



**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM / PGDM (M) / PGDM (SM)**  
**SIXTH TRIMESTER (Batch 2020-22)**  
**ENDTERM EXAMINATION, April 2022**

Course Name	<b>Micro Finance</b>	Course Code	<b>FIN 602</b>
Max. Time	<b>2 hours</b>	Max. Marks	<b>40 MM</b>

**INSTRUCTIONS**

- 1) Answer should be precise and to the point
- 2) All questions are compulsory
- 3) There is no negative marking
- 4) Use of calculator is allowed
- 5) Question paper contain two parts and both are compulsory
- 6) This is an open book exam and answers to the questions will be plagiarism checked on assignment basis in moodle with limit of 10%. Every additional 10% shall attract penalty of 5 marks
- 7) Please submit the answers of both part in MS word

**PART - A (Marks 25)**

**Qs No. 1 (Marks – 10)**

“We got rid of colonialism, we got rid of slavery, and we got rid of apartheid – everyone thought each one of them was impossible. Let us take the next impossible, do it with joy, get it finished with, and create a world free from poverty. Let us create the world of our choice.”

- I) In Indian context, How far we have been able to achieve the target to uplift the underprivileged /weaker section of society from BPL. **(Marks-5)**
- II) Explain various efforts made by RBI for successful implementation of Financial Inclusion in last decade. Whether we, as nation have been able to achieve significant improvement in this direction. How it can be accelerated further. **(Marks-5)**

**Qs No. 2 (Marks- 7)**

You have joined an NGO, which works for the upliftment of economically, and socially backward women. NGO decides to offer micro finance products to them. How you will approach the potential beneficiary and extend the various products. Explain in detail.

**Qs No. 3 (Marks-8)**

An MFI facing problems in the area of credit defaults, malpractices observed in its branches and a complete lack of coordination among the various departments. The management approaches you as consultant for a comprehensive Risk management framework. Develop a comprehensive Risk Management structure to properly address these issues.

**Part - B (Marks—15)****Qs No. 1 (Marks-3)**

M/s Reemi Micro-finance Ltd. published the following financial parameters in its annual report 2020-21 :-

- a) Yield on loan portfolio= 25%
- b) Cost of funds = 13 %
- c) Cost of loan losses = 2 %
- d) Variable operating cost = 2 %
- e) Fixed operating expenses= Rs.8,00,000/-

Using CVP analysis, compute the average portfolio of this company to achieve the Break-Even in operation

**Qs No.2 (Marks-5)**

In Qs no. 1 above, perform the stress test whereby

if yield on loan portfolio is reduced by 2 % &

Cost of loan losses & Cost of funds increase by 1% each

Determine the percentage change in operating break even.

**Qs No.3 (Marks-7)**

A borrower has taken a loan of Rs. 20000/- . MFI, in addition to interest is also charging 2% as processing Charges and one time insurance premium of 1 % of the loan amount. Both these charges are recovered upfront from the loan amount of Rs. 20000/-. Repayment Period of loan is 24 months and each month installment (EMI) is Rs. 1000/-. Interest is charged on reducing balance.

Produce a factsheet showing effective rate of Interest charged from borrower and detailed payment sheet month-wise.

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