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2016

MICRO FINANCE

(New & Old Syllabus)

Paper : 4·21/4·20

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Answer the following as directed :

1×7=7

(a) Future strategies to overcome the challenges in the microfinance industry as suggested by the UNDP do not include one of the following :
Select the correct one.

(i) Access to financial services

(ii) Identifying clients, knowledge sharing and collaboration

Contd.

- (iii) External commercial borrowing
- (iv) Moral code of conduct.

(b) Micro finance in its broader perspective does not include which one of the following :

- (i) micro credit, micro insurance
- (ii) provision of thrift and credit
- (iii) provision of value added retail credit, mortgage finance.
- (iv) financial services, remittance.

(c) Which one of the following is the oldest micro finance organisation in India ?

- (i) Self Employed Women's Association (SEWA) Bank
- (ii) Community Based Organisation (CBO) Bank
- (iii) Banks under Societies Registration Act 1860.
- (iv) Indian Infrastructure Development Bank (IIDB).

(d) The first micro finance institution getting licence to undertake pure banking activities is :

(i) SKS microfinance

(ii) SEWA Bank

(iii) Bandhan

(iv) Joint Liability Group (JLG)

(e) Controlling responsibility and supervision of working of the MFIs has been entrusted upon :

(i) Enforcement Directorate (ED)

(ii) NABARD

(iii) Both NABARD and Ministry of Finance

(iv) SEBI and RBI.

(f) Financial Inclusion Fund, Financial Inclusion Technology Fund (FITF) have been constituted in :

(i) Ministry of Corporate Affairs (MCA) 21

(ii) NABARD

(iii) RBI

(iv) Jointly with RBI and NABARD

(g) 'Protection of low income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of risk involved' was dictated in respect of micro insurance by :

(i) IRDA

(ii) International Association of Insurance Supervisors (IAIS)

(iii) Consultative Group to Assist the Poor (CGAP)

(iv) International Perils Prevention Council.

2. Write short notes on **any five** of the following : 5×5=25

(i) Meaning and concept of micro finance

(ii) Structure of Self help group

(iii) Difference between micro credit and micro finance

(iv) Risks associated with MFIs.

(v) Evolution of micro finance.

(vi) Demand for and supply of micro finance services.

(vii) Micro finance objectives and its linkage with banks.

3. Answer **any four** of the following : 12×4=48

(i) Explain the basic features of microfinance products.

- (ii) Discuss the role played by the NABARD in respect of promotion and development of micro credit facility.
- (iii) Describe the structure and various models of microfinance institutions with their functions.
- (iv) Give an assessment about the suitable regulatory framework needed to regulate the healthy growth of micro finance services in the country.
- (v) Discuss the credit delivery mechanism for micro credit.
- (vi) Discuss the steps adopted towards attaining financial inclusion and inclusive growth in India and its objectives.

(vii) Elaborate on the development of microfinance activities in India.
