**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FIFTH TRIMESTER (Batch 2020-22)**

**END TERM IMPROVEMENT EXAMINATION, MARCH-2022**

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| Course Name | **Microfinance** | Course Code | **40212** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

1. All questions are mandatory.
2. This is a closed book examination.
3. Answers without proper theoretical background will not fetch marks.
4. Any academic dishonesty will fetch Zero marks in the examination.
5. This question paper has five questions in two pages.

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**Question 1. (10 Marks)**

You are the representative for an SRO (Self-Regulatory Organization) for microfinance sector, and you have to meet the RBI governor, who has invited the NBFCs to discuss certain important issues. An issue in the discussion was that in the face of everybody having bank accounts (at least PMJDY bank account) and the presence of payment banks everywhere, money transfer services offered by non-banking companies would be disallowed henceforth. Prepare an argument against this proposal.

**Question 2.**

2 (a). An NBFC-MFI charges 24 percent interest rate from its customers. Its cost of funds is 9 percentage and has a total loan portfolio of Rs. 10 billion. It may be noted that the average base rate of five largest banks is 8 percentages. Evaluate the interest rate. **(2 Marks)**

2 (b). What do you mean by ‘qualifying assets’ of an MFI? **(3 Marks)**

**Question 3. (10 Marks)**

Briefly explain any five models of microfinance business.

**Question 4: (10 Marks)**

Critically examine “The Graduation Approach”. Provide your insights on the challenges in each stage of this model.

**Question 5: (5 Marks)**

“While many NGOs believe that their future will be bright when they become an MFI, they also have to face various internal and external challenges”. – Comment

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