



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)