



# **MACHAKOS UNIVERSITY**

**University Examinations for 2017/2018 Academic Year**

**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BANKING, ACCOUNTING & FINANCE**

**FOURTH YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF  
SCIENCE IN ENVIRONMENTAL STUDIES (COMMUNITY DEVELOPMENT)**

**ECD 424: ENVIRONMENTAL, MICROFINANCE AND FINANCIAL INCLUSION**

**DATE: 19/12/2017**

**TIME: 11:00 – 1:00 PM**

---

## **INSTRUCTIONS**

**Attempt Question One and Any Other Two Questions**

### **QUESTION ONE (COMPULSORY) (30 MARKS)**

- a) Describe the governing principles of microfinance institutions in Kenya. (10 marks)
- b) Identify and evaluate four credit methodologies adopted by microfinance in evaluation of its clients. (10 marks)
- c) Discuss the benefits of adoption of information and communication technology in microfinance. (10 marks)

### **QUESTION TWO (20 MARKS)**

- a) Explain the meaning of the term financial inclusion. (5 marks)
- b) Elaborate strategies adopted by microfinance institutions to enhance financial inclusion. (15 marks)

### **QUESTION THREE (20 MARKS)**

- a) Identify and explain five measures of financial sustainability of microfinance institutions. (10 marks)
- b) Describe type of risk that microfinance institution encounter in their operation in Kenya. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Elaborate on the role of microfinance in economic development in Kenya. (10 marks)
- b) Discuss four major theories of economic development; highlight two limitations in each theory. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss the impact of financial regulation on development and operation of microfinance institutions in Kenya. (10 marks)
- b) Describe the role of microfinance institutions in environmental conservations. (10 marks)