TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of BUSINESS ADMINISTRATION

UNIVERSITY EXAMINATION FOR:

BCOM/BBA

BFI 4308: MANAGEMENT OF MICROFINANCE INSTITUTION

END OF SEMESTER EXAMINATION

SERIES: MAY, 2025

TIME:2HOURS

DATE: Pick DateMAY 2025

Instructions to Candidates
You should have the following for this examination
-*Answer Booklet, examination pass and student ID*
This paper consists of **FIVE** questions. Attemptquestion ONE (Compulsory) and any other TWO questions.
Do not write on the question paper.

QUESTION ONE

(a) Explain how microfinance has transformed from traditional informal lending systems to modern financial institutions. **(10 Mks)**

(b) Analyze five challenges facing SACCOs in Kenya and propose policy interventions to enhance their sustainability and effectiveness. **(10 Mks)**

(c) Discuss how mobile-based credit services influenced borrowing behavior and loan repayment trends in Kenya. **(10 Mks)**

QUESTION TWO

(a) Examine the role of financial institutions in promoting sustainable economic growth in Kenya. **(10 Mks)**

(b) Critically evaluate the impact of microfinance intervention programs on poverty alleviation and economic empowerment in Kenya. **(10 Mks)**

QUESTION THREE

(a) Examine four practical strategies employed by microfinance institutions (MFIs) in Kenya to enhance financial inclusion and support small-scale entrepreneurs. **(10 Mks)**

(b) Analyze five challenges financial institutions in Kenya face in managing lending processes effectively.

(10 Mks)

QUESTION FOUR

(a) Examine the role of self-management strategies in improving service delivery among professionals and businesses in Kenya. **(10 Mks)**

(b) Discuss how financial institutions use credit history, income assessment, and business performance to determine loan eligibility. **(10 Mks)**

QUESTION FIVE

(a) Discuss how proper documentation and risk evaluation enhance lending decisions and reduce loan defaults. **(10 Mks)**

(b) Explain how financial institutions use credit scoring, collateral assessment, and risk analysis to ensure responsible lending. **(10 Mks)**