

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT
MICROFINANCE DEPARTMENT
RURAL AND AGRICULTURAL FINANCE
May 2019
NKOZI/LUBAGA

INSTRUCTIONS

Do not write anything on this page

Attempt any 4 questions

Untidy work will be penalized

3 Hours.

1. (a) In your view, what is the role of a Rural Financial System? (10 Marks)

(b) With an illustration explain the relationship between Rural Finance, Financial Sector, microfinance and agricultural Finance. (15 Marks)

2. (a) Initially Microfinance Institution were concentrated in urban areas but later changed course to rural areas. However, these MFIs face a lot of challenges as they deliver services in rural areas. Discuss. (15 Marks)

(b) In your view, how would you overcome these challenges? (10 marks)

3. a) Vision 2040 of Uganda Government is that every household should earn minimum income in order to access basic needs of life thus living above the poverty line. To realize this government defined the Rural Development Strategy and set its objectives. Discuss. (25 Marks)

4. Write short notes on the following. (5 Marks each)

- (i) Economic development
- (ii) Real Development
- (iii) Micro credit and microfinance
- (iv) Forward and backward linkages
- (v) Value addition

5. (a) As government intervenes in rural and agricultural development, it faces a lot of hurdles. Do you support the statement? Give your reasoning (15 Marks)

b) Explain in detail any 5 service sectors that would aid agricultural development. (10 Marks)

6. (a) In Uganda today, agriculture is given a leading role in rural development. Discuss. (15 Marks)

(b) Imagine you are tasked to design an agricultural loan product in a financial Institution. What would you put under consideration so that this loan product is a success? (10 Marks)