

1ST SEM 2016/2017



UNIVERSITY OF SWAZILAND

RE- SIT / SUPPLEMENTARY EXAMINATION PAPER

PROGRAMME: BSC in Agricultural Economics and Management 2

COURSE CODE: AEM 205

TITLE OF PAPER: MICROFINANCE

TIME ALLOWED: TWO HOURS

INSTRUCTION 1. ANSWER ALL FOUR QUESTIONS
2. EACH QUESTION CARRIES TWENTY FIVE (25) MARKS

DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN GRANTED BY THE CHIEF INVIGILATOR

Question 1

- A. Discuss the role of value chain integration as applicable in agricultural finance. [10marks]
- B. How is micro-credit different from microfinance? [5marks]
- C. Discuss the four models of value chain financing, use examples to show application. [10marks]

[25 marks]

Question 2

Distinguish between;

- A. Grameen model and self Help groups [10marks]
- a. Factoring and Agricultural Leasing [8marks]
- b. Mobile money and mobile banking systems [7marks]

[25marks]

Question 3

- A. Discuss the set of obligations that a client has in maintaining a healthy relationship with a microfinance institution. [10 marks]
- B. Explain Mobile banking systems and their benefits to rural and agricultural Finance. [10marks]
- C. What are the five core principles of microfinance? [5marks]

[25marks]

Question 4

There has been renewed interest in agricultural finance over the recent years while it was once a rejected idea among commercial institutions.

- a. Which changes may have stirred up such an interest? [8marks]
- b. What are the benefits of agriculture value chain integration that have accrued to agricultural finance? [12marks]
- c. Discuss contract farming as a tool used in finance. [5marks]

[25marks]