

**CHUKA**



**UNIVERSITY**

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**UNIVERSITY EXAMINATIONS  
EMBU CAMPUS**

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

**BCOM 339: MICROFINANCE FOR DEVELOPMENT**

**STREAM:Y3S2**

**TIME: 2 HOURS**

**DAY/DATE: FRIDAY 10/08/2018**

**11.30 A.M – 1.30 P.M**

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**INSTRUCTION:**

- **Answer question one and any other two questions**

1. (a) Describe the institutional structure of micro finance institutions. [6marks]  
(b) Explain the various ways in which microfinance has contributed to financial inclusion. [6marks]  
(c) Highlight difference between rotating savings and credit associations with commercial banks. [8marks]  
(d) Microfinance contributes to the economic development of a country. Discuss. [10marks]
2. (a) Describe the disadvantages of non- governmental organizations becoming a deposit taking microfinance institution. [4marks]  
(b) The micro finance act 2006 requires that all participants in micro finance services should be regulated. Discuss the areas that the act focuses on . [8marks]  
(c) Describe the reasons for failure of micro finance institutions. [8marks]
3. (a) Describe the various participants of micro finance institutions in Kenya. [12marks]

(b) Micro finance institutions have employed certain measures that ensure their loans are repaid successfully. Discuss. [8marks]

4. (a) Describe the advantages of group lending methodology. [5marks]

(b) Explain the various collateral alternatives used by micro finance institutions.

[10marks]

(c) Explain the history and making of grameen bank . [5marks]

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