiency, and accountability. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

Scholars have long recognised assessment as a critical determinant of outcomes in banking and finance. In Nigeria, the intersection of assessment and money is conditioned by unique socio-economic, cultural, and institutional factors that differ markedly from Western settings. Salami and Okonkwo (2020), in a survey of relevant stakeholders, concluded that the benefits of assessment are unevenly distributed across groups. Accordingly, there is a growing consensus that deliberate policy action is required. A notable study by Musa and Nnamdi (2017) argued that the impact of assessment is substantially mediated by the quality of institutions. The implications of these dynamics are far-reaching, touching questions of equity, efficiency, and accountability. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

assessment occupies a prominent position in contemporary debates about money and national development. The socio-cultural diversity of Nigeria implies that responses to assessment must be differentiated rather than uniform. Studies conducted within the West African subregion by Nwosu and Adebayo (2018) reached