



**TECHNICAL UNIVERSITY OF MOMBASA**  
***Faculty of Business and Social Studies***

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN  
BACHELOR OF COMMERCE

**BFI 4401: MANAGEMENT OF MICRO FINANCE INSTITUTIONS**

END OF SEMESTER EXAMINATIONS

**SERIES:** APRIL 2015

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- Answer Question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

***This paper consists of Two printed pages***

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**QUESTION 1 (Compulsory)**

- a) Define what is SASRA in cooperative movement. **(3 marks)**
- b) With the help of a diagram discuss the structure of the cooperative movement. **(7 marks)**
- c) Discuss ‘The highs and lows’ of SACCO re-branding. **(10 marks)**
- d) Discuss the major challenges of SACCOs in Kenya. **(10 marks)**

**QUESTION 2**

- a) Identify **FIVE** formal players in the micro credit finance sector and state their contributions towards Vision 2030. **(10 marks)**
- b) Demonstrate how a conclusive policy regime can spur the growth of the sector in Kenya. **(10 marks)**

### QUESTION 3

- a) Discuss the importance of credit analysis in enhancing the sustainability of Micro Finance Institutions. **(10 marks)**
- b) With examples show when and when not to regulate Micro Finance Institution in Kenya. **(10 marks)**

### QUESTION 4

- a) Discuss the effect of enactment by parliament of the Finance Act 2012 and amendments contained in the Finance Bill 2013, which introduced duty as per the customs and Exercise Act CAP (472). **(10 marks)**
- b) Discuss the major challenges of SACCOs in Kenya. **(10 marks)**

### QUESTION 5

- a) Discuss emerging issues in SACCOs from any of the following areas:  
i) Finance Bill Act 2012 (10% Excise Duty)  
ii) Rebranding  
iii) SACCOs & NSE **(10 marks)**
- b) Compare and contrast the principles of Grammeer Bank with that of co-operative movement. **(10 marks)**