



The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2019

**EXAMINATION FOR THE DEGREE OF MASTER OF CO-OPERATIVE
MANAGEMENT (YR I SEM II)**

UNIT CODE: COMC 4106

UNIT TITLE: SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES

DATE: 18TH DECEMBER, 2019

TIME: 9:00 AM – 12:00 PM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **THREE** questions

QUESTION ONE

The Mintan SACCO Society is one of the leading SACCO societies in Kenya. The society was registered in the 1930's within Mintan District (Currently, Mintan County). Initially, the SACCO drew its membership from the teaching sector in Kenya but posted to its area of operation. The SACCO has expanded and now has membership across the country. Some of its members are not teachers but engage in different occupations which enable them to save at the SACCO society. According to the Society by-laws, all members have equal access to services offered at the Society. The Society's book of accounts have recently shown a rapid growth of delinquent loans and a high default rate. The Regulator has shown concern at the way things are turning out at the Society. The Society has been advised to seek professional assistance from an expert. You are required to:-

- a) Briefly discuss the importance of Mintan SACCO developing 'SACCO products in order to limit loan delinquencies. (5 Marks)
- b) Explain five (5) major challenges that Mintan SACCO society faces in its investment development. Do you agree or disagree on the need for Mintan SACCO society to receive financial assistance outside its membership? (15 Marks)
- c) Explain how the Collective Action Theory will strengthen Mintan SACCO society's product development (15 Marks)
- d) Explain the relevance of the ICA Sixth Co-operative Principle on savings mobilization and SACCO growth in Kenya. (5 Marks)

QUESTION TWO

Discuss the relationship between marketing co-operative societies and SACCO societies in supporting savings mobilization through well-developed SACCO products and investment plans in Kenya (20 Marks)

QUESTION THREE

The growth of SACCO Societies is made smooth by two major Acts of Parliament and members' involvement. Explain the impact of each player in ensuring strong SACCO societies' development in Kenya (20 Marks)

QUESTION FOUR

- a) Discuss the importance of a strong management structure in SACCO societies' resource mobilization. (10 Marks)

- b) Explain the leadership role of a CEO in SACCO management and the importance of departmentalization in a SACCO. (10 Marks)

QUESTION FIVE

- a) Discuss New KCC as a strong supporter to the development of SACCO societies with a specific reference to a named SACCO society. (10 Marks)
- b) Briefly discuss the role played by the Co-operative Alliance in the co-operative investment process in the finance sector. (10 marks)