



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 02
No. of Questions: 06
Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL FIRST SEMESTER END EXAMINATION – AUG/SEP 2025

Three Hours

ENT31213- Microfinance

Academic Year 2024/2025

Instructions

- ➡ Answer only five (05) questions.



QUESTION ONE

- i. Differentiate between microcredit and microfinance
(03 marks)
 - ii. Analyze the features and characteristics that make microfinance unique from traditional banking services.
(05 marks)
 - iii. Examine the relationship between microfinance and entrepreneurship promotion, emphasizing how microfinance contributes to job creation, economic development, and overall community improvement.
(06 marks)
- (Total 14 marks)**

QUESTION TWO

- i. Define the concept of “financial literacy” and list its four key components.
(03 marks)
 - ii. Briefly discuss the role of technology in improving financial management for small businesses.
(05 marks)
 - iii. Discuss the link between financial literacy and business sustainability and outline strategic recommendations for stakeholders such as policymakers, banking sector entities, and enterprise development agencies.
(06 marks)
- (Total 14 marks)**

QUESTION THREE

- i. What are the main reasons for establishing a regulatory mechanism for microfinance?
(03 marks)
 - ii. What are the entities that are excluded from the Microfinance Act, and analyze the rationale behind these exclusions?
(05 marks)
 - iii. Briefly explain how the regulatory instruments can be used to ensure only qualified institutions enter into the microfinance market.
(06 marks)
- (Total 14 marks)**

QUESTION FOUR

- i. Define the concept of “financial inclusion”.
(03 marks)
 - ii. Briefly explain the dimensions of financial inclusion
(05 marks)
 - iii. Examine the role of technology and digitalization in promoting financial inclusion. Analyze both the opportunities presented by technological solutions and evaluate their effectiveness in reaching underserved populations.
(06 marks)
- (Total 14 marks)**

QUESTION FIVE

- i. “Microfinance Institutions are required to introduce microfinance products to meet the needs of different segments”. Discuss this statement.
(05 marks)
 - ii. Explain the difference between the “Minimalist Approach” and the “Integrated Approach” of Microfinance.
(05 marks)
 - iii. Describe the key features of the self-help group lending method.
(04 marks)
- (Total 14 marks)**

QUESTION SIX

- i. What is the importance of performance measurement for Microfinance Institutions (MFI)’s?
(03 marks)
 - ii. Briefly explain the performance measurement indicators that can be applied to measure the efficiency and productivity of the MFI’s.
(05 marks)
 - iii. Discuss the social impact of Microfinance for the individual, community and regional level.
(06 marks)
- (Total 14 marks)**
