

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**SECOND YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR OF COOPERATIVE MANAGEMENT**

BCOP 231: COOPERATIVE AND MICROFINANCE MANAGEMENT

STREAMS: BCOP

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/12/2017

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: QUESTION ONE IS COMPULSORY (SECTION A), THEN SELECT ANY TWO FROM SECTION B

SECTION A (30 MARKS)

- (a) It is apparent that there is no universally accepted classification of businesses. Explain this statement basing your argument on small and micro business enterprises in the world. [10 marks]
- (b) Definitional issues and paucity of data in some areas make any analysis of SME impacts difficult. However evidence exists showing how important this sector is for sustainable development in emerging economies. Support this statement basing your argument on Kenyan environment. [8 marks]
- (c) HIV/AIDS pandemic has great economic impact on all sectors of production. Explain how this may affect the growth of cooperatives and micro-enterprises in Kenya. [6 marks]
- (d) Explain at least three critical questions a micro finance investor should consider before choosing a sector to finance. [6 marks]

SECTION B (40 MARKS)

QUESTION TWO

- (a) What is business environment? [2 marks]
- (b) Explain how social political and cultural environment would affect the operations of a cooperative in a country like Kenya. [8 marks]
- (c) Citing examples on micro finance business in Kenya. Explain the four 'Ps' as applied in marketing. [10 marks]

QUESTION THREE

- (a) Explain the nature of business in the 21st century. [4 marks]
- (b) When selecting various sectors to finance a micro finance should always consider various factors. Explain. [8 marks]
- (c) Describe how collaboration between micro-finance institutions and other actors can improve the welfare of rural lives. [8 marks]

QUESTION FOUR

- (a) "If there is any single word that can best describe today's business, it is "change", today's business is characterized by diversification". Explain the above statement based on modern cooperatives and micro enterprises. [10 marks]
 - (b) The survival and success of each and every business enterprise depend fully on its economic environment. Discuss how major economic policies framed by the government from time to time affect the economic environment. [10 marks]
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