

Q.1 Microfinance principles reflect wisdom and lessons learnt from decades of "real-life" microfinance experiments which have been well experimented and well-documented and made widely available among the global microfinance community. Explain any FOUR of these microfinance principles.

Q.2 Briefly explain any 5 characteristics of microfinance loans.

Q.3 In order to ensure timely repayment in the absence of collateral, the MFIs often make use of substitutes for physical collateral. Explain any three collateral substitutes providing examples of each.

Q.4 A. Define credit risk.
B. Highlight any 2 causes of high credit risks observed in MFIs and the ways to manage them.

Q.5 Explain any 5 characteristics of individual lending.

Q.6 Explain any three challenges faced by micro insurance. Please give examples.

Q.7 A. What is the main point of difference between individual incentive scheme and group incentive scheme?
B. Write any 3 potential drawbacks of the individual incentive scheme.
C. List any two situations where individual incentive scheme is more applicable.
D. List any 3 circumstances where group incentive schemes will be more useful than individual schemes.
E. What is meant by free-riding effect? In which kind of incentive scheme will it be more prominent and why?

Q.8 A. What are the different dimensions of sustainability? Explain each briefly.
B. Explain any 5 challenges that prevent an MFI from achieving sustainability.

Q.9 Highlight any 5 screening and monitoring methodologies used by micro financiers.