



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**JANUARY 2018 EXAMINATION**  
**EXAM QUESTIONS**

**COURSE CODE: CRD 303**

**CREDIT UNIT: 3**

**COURSE TITLE: RURAL FINANCE**

**TIME ALLOWED: 2 HOURS**

**Instructions: 1. Attempt question Number one (1) and any other three (3).**

**2. Question number 1 is Compulsory and carries 25 marks, while the other questions carry 15 marks each.**

**3. Present all your points in coherent and orderly manner.**

- 1.a. What is a credit cooperative society?(7 marks)
- b. What are the functions of credit cooperative societies?(8 marks)
- c. Discuss the problems encountered by credit cooperative societies in Nigeria. (10 marks)

**TOTAL 25 MARKS**

- 2.a Explain seven characteristics of cooperative banks.(7 marks)

- B List eight objectives of cooperative banks. (8 marks)

**TOTAL 15 MARKS**

- 3.a What is the role of isusu credit societies in rural financing?(5 marks)

- b Discuss the sources of finance available to Cooperative societies. (10 marks)

**TOTAL 15 MARKS**

- 4. Write short notes on the following bodies;

- A Bank of Agriculture (BOA)

- B National Economic Empowerment and Development Strategy (NEEDS)

- C National Poverty Eradication Programme (NAPEP)

**TOTAL 15 MARKS**

- 5. A Differentiate between Net Present Value and Internal Rate of Return.(5 marks)

- B There are two investment proposals A and B facing a firm. Project A involves a capital cash outlay of ₦200,000 and year end cash inflow of ₦240,000. Project B involves a capital outlay of ₦300,000 and year end cash flow of ₦354,000. If the firm's cost of capital is 12%, which of the investment proposals should the firm accept if it uses (i) NPV and (ii) IRR methods of project evaluation? (10 marks)

TOTAL 15 MARKS

6. Discuss the activities of Microfinance Banks in Nigeria (15 marks)