

**THE INSTITUTE OF BANKERS PAKISTAN**

**ISQ Examination (Winter-2011)**

**Leasing & Micro Finance – Stage-III**

**Section-I**

**Multiple Choice Questions**

**Number of Questions: 30**

**Marks: 45**

**Allotted Time: 60 minutes**

**Section-II**

**Constructed Response Questions**

**Number of Questions: 07**

**Marks: 55**

**Allotted Time: 120 minutes**

**Q.31 Explain the following terms:**

- A. Guaranteed Residual Value**
- B. Unearned Finance Income**
- C. Net Investment in the Lease**
- D. Present Value of Minimum Lease Payments**
- E. Fair Value**

**Q.32 On June 30, 2008, ABC Company leased equipment for a period of 8 years. The lease provided for annual rentals of Rs. 20,000. On June 30,**

2008 and subsequently on June 30 of each year. ABC Company records a finance lease liability at Rs. 96,231 on June 30, 2008 before the first payment. Interest rate implicit in the lease is 18% and the useful life of the asset is estimated to be 10 years. The year end of ABC Company is June 30. At June 30, 2009 what is the liability under finance lease.

- Q.33** What are the advantages of leasing to the lessee?
- Q.34** Who are micro entrepreneurs and what are the characteristics of successful entrepreneurs?
- Q.35** What are the challenges in attaining sustainability in micro enterprise financing operations in Pakistan?
- Q.36** State at least TEN reasons why microfinance banks lend to some women entrepreneurs in Pakistan.
- Q.37** Describe the type of financial management and discuss the functions of financial management for SMEs.

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