



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF AGRICULTURAL AND FOOD SCIENCES
UNIVERSITY EXAMINATION FOR DEGREE OF BACHELOR OF SCIENCE IN
AGRIBUSINESS MANAGEMENT
THIRD YEAR SECOND SEMESTER 2013/2014 ACADEMIC YEAR

REGULAR

COURSE CODE: AAE 3323

COURSE TITLE: Agribusiness Rural and Micro Finance

EXAM VENUE:LR 7

STREAM: BSc (Agribusiness Management)

DATE:9/12/14

EXAM SESSION: 2.00 – 4.00PM

TIME: 2.00 HOURS

Instructions:

- 1. Answer ALL question in Section A (compulsory) and ANY TWO questions in Section B.**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

SECTION A **[30 MARKS]**

1. Using a diagram, explain the approaches used by microfinance institutions in providing their products and services? Which services and/or products are offered under each approach? [20 marks]

2. Give two examples of microfinance institutions (MFIs) in Kenya and the products/services that they offer. Each example should be from a different MFI category i.e. either government, private, NGO or a SACCO. The examples should not be from the same category. [10 marks]

SECTION B **[40 MARKS]**

3. Describe what is meant by:
 - (a) Rotating Savings and Credit Associations (ROSCAS). [5 marks]
 - (b) Accumulating Savings and Credit associations (ASCAs). [5 marks]
 - (c) Savings and Credit Cooperatives (SACCOS). [5 marks]
 - (d) Village banking. [5 marks]

4. (a) Supposing that you intend to start an agribusiness. What are the possible sources of agricultural finance available to you? [10 marks]
 - (b) What are some of the challenges of agricultural credit? [5 marks]
 - (c). Distinguish between equity capital and equity debt? [5 marks]

5. (a). Explain the different typologies of community based microfinance institutions. [10 marks]
 - (b). Distinguish between compulsory savings and voluntary savings. [5 marks]
 - (c). Explain the different approaches of calculating interest on loans. [5 marks]