



**TECHNICAL UNIVERSITY OF MOMBASA**  
**SCHOOL OF BUSINESS**  
**DEPARTMENT OF ACCOUNTING & FINANCE**  
**UNIVERSITY EXAMINATION FOR:**  
**BCOM/BBA**

**BFI 4308: MANAGEMENT OF MICRO FINANCE INSTITUTIONS**

**END OF SEMESTER EXAMINATION**  
**SERIES: AUGUST 2019**  
**TIME: 2HOURS**  
**DATE: 16Aug2019**

**Instructions to Candidates**

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

**Do not write on the question paper.**

**QUESTION One**

- a) Discuss the importance of credit analysis in enhancing the sustainability of micro finance institutions citing examples of such institutions that are sustainable in Kenya **(10 Marks)**
- b) Discuss the principles of micro-credit as advocated by Mohamed Yunis and high light lessons that can be learned. **(10Marks)**
- c) Explain why there is a need to have a vibrant micro finance institutions in the financial sector as a vehicle towards Kenya towards Vision 2030. **(10Marks)**

**QUESTION Two**

- a) Discuss the impact of rebranding in the SACCO movement. **(10 marks)**
- b) Explain the sources of finance of an entrepreneurial firm at the growth and maturity stage. **(10Marks)**

### QUESTION Three

- a) List 5 SACCOS that you are familiar with. **(3Marks)**
- b) You required to provide solutions to the challenges in question 2(b). **(7 marks)**
- c) Identify various challenges that face lending to the micro-small enterprise sector in Kenya and propose solutions. **(10Marks)**

### QUESTION Four

- a) Identify any three conflicting goals in a business and propose strategies to resolve the conflict. **(10 Marks)**
- b) Discuss the roles SASRA Play in ensuring the smooth running of SACCOS in Kenya. **(10 Marks)**

### QUESTION Five

- a) Explain how you would establish the creditworthiness of a new customer's credit application request? **(10 Marks)**
- b) Distinguish between formal and informal financial micro lending, citing 5 (Five) examples each in Kenya. **(10Marks)**