



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESS WAY, JABI -ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF ENTREPRENEURIAL STUDIES
2019_1 EXAMINATION

COURSE CODE: CRD303

CREDIT UNIT: 3

COURSE TITLE: RURAL FINANCE

TIME ALLOWED: 2^{1/2} HOURS

INSTRUCTIONS:

- 1. Attempt Question One (1) and any other three (3) questions**
 - 2. Question 1 carries 25 marks, while the other questions carry 15 marks each.**
 - 3. Present all points in coherent and orderly manner**
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1. Enumerate and explain the nature (or types) of lending in rural finance. [25 Marks]

2. Explain the three (3) main methods that can be distinguished as deployed by Co-financing organization (CFOs) in rural finance approaches [15 Marks]

3a. Isusu is an association of people for the purpose of contributing fixed sums of money at regular intervals to meet the members' various needs. Highlight the characteristics of Isusu Credit Association [8 Marks]

b. Sources for the financing of the cooperatives can be grouped into internal financing and external financing. List and explain the sources of internal financing available to cooperative societies. [7 Marks]

4a. Briefly explain the roles of Microfinance Institutions in rural economy credit [12 Marks]

b. Explain the methods rural savings and capital formation can be stimulated. [3 Marks]

5. Highlight the difficulties relating to the development of the financial sector in the rural area which are twelve (12) constraints that are classified into four (4) groups by Milter (2005), cited in (Gabrielle, Having and Moi, 2008). [15 Marks]

6. Discuss the possible problems of loan repayment in cooperative banks. [15 Marks]