



# The Co-operative University of Kenya

**END OF SEMESTER EXAMINATION DECEMBER -2018**

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE  
BUSINESS / BACHELOR OF COMMERCE  
(YR I SEM II)**

**UNIT CODE: HCOB 2412**

**UNIT TITLE: MICROFINANCE**

**DATE: 17<sup>TH</sup> DECEMBER, 2018**

**TIME: 9:00 AM – 11:00 AM**

**INSTRUCTIONS:**

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

**QUESTION ONE**

- (a) Describe microfinance and state its importance. (5 Marks)
- (b) State five main objectives of micro finance. (5 Marks)
- (c) Describe various ways in which poor people save. (5 Marks)
- (d) Describe the core principles of Microfinance. (7 Marks)
- (e) State and explain benefits and challenges of group lending model used in micro finance. (8 Marks)

**QUESTION TWO**

- (a) Describe the Grameen bank model and state its impact on Micro finance. (20 Marks)

**QUESTION THREE**

- (a) Explain the term Target market as used in microfinance. (5 Marks)
- (b) Micro financing aims at meeting the objectives of the millennium goals. “Extreme poverty reduction by 50% by 2015 and complete elimination of poverty by 2025” In the view of the above statements discuss 10 indicators used to assess poverty level. (15 Marks)

**QUESTION FOUR**

- (a) Describe 10 credit lending models used in micro finance. (20 Marks)

**QUESTION FIVE**

- (a) What are the emerging issues in microfinance in Kenya. (10 Marks)
- (b) In your view what are the possible solutions to the above emerging issues. (10 Marks)