



UNIVERSITY OF RUHUNA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration Degree Programme - 2000 Level

(Old Syllabus) Semester II End Examination (Feb / March 2021)

Academic Year 2019/2020

ENT 2221 – Microfinance

Duration: Three hours

The Question Paper contains Five (5) questions.

Answer all questions.

Question 01

I. Briefly describe the concepts of Adverse selection and Moral hazard in relation to Microfinance.

(06 Marks)

II. The Principles assert that “Microfinance means building financial systems that serve the poor.”

Discuss the four Principles of Microfinance with reference to the above statement.

(08 Marks)

(Total 14 Marks)

Question 02

- I. Briefly explain four types of Microfinance Delivery Methods.
(06 Marks)
- II. Empowering is a multidimensional process. Discuss how microfinance can be used as an instrument in empowering women.
(08 Marks)
- (Total 14 Marks)**

Question 03

- I. "Financial inclusion means that households and businesses have access and can effectively use appropriate financial services."
Briefly describe the importance of financial inclusion.
(06 Marks)
- II. "Financial inclusion empowers the poor to manage their finances in a proper way and reduce their vulnerability to financial distress, debt and poverty"
Discuss how financial inclusion contributes to poverty alleviation and economic development in a country like Sri Lanka.
(08 Marks)
- (Total 14 Marks)**

Question 04

- I. Microfinance institutions are playing a vital role in the society. Explain the role of microfinance institutions.
(06 Marks)
- II. There are problems in the repayment mechanisms of many microfinance institutions in Sri Lanka. Propose three strategies to help those institutions to overcome these problems.
(08 Marks)
- (Total 14 Marks)**

Question 05

Write short note on the following.

- I. Challenges of microfinance institutions
- II. Micro insurance
- III. Approaches to microfinance
- IV. Products and services offered by microfinance institutes

(3.5 marks x 04)

(Total 14 Marks)
