



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 02
No. of Questions: 05
Total Marks : 70

ENT 2221 - Microfinance

BACHELOR OF BUSINESS ADMINISTRATION DEGREE 2000 LEVEL

SECOND SEMESTER END EXAMINATION - JUNE/JULY 2015

Three Hours

Instructions

➡ Answer all questions

1.

a) "Microfinance has been accepted as an effective tool for improving the quality of life of poor people and alleviation of poverty".
Discuss the impact of microfinance at household level and community level.

(06 Marks)

b) Briefly explain the information asymmetry problem in microfinance with examples.

(06 Marks)

c) What strategies can be applied by Microfinance institutions for overcoming the information asymmetry problem?

(02 Marks)

(Total 14 Marks)

2.

a) Financial sustainability is one of the major dimensions of measuring sustainability of MFIs. Define the concept of "financial sustainability" and discuss the characteristics of financially sustainable microfinance institutions.

(06 Marks)

b) Briefly explain the six aspects in outreach of microfinance.

(04 Marks)

c) Explain the "Grameen Bank Model" in microfinance industry.

(04 Marks)

(Total 14 Marks)

3.

a) "Micro Finance Industry in Sri Lanka still operates without specific policy guidelines.

Discuss principles and practices with examples that require for regulating micro finance industry in Sri Lanka.

(07 Marks)

b) Critically evaluate the proposed MFIs' legislation which had been drafted by the Central Bank of Sri Lanka (CBSL).

(07 Marks)

(Total 14 Marks)

4. Most of the countries promote microfinance as part of their socio-economic development strategies in reducing poverty. One of the major categories which has been applied microfinance is "women empowerment"

(a). Discuss the role of Microfinance in women empowerment in Sri Lanka.

(07 Marks)

(b). Discuss the challenges in empowering women through microfinance in Sri Lanka.

(07 Marks)

(Total 14 Marks)

5. Briefly discuss the following.

a) Rotating Savings and Credit Associations (ROSCAs)

b) Self Help Groups (SHGs)

c) Village Banking Method

d) Social performance of MFIs

(Total 14 Marks)
