

TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTS AND FINANCE

UNIT CODE: BFM 5101 UNIT TITLE MANAGEMENT OF MICRO MANAGEMENT INSTITUTIONS

SERIES: FEBRUARY/MAY

TERM PAPER ONE

TIME: 2 HOURS

INSTRUCTIONS: ANSWER QUESTION 1 AND ANY OTHER TWO QUESTIONS.

QUESTION 1

- a) Does the Microfinance Institutions provide you any type of other benefits other than just loan Amount? **(10Marks)**

- b) a) Discuss the effect of 10% duty tax on SACCOS **(10 Marks)**

- c) “The Cooperative movement has been for the last couple of years empowering its members economically through various financial products and rapidly expanding its membership. You are requested to discuss the challenges facing management of SACCOs. **(10 Marks)**

QUESTION 2

- a) The Micro finance manager has asked you to come up with a SWOT Analysis on micro finance concept **(10Marks)**

- b) “*Don’t wait; the time will never be just right. Start where you stand and work with whatever tools you may have at your commands and the better tolls will be found as you go along*”. William Surds. **Discuss this statement in respect to micro finance concept. (10Marks)**

QUESTION 3

- a) SACCOS have taken up the strategy of rebranding in enhancing their operations. Discuss the highs and lows of rebranding (10Marks)
- b) “The financial sector has been for the last couple of years been transformed into a vibrant sector of the economy through various reforms and is now viewed as one of the major pillars towards the realization of the vision 2030”. Discuss (10 Marks)

QUESTION 4

- a) Define the following terms;
 - i) Financial Risk (3Marks)
 - ii) Business Risk (3Marks)
 - iii) Political Risk (4Marks)
- b) List Five MFIS in Kenya, and discuss their roles in alleviating poverty among the poor (10 Marks)

QUESTION 5

- a) Write a brief history regarding the development of Micro Financing, highlighting the causes that triggered this development. (10Marks)
- b) a) Discuss the various financial needs and sources a fast growing small sized construction firm would face during its successive developmental stages (10 marks)