



PAN AFRICA CHRISTIAN UNIVERSITY
BACHELOR OF BUSINESS LEADERSHIP
END TERM EXAMINATION – ONLINE

DEPARTMENT: BUSINESS

COURSE CODE: BUE 4413

COURSE TITLE: SMALL BUSINESS FINANCE

Time: 2 HOURS

Instructions

- Read all questions carefully before attempting.*
- Question ONE is COMPULSORY.*
- Answer ANY THREE questions out of the remaining FIVE*

QUESTION ONE (COMPULSORY)

- a) Describe any **two** ways in which Small and Medium Enterprises contribute to the national economy.

(2 marks)

- b) State any **four** ways in which microfinance is helping to attain the Millennium Development Goals (MDGs) **(2 marks)**

- c) Outline any **two** advantages of small business **(2 marks)**

- d) The definition of microfinance often includes both financial intermediation and social intermediation. With examples, discuss any **two** forms of social intermediation.

(4

marks)

QUESTION TWO

- a) Giving examples, explain any **two** reasons why low-income people who need financial services may lack accessibility from the conventional financial service providers such as commercial banks **(4 marks)**

- b) Describe any **three** criteria that are used to identify a small business. **(6 marks)**

QUESTION THREE

- a) If microfinance is about serving the poor, why does the provision of financial services need to be profitable? Discuss. **(4 marks)**

- b) Discuss any **three** factors necessary for successful mobilization of small and micro savings. **(6 marks)**

QUESTION FOUR

- a) State any **four** objectives of microfinance institutions. **(4 marks)**

- b) Discuss any **three** current microfinance trends **(6 marks)**

QUESTION FIVE

- a) Describe any **two** microfinance products **(4 marks)**

- b) Explain any **three** main areas of risk in the microfinance industry (6 marks)

QUESTION SIX

- a) Outline any **three** reasons why microfinance is growing (3 marks)
- b) In relation to impact analysis, discuss the dilemma of the human subject as a 'dynamic target' (3 marks)
- c) Using examples, discuss any **two** ways in which low-income people save (4 marks)