



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF AGRICULTURAL AND FOOD SCIENCES

**THIRD YEAR SEMESTER TWO EXAMINATION FOR THE DEGREE OF
BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT
2019/2020 ACADEMIC YEAR**

REGULAR

COURSE CODE: AAE 3323:

COURSE TITLE: Agribusiness Rural and Micro-Finance

EXAM VENUE: STREAM: BSC. AGRIBUSINESS MANAGEMENT

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

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

SECTION A [30 MARKS]

Answer ALL questions from this Section.

- Q1. (a) Briefly explain the concept of rural microfinance [3marks]
- . (b). Differentiate between interest and collateral in microfinance [3marks]
- (c)What are the main duties of a loans officer in a microfinance setting. [3marks]
- (d) (i)Outline the main characteristics of rural microfinance. [3marks]
- (ii)Outline the attributes of a community based organization. [3marks]
- (e)Differentiate between insurance and micro -saving. [3marks]
- (f)(i)Identify the main features of a rural setting [4marks]
- (ii)In what ways does microfinance support entrepreneurship? [4marks]
- (g)Explain the reasons why a group qualifies as an important entry point in microfinance [4marks]

SECTION B [40 MARKS]

Answer ANY TWO questions from this section.

- Q2. (a) Identify and explain some risks associated with rural microfinance [10marks]
- (b)Explain how agribusiness subsectors can enhance micro - lending sector [10 marks]
- Q3Rural microfinance has embraced a wide range of beneficiaries across the world; it has brought hope to the otherwise hopeless population across developing countries. Discuss [20 marks]
- Q4.(a) Discuss why microfinance has been touted as an engine driving away poverty.[10marks]
- (b)Discuss how a government intervention can improve level of performance and inclusivity in rural microfinance. [10marks]

COURSE OUTLINE

AAE 3324: Agribusiness Rural and Micro-finance

42 Hours

Agribusiness as the engine for rural development; The role of Rural Micro-finance, objectives, local resource mobilization; The village banking; Social capital; Community Based Organizations; Capital acquisition and the use of credit; Types and sources of agricultural credit, credit delinquency.

Course Purpose

To enable learners understand the role of micro finance in rural development.

Course Text

1. Ardener, S and Burman, S (1995) *Money-go-Rounds: the Importance of Rotating Savings and Credit Associations for Women*. Oxford: Berg
2. Aleke-Dondo, C., and Albert Kimanthi Mutua. (1990). *Informal Financial Markets in Kenya.* Nairobi: Kenya Rural Enterprise Program.
3. Hans Dieter Seibel (2007). *The role of microfinance in rural microenterprise development*. Syngenta foundation for sustainable agriculture, Basel, Switzerland.

Texts for Further Reading

1. KIT and IIRR. (2010). *Value chain finance: Beyond microfinance for rural entrepreneurs*. Royal Tropical Institute, Amsterdam; and International Institute of Rural Reconstruction, Nairobi.
2. Adams, Dale W., and Robert C. Vogel. (1986.) *"Rural Financial Markets in Low Income Countries: Recent Controversies and Lessons."* World Development

3. Anderson D. and F Khambata, (1985). “*Financing small-scale industry and agriculture in developing countries: The merits and limitations of "commercial" policies*,” Economic Development and cultural Change 33, no. 2.
4. Berger, Marguerite, 1989, '*Giving Women Credit: The Strengths and Limitations of Credit as a Tool for Alleviating Poverty*', World Development, 17:7, July, p. 1017-32