

**UGANDA MARTYRS UNIVERSITY**  
**FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT**  
**DEPARTMENT OF MICRO FINANCE**  
Diploma II Final Assessment  
**Module 5: Principles of Management**  
Date: 22<sup>nd</sup> July 2014  
Time: 10:00 – 1:00pm

Time allowed: (3) hours

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**Instructions:**

1. Carefully read through the questions before attempting
  2. Be as analytical as possible
  3. Begin each number on a fresh sheet
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**Section A is compulsory, attempt any 3 questions from Section B**

**Section A**

**Brac Microfinance**

Innovative, client-focused and sustainable, BRAC's microfinance programme is a critical component of our holistic approach to support livelihoods. Over the last four decades, we have grown to become one of the world's largest providers of financial services to the poor, providing tools that millions can use to better manage their lives.

**A year of growth**

Microfinance is the heart of BRAC's integrated approach to alleviating poverty and helping poor Ugandan women realise their potential. They gather weekly in villages, towns and city neighbourhoods to make repayments on their loans and apply for new ones. At the core of the programme are microloans, which are exclusively for the women participating in the group process. BRAC lends to women who are not served by other microfinance institutions. Borrowers typically operate businesses that provide products or services to their local communities. Women with seasonal businesses, such as farming related activities, may also be eligible for shorter term loans.

Community partnerships and institution building are essential for poor people if they are to change their economic, social and political conditions. We deliver our microfinance and other programmes through organizing groups of poor women who come together to improve their socioeconomic position. BRAC provides more than just microfinance. We use the microfinance groups as a social platform to deliver scaled up services in health, education, business development and livelihood support, all critical components needed to ensure that poor people are given the opportunity to break the cycle of poverty.

BRAC offers small enterprise loans to entrepreneurs seeking to expand small businesses. SEP is supported by the main microfinance platform, which is managed through a hub and spoke model. The loans enable owners to create new employment opportunities and provide new services. Typically loans are given for trading, agriculture, poultry and



livestock, fruit production and other types of small enterprises. Without BRAC's microloans, these entrepreneurs would otherwise have limited access to mainstream financial services, which are too large to qualify for microloans and demand larger collateral.

The small enterprise loan is offered to an individual rather than to a group and is available for both male and female entrepreneurs. Some members of the microloan groups will become eligible for this scheme as their businesses expand and require more investment.

- a. What are the micro-finance issues pointed out in the extract? ( 12 marks )
- b. What are the possible challenges BRAC will face in operations? ( 13 marks )

### Section B

#### Question Two

- a. What are possible types of change? ( 6 marks )
- b. With illustrate and explain the change process. ( 10 marks )
- c. What are the challenges one could possible go through in implementing change ( 9 marks )

#### Question Three

- a. What is the difference between an informal and formal group? (7 marks)
- b. What are the possible stages in group formation? (10 marks)
- c. What are the possible reasons for group formation? (8 marks)

#### Question Four

- a. What are the possible types of training in a micro finance institution? (8 marks)
- b. What are the duties of the human resources department in a micro finance institution? (8 marks)
- c. Using illustrations, show how the human resources department can appreciate and show care? (7 marks)

#### Question Five

Hypothetically, UMU MF trading as Martyrs Microfinance has been given a grant of USD 450,000 to begin and stream line operations. Martyrs Microfinance's aim is to serve the public of Nkozi area. The Nkozi area is a radius of 10kms from Uganda Martyrs University. Assume you have been contracted to develop an organisational chart

- a. For a staff of 10 people, propose an organisational chart for this institution? ( 9 marks )
- b. What are the possible considerations you would take in developing this structure? ( 8 marks )
- c. What are the possible challenges you would face in developing an ideal structure? (8 marks)