



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**EXAMINATION 2021\_1**

**COURSE CODE: BFN310**

**CREDIT UNIT: 2**

**COURSE TITLE: MICRO CREDIT POLICIES AND INSTITUTIONS**

**TIME ALLOWED: 2HOURS**

**Instruction: 1. Attempt question number one (1) and any other two (2)**

**2. Question number one (1) is compulsory and attracts 30 marks, while any other two questions attract 20 marks each**

**3. Present your answers any points in a clearly and orderly manner**

1a. Who is an entrepreneur? Briefly discuss the basic features of an entrepreneur. **5 marks**

1b. Discuss any five advantages of the group lending strategy adopted by micro finance institutions (MFIs). **7.5 marks**

1c. List at least five types of macro business environments that influence the performance of business organizations in Nigeria **2.5 marks**

1d. Mention any five qualities of good business objectives. **5 marks**

1e. Discuss the supporting institutional arrangements required to ensure successful microfinance banks (MFBs) operations. **7.5 marks**

1f. Explain briefly the concept of total quality management (TQM). **2.5 marks**

2a. Identify at least five (5) benefits of micro-credit to the economy. **7.5 marks**

2b. Identify at least five (5) key characteristics of a firm that qualify it to be categorized as a small business organization. **5 marks**

2c. State and explain any five (5) benefits of Micro-credit institutions to the SMEs. **7.5 marks**

3a. State at least five common motivations that induce individuals to establish personal or own businesses. **5 marks**

3b. What is corporate social responsibility (CSR)? State any four benefits of CSR to business performance. **7 marks**

3c. State any four benefits and four problems of cooperative associations to the society. **8 marks**

4a. Briefly explain the cash operating cycle of a typical manufacturing firm. State its importance to the organization. **7.5 marks**

4b. Briefly explain the concept of entrepreneurship **5 marks**

4c. Discuss at least five contributions of small business firms to the growth and development of the Nigerian economy. **7.5 marks**

5a. State at least four essential features that distinguish micro finance institutions from conventional banking institutions. **6 marks**

5b. Your business is at the verge of entering a new market. As an entrepreneur who is interested in ensuring the success of marketing the firm's products, discuss your entry strategy around the four (4) P's of marketing **4 marks**

5c. It is always argued that good record-keeping is essential for the survival of businesses. Identify four qualities of good record keeping. **4 marks**

5d. Outline the reasons for the establishment of the Nigeria Export-Import (NEXIM) Bank. Identify specific actions taken by the Bank to achieve its objectives. **6 marks**