



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

ORDINAR UNIVERSITY EXAMINATIONS

2014/2015 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER EXAMINATIONS

**FOR CERTIFICATE
IN
BUSINESS MANAGEMENT**

COURSE CODE: CIB0110

COURSE TITLE: MICROFINANCE MANAGEMENT

DATE: 21ST APRIL 2015

DURATION 2 HOURS

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory

Answer THREE (3) questions

DURATION: 2 HOURS

INSTRUCTIONS: Answer Question One(Compulsory) and Any other Two questions

This paper consists of two printed pages. Please turn over.

Murang'a university observes ZERO tolerance to examination irregularities

QUESTION ONE

- a) Describe any three costs that microfinance organizations incur in their operations. (6 marks)
- b) Throughout the world and across many cultures and income groups, people save for varied purposes. Describe eight such reasons. (8 marks)
- c) Outline six types of non financial saving. (6 marks)
- d) Outline any five roles of the Government in microfinance institutions. (5 marks)
- e) Explain five microfinance savings principles. (5 marks)

QUESTION TWO

- a) Describe the four components of the framework for institutional development. (8 marks)
- b) Explain the role of microfinance institutions in the economy. (4 marks)
- c) Explain three policies that may be adopted by governments and individual institutions in promoting the development of microfinance. (6 marks)

QUESTION THREE

- a) Define the term institutional development bringing out the four important concepts Contained in the definition. (10 marks)
- b) Describe five benefits of organized saving programs to households. (4 marks)
- c) Explain three microfinance credit principles . (6 marks)

QUESTION FOUR

- a) Name four examples of microfinance organizations in Kenya. (4 marks)
- b) Describe the role of donor funding in microfinance. (4 marks)
- c) Describe the stages of the framework for institutional development. (12 marks)