



1st SEM. 2017/2018

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME: B.Sc. in Agricultural Economics and Agribusiness Management
Year 2**

COURSE CODE: AEM 205

TITLE OF PAPER: MICROFINANCE

TIME ALLOWED: TWO (2) HOURS

**INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. EACH QUESTION CARRIES TWENTY FIVE (25) MARKS**

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THE CHIEF INVIGILATOR**

1. (a) What is microfinance ? [5]
(b) Differentiate between microfinance and microcredit. [10]
(c) Discuss the role of government subsidies in microfinance [10]
2. Loan sharks tend to push the economically active poor into a “debt trap”. Discuss the terms, conditions and post-transaction economic wellbeing of the two parties. [25]
3. “Rotating Savings and Credit Associations have a potential of improving the economic status of the unbanked”. Critically analyse the role of microfinance in this regard. [25]
4. Explain in details the mandate and scope of the South African Microfinance Regulatory Council (MFRC). [25]