



UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME: BACHELOR OF SCIENCE IN
AGRICULTURAL ECONOMICS AND
AGRIBUSINESS MANAGEMENT**

COURSE CODE: AEM 202

TITLE OF PAPER: MICROFINANCE

TIME ALLOWED: TWO HOURS

INSTRUCTION: ANSWER ALL FOUR (4) QUESTIONS

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GRANTED BY THE CHIEF INVIGILATOR**

QUESTION #1 [25 Marks]

The Swaziland Development Finance Corporation (FINCORP) is a registered private corporation offering multiple financial services and lending products.

- a) Analyze the objectives of this microfinance institution towards the small and medium entrepreneurs and rural poor. [15 Marks]
- b) List and explain the FINCORP's financial services. [10 Marks]

QUESTION #2 [25 Marks]

- a) Wouldn't it be better, if poor households were helped to build assets rather than to take more debt? Discuss [10 Marks]
- b) Why should microfinance institutions change from microcredit to microfinance products? [15 Marks]

QUESTION #3 [25 Marks]

- a) Describe the advantages and disadvantages of the microfinance's main precursors. [20 Marks]
- b) What would be your preference if you were to choose one of them in part (a)? Why? [5 Marks]

QUESTION #4 [25 Marks]

- a) Many development experts argue that microfinance is a social and poverty alleviation tool. How do you measure microfinance impacts on poor households? [15 Marks]
- b) Your credit union offers you a loan and asks that you choose one of the following options:
 - 1 E3000 today
 - 2 E3330 one year from now. What do you do? Explain. [10 Marks]

END OF PAPER