

210



(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MAIN EXAMINATION

**UNIVERSITY EXAMINATIONS
2021/2022 ACADEMIC YEAR**

SECOND YEAR SECOND SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF SCIENCE IN ECONOMICS**

COURSE CODE: ECO 206

COURSE TITLE: ECONOMICS OF MICROFINANCE

DATE: TUESDAY, 26-04-2022

TIME: 12:00 -14:00

INSTRUCTIONS TO CANDIDATES

ATTEMPT QUESTION ONE AND ANY OTHER TWO

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 4 Printed Pages. Please Turn Over.

QUESTION ONE

- a) What is microfinance? (4 marks)
Precisely discuss the dilemmas and problems encountered in microfinance that have led to more failures than successes (5 marks)
- b) Precisely explain the concept of Grameen Solidarity Group Model as a microfinance intervention (7 marks)
- c) What are the attributes of a good microfinance institution? (7 marks)
- d) Explain the factors to consider when lending to poor entrepreneurs (7 marks)

QUESTION TWO

The organization structure of a Rotating Savings and Credit Association (ROSCA) is advantageously simple but not flexible. Discuss (20 marks)

QUESTION THREE

- a) What do you understand by group lending? Give Examples (5 marks)
- b) What are the advantages of transacting through groups? (5 marks)
- c) Precisely discuss the factors that limit the success of group lending (10 marks)

QUESTION FOUR

Discuss the measures that have been put in place to promote growth of the Micro and Small Enterprises (MSEs) in Kenya since 2010? (20 marks)

QUESTION FIVE

- a) The role played by women in microfinance in Africa cannot be over-emphasized. Discuss this statement (10 marks)
- b) Discuss the funding options for Micro and Small Enterprises (MSEs) in developing economies (10 marks)