



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91 CADASTRAL ZONE NNAMDI AZIKIWE EXPRESS WAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2023 2 EXAMINATIONS—

COURSE CODE: BFN310

CREDIT UNIT: 2

COURSE TITLE: MICRO CREDIT POLICY AND INSTITUTION

TIME ALLOWED: 2 HOURS

INSTRUCTIONS: 1. Attempt question number one (1) and any other two (2).
2. Question number 1 is compulsory and carries 30 marks while the other 2 questions carry 20 marks each.
3. Present all your points in a coherent and orderly manner.

1a. Explain five (5) benefits of planning to business

10 marks

1b. Discuss any five (5) roles of the entrepreneur

10 marks

1c. To satisfy your customers, improve your sale and make a profit, you need to understand the four Ps of marketing. Explain the four Ps.

10 marks

2. Briefly discuss any four (4) of the listed Micro Finance Institutions with emphasis on the reason for their establishment:

i. National Directorate of Employment (NDE)

ii. The Federal Institute of Industrial Research (FIRO)

iii. The Nigeria Association of Small-Scale Industrialists (NASSI)

iv. The Nigeria Export-Import Bank (NEXIM)

v. Standard Organization of Nigeria (SON) **5 marks each x 4 = 20 marks**

3a. By Group Delivery Methodology beneficiaries of microcredits are encouraged to form a group or a cooperative society. However, the individual is held responsible for the utilization and repayment of the loan. It is also possible for a group to take a loan together for joint business. Explain the advantages of group methodology

10 marks

3b. The organisations that are solely involved in micro credit or micro financing have certain distinguishing features which differentiate them from the commercial banks. Discuss four (4) of the distinguishing features.

10 marks

4. Beneficiaries of micro credit are encouraged to form a group or a cooperative society which could be based on type of business activities instead of going it alone. Based on the foregoing, explain any five (5) advantages of taking the facility as a group

20 marks