

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**RESITS/SPECIAL**

**EXAMINATIONS FOR THE AWARD OF DEGREE OF BACHELOR OF  
COMMERCE**

**BCOM 339: MICROFINANCE FOR DEVELOPMENT**

**STREAMS: BCOM**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 02/02/2021**

**2.30 P.M. – 4.30 P.M.**

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**INSTRUCTIONS: Answer Question ONE and any other TWO**

**QUESTION ONE**

- a) Describe the classification of microfinance institutions in Kenya (10 marks)
- b) Clearly explain the various rules and regulations put in place to oversee the operations of microfinance institutions in Kenya (10 marks)
- c) Explain how microfinance institutions have solved the problem of lack of traditional collateral (10 marks)

**QUESTION TWO**

- a) Discuss the contribution of microfinance institutions in the development of a country's economy (10 marks)
- b) Microfinance institutions have adopted various lending models to facilitate their financial outreach. Discuss the various types of lending models used by microfinance institutions (10 marks)

**QUESTION THREE**

- a) Explain how microfinance institutions are able to ensure successful repayment of their loans (10 marks)
- b) Explain any 5 challenges facing microfinance institutions in provision of their services (10 marks)

**QUESTION FOUR**

- a) Describe the main features of micro credit offered by micro finance institutions (10 marks)
  - b) Explain the history of the Grameen bank (6 marks)
  - c) Outline the advantages of group lending model (4 marks)
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