

29 APR 2015
EASTERN UNIV

**EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT**

**THIRD YEAR FIRST SEMESTER EXAMINATION IN BBA, SPECIALIZATION IN
HRM, SPECIALIZATION IN MKT- 2012/2013
(FEBRUARY/MARH 2015)**

MOC 3072 – MICRO FINANCE

Answer all Questions

Time: 02 Hours

Question No I

“It is widely acknowledged that microfinance is a key facilitator to reduce poverty in both developing and developed countries. Modern micro finance had its roots in micro-lending initiatives in South Asia and Latin America in the mid 1970s. Notably the Grameen Bank in Bangladesh was successful with its peer group micro lending model that was, ultimately, exported to many other countries copied by other micro finance institutions”.

Answer the following questions.

- a. Define micro finance
- b. Explain a large poverty gap and a small poverty gap with diagrams.
- c. What do you understand from rural poverty?
- d. Do you believe that the poverty problem in Sri Lanka could be solved through the micro finance? Give the reasons.
- e. List out some institutional and ownership structures offering micro finance services to the poor.
- f. What is meant by Income volatility? Explain with examples.
- g. Why do you think that women are more reliable debtors?
- h. Differentiate individual lending from group lending. Explain their advantages and disadvantages.
- i. Write a brief note on “Grameen Bank” of Bangladesh.
- j. Explain the current growing popularity of micro finance in global level. Give your answer with evidence.

(Total 10 x 4 = 40 Marks)

Question No 02

- a. What is meant by “Formal Financial Institutions”? (04 marks)
- b. How can you classify the types of MFIs according to the degree of commercialization? Explain the nature of each category of MFIs with a diagram. (08 marks)
- c. Explain the advantages of becoming regulated micro finance institution. (08 marks)

(Total 20 Marks)

Question No 03

- a. What do you understand from the term “core-poor borrowers”? Why do the poorest of the poor voluntarily exclude themselves from micro credit programme? (04 marks)
- b “Savings mobilization strengthens micro finance institutions.” Discuss (04marks)
- c. Explain the factors which necessitate the need of good governance in the administration of micro finance institutions. (04 marks)
- d. Why it is argued that MFIs should be subjected to a regulatory frame work? Do you find any such framework in Sri Lanka? (08 marks)

(Total 20 Marks)

Question No 04

- a. Identify the main reasons for the poverty among the women in developing countries. (04 Marks)
- b. Briefly explain the “women’s control” over the loan taken from the micro finance institutions. (04 marks)
- c. Explain the limits of the women’s ability to utilize micro finance to the ends they might wish. (12 Marks)

(Total 20 Marks)