



**UNIVERSITY OF SWAZILAND**  
**SUPPLEMENTARY EXAMINATION PAPER**

**PROGRAMME: BSc IN AGRICULTURAL ECONOMICS AND  
AGRIBUSINESS MANAGEMENT YEAR 2 AND YEAR 3  
(TRANSFER)**

**COURSE CODE: AEM 206**

**TITLE OF PAPER: MICROFINANCE**

**TIME ALLOWED: TWO HOURS (2 HOURS)**

**INSTRUCTION:**

- 1. ANSWER ANY FOUR (4) QUESTIONS**
- 2. ALL QUESTIONS CARRY EQUAL MARKS**

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

**QUESTION ONE**

What is the subsidy dependence index (SDI)? What should MFIs do to reduce dependence on donors? (25 MARKS)

**QUESTION TWO**

Using an example of any institution which you are familiar with, outline its lending methodology, the size of its operations (outreach), major products and its sources of funds. (Marks will also be awarded for identifying the challenges it faces and recommendations you can offer as solutions. (25 MARKS)

**QUESTION THREE**

Microfinance can not be relied on as a development paradigm. Using current trends in the industry refute or support the claim. (Use claims made by prominent scholars and practitioners like Thomas Ditcher & Jonathan Murdoch). (25 MARKS)

**QUESTION FOUR**

What are the implications of the global economic decline and financial crisis on microfinance institutions? Discuss. (25 MARKS)

**QUESTION FIVE**

How should community managed microfinance programmes (CMMF) (like ROSCAs, ASCAs or VSLs) be managed for them to be successful? (25 MARKS)