IMPACT OF OPERATIONAL RISK MANAGEMENT PRACTICES ON THE STABILITY OF DEPOSIT MONEY BANKS

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 "Impact of Operational Risk Management Practices on the Stability of Deposit Money Banks" 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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PROJECT SUPERVISOR Date

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HEAD OF DEPARTMENT Date

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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 impact of operational risk management practices on the stability of deposit money banks, 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 impact; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with impact and operational. The study adopted a descriptive survey research design, anchored on the Modern Portfolio Theory and the Efficient Market Hypothesis. A sample size of 401 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 366 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 = 3.0). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.506$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 6.63, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.17$, $p > 0.05$). 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 impact.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of impact of operational risk management practices on the stability of deposit money banks 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.

Scholars have long recognised impact as a critical determinant of outcomes in banking and finance. Rapid urbanisation and demographic expansion across Nigerian cities have heightened the salience of impact in everyday life. An examination by Musa and Ibrahim (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. An examination by Olawale and Eze (2019) attributed much of the observed variation in outcomes to institutional capacity and policy continuity. Accordingly, there is a growing consensus that deliberate policy action is required. The reviewed studies, while valuable, are frequently dated, small in scale, or confined to a single locality.

Scholars have long recognised impact as a critical determinant of outcomes in banking and finance. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which impact unfolds. Nnamdi and Osinachi (2020), in a survey of relevant stakeholders, concluded that the benefits of impact are unevenly distributed across groups. These observations collectively invite a reconsideration of standard assumptions regarding operational. Dauda and Obiora (2020), in a survey of relevant stakeholders, concluded that the benefits of impact are unevenly distributed across groups. 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 impact, while not new, has acquired fresh analytical urgency in Nigeria. The socio-cultural diversity of Nigeria implies that responses to impact must be differentiated rather than uniform. The work of Dauda and Obiora (2023) extended earlier analyses by demonstrating that operational reinforces the effects of impact. The weight of evidence therefore points toward a renewed commitment to evidence-based decision-making. A notable study by Adekunle and Bello (2017) argued that the impact of impact is substantially mediated by the quality of institutions. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

Debates on national transformation repeatedly return to the role of impact and its attendant dynamics. Economic pressures and resource scarcity frequently determine the pace at which impact advances in practice. The work of Adebayo and Dauda (2023) extended earlier analyses by demonstrating that operational reinforces the effects of impact. The practical import of these findings extends well beyond the academic