

Uganda Martyrs University  
School of Arts and Social Sciences  
MADS III- DL:2022/2023

**Microfinance and Development**

Final Assessment

Tuesday 17<sup>th</sup> January 2023

Time: 9:30 am – 12:00 noon

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**Instructions**

1. Please read the instructions carefully before answering the questions
  2. **Answer any three questions**
  3. Please read each question carefully and write legibly
  4. Use of relevant examples and illustrations will earn you more marks
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**Question 1**

- a) 'Microfinance is an important tool for poverty reduction'. Evaluate this assertion. (15 marks)
- b) Examine the key principles of microfinance. (18 marks)

**Question 2**

- a) Differentiate between the 'minimalist' and 'integrated' approaches to the provision of microfinance services. (13 marks)
- b) Which one of the two approaches explained in question 2(a) above would you advocate for and why? (20 marks)

**Question 3**

- Discuss the role of microfinance in women's economic empowerment. (33 marks)

**Question 4**

- a) Maria Otero wrote a paper highlighting the need to 'bring back development into microfinance'. Having read this paper during the course of studying this module, explain the rationale behind Otero's argument. (13 marks)
- b) Examine the three points at which microfinance intersects with development and explain why practitioners, donors and other stakeholders in the field of microfinance tend to forget the connection between the two. (20 marks)

**Question 5**

- a) 'Microfinance is for the economically active poor'. Why do you think this is the case and how best can microfinance institutions provide services to this group of people? (18 marks)
- b) Examine the major challenges facing the microfinance sector in your country. (15 marks)

**Question 6**

- a) Why is agricultural lending considered risky business by most microfinance service providers? (10 marks)
- b) How can microfinance institutions design products tailored to the needs of rural farmers in your country? (23 marks)