



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2020\_2 EXAMINATION**  
**EXAMINATION QUESTION...**

**COURSE CODE: CRD 303**

**CREDIT UNIT: 3**

**COURSE TITLE: RURAL FINANCE**

**TIME ALLOWED: 3 HOURS**

- INSTRUCTIONS:**
- 1. Indicate your Matriculation Number clearly**
  - 2. Attempt Question one (1) & any other two (2). (3) Questions in all.**
  - 3. Question (1) is compulsory and carries 30marks, while the two other questions carry 20 Marks each**
  - 4. Present all your points in coherent and orderly Manner**

**QUESTION 1:** Raiffeisen is one of the founding fathers of credit cooperative society. He stated that there is a connection between poverty and dependency and in order to fight poverty, one should fight dependency first. Based on this idea, Raiffeisen came up with the three "S" formulae. Practically discuss these three (3) "S" formulas of Raiffeisen with reference to poverty and dependency. *[30 Marks]*

**QUESTION 2: A.** Briefly explain the problems associated with loan repayment among cooperative member in Nigeria. *[5 Marks]*

**B.** Enumerate the Objective of Cooperative Bank in Nigeria. *[9 Marks]*

**C.** Highlight the effective ways to Stimulate Rural Savings and Capital Formation among dwellers in Nigeria. *[6 Marks]*

**QUESTION 3:** Discuss the following concepts in Rural Finance

- A. Sinking Funds** *[5 Marks]*
- B. Share Capital** *[5 Marks]*
- C. Microfinance Bank** *[5 Marks]*
- D. Internal Rate of Return (IRR)** *[5 Marks]*

**QUESTION 4:** There are some certain principles that have evoked over time which are considered basic to cooperative financing. Highlight these principles in respect to cooperative financing. *[20 Marks]*

**QUESTION 5:** There are twelve (12) challenges confronting Rural Financial Service Provision in Nigeria. Enumerate these twelve (12) Challenges which are classified into four (4) groups according to Milter (2005). *[20 Marks]*