

The Institute of Bankers Pakistan

Diploma in Microfinance

Program Guide

Preface

The microfinance industry has gained significant momentum over the last 20 years with a marked increase in activity over the last decade. This has led to an increase in demand for trained human resource for the sector worldwide. The need has also been felt sharply by the microfinance institutions and banks in Pakistan. Pakistan Microfinance Network (PMN) has played a key role as an industry platform to highlight the need for a standard benchmark qualification for management staff in this sector and the Institute of Bankers Pakistan is pleased to lend its expertise in providing an effective solution to address this need.

IBP's Diploma in Microfinance has been designed to equip management level staff working or aspiring to work in the sector with fundamental knowledge relating to product, process, policy and regulation as well as industry dynamics and international trends of the microfinance field. This shall enable them to broaden their understanding of the microfinance industry while equipping them with the necessary information to critically analyze the challenges of the industry. The program is specifically designed keeping in view the needs of working professionals and provides a unique opportunity to those who wish to enhance their professional qualification.

This book contains details about the IBP's Diploma in Microfinance. We encourage you to study this in detail and wish you the best of luck in your knowledge endeavors.

Shahnoor Meghani
Head of Strategic Initiatives
The Institute of Bankers Pakistan
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1 Aims/Objectives of IBP Diploma in Microfinance

IBP is the only recognized professional qualification awarding body in Pakistan, which is recognized by both, the State Bank of Pakistan as well as the banking and financial services industry.

IBP Diploma in Microfinance is a professional qualification which is aimed at empowering the present and aspiring prospective management-level microfinance practitioners with practical knowledge about the microfinance industry and its functions. With the rapid growth and development of the microfinance sector and its changing dynamics, the needs of the industry in terms of the knowledge required from young entrants have increased. The Institute, in order to provide the microfinance industry with the most relevant and up-to-date program and to help equip the industry recruits with essential industry expertise; has introduced the diploma program. IBP has developed the Diploma Program in a manner that is contemporary and in line with international standards both in terms of the course of study i.e. creating a comprehensive, standardized program and design which incorporates international renowned methodologies for curriculum development and assessment and testing. Furthermore, the diploma provides working professionals with the flexibility to pursue their career while enhancing their professional qualification.

The principal objective of this course is to impart knowledge and expertise in the field of microfinance. It enables students to understand the microenterprise industry, fundamental concepts and business dynamics, management of risk and monitoring of microfinance processes and performance. The course will also cover the role of regulators and the key variables of microfinance regulation.

Specific Objectives

After the successful completion of the diploma, participants will:

- Have a basic understanding of
 - The demand, supply and sources of microfinance
 - Microfinance in Pakistan and other developing countries
- Understand collateral policies and other features of microfinance
- Be able to analyze the risk management strategies, policies and the decision criteria for microfinance
- Understand the models, process and performance in microenterprise finance
- Understand the role of State Bank and regulations governing microfinance

2 ISQ Scheme of Study

The IBP Diploma in Microfinance is a self-study program with 2 assessment components which are detailed as under:

1. Research Report

Submission of a written research-based report on a topic of the candidate's selection from the choice of topics provided. Topics for the years 2014 and 2015 are listed as follows:

- i. Strategic marketing plan for microfinance institution or bank in Punjab or Sindh or Northern Areas
- ii. Credit policy for a microfinance institution
- iii. Credit policy for a microfinance bank
- iv. HR Strategy for the staff to incentivize selling micro loans
- v. Comparison of the microfinance models prevalent in Latin America and Pakistan through SWOT analysis
- vi. Identify a successful product innovation in micro credit over the last 5 years. Assess the factors contributing to its success and the impact it has on the industry
- vii. Suggest innovations in the field of screening microcredit customers and its impact on the industry
- viii. Benefits and impact of eCIB for Microfinance

The report must be original work of the candidate and should be of minimum 5,000 words and maximum 6,500 words. The report must be submitted on the day of the written assessment in hardcopy. Instructions regarding electronic copy will be provided after enrollment.

Guidelines on the structure and format of the report

The report must consist of the following sections at a minimum, candidates may add more sections as per their requirement:

- I. Executive Summary
- II. Table of Contents
- III. Scope of Report
- IV. Research Methodology
- V. Research Findings
- VI. Recommendations and Conclusion
- VII. References- Bibliography, Endnotes, Appendices (if any)

Plagiarism

The Institute takes a strict view on candidates who do not submit original work. The Institute can cancel such candidate's registration to the program and retains the right to report this unethical practice to the candidate's employer, State Bank of Pakistan and Pakistan Microfinance Network (PMN).

2. Written Exam

Appear for a three-hour long written assessment against the syllabus provided. Details of syllabus and the specific learning outcomes can be found in Section 4 and 5 respectively.

Eligibility criteria for the Diploma Program

The entry criterion for the IBP Diploma in Microfinance as follows:

- Graduate in any discipline with a minimum 2nd division.

Time Frame

Students enrolling in the Diploma in Microfinance have a maximum of 1 and a half years (1.5 years) to complete the diploma. The 1½ year period commences from the date of enrollment.

3. Diploma Program Format

The syllabus for Diploma in Microfinance has been devised in consultation with microfinance industry practitioners, Pakistan Microfinance Network (PMN) and academia and reflects the current industry requirements. The syllabus is accompanied by Specific Learning Objectives (SLOs). The SLOs are a learning resource or a tool, aiding candidates in studying the course material. The SLO plan provided in the section ahead is indicative and is meant as a study guide. Cognitive levels mentioned are also indicative and students are encouraged to study the subject deeply and beyond the stated cognitive level to enhance their learning.

Each learning objective or SLO begins with a command word, such as 'list', 'define', 'describe', 'explain' etc. Each command word is associated with a cognitive level. The command words help the candidates in identifying the level of detail expected from them in their course of study. The examination questions are also framed using the same type of command words. Please see Section 8 to obtain the definitions of the command words.

The SLOs are classified under three cognitive levels:

1. Knowledge (K)
2. Understanding (U)
3. Application of knowledge and skills (A)

Candidates must thoroughly review the following sections while preparing for their examination:

- Section 4: Syllabus
- Section 5: Specific Learning Objectives (SLOs)
- Section 6: Scheme of Assessment
- Section 7: Recommended texts and reference material
- Section 8: Definition of Cognitive Levels and Command Words of the SLOs

Disclaimer:

The Institute reserves the right to revise its policies, procedures, program structure and scheme of assessment at any point. Please refer to the Institute's website for latest information.

4. Syllabus

Microfinance

Course Topics

1. Introduction

- a) Philosophy of microfinance and its evolution globally
- b) Similarities and difference between microfinance and mainstream finance/banking
- c) The demand and supply of finance for microenterprise
- d) The nature of micro enterprise
 - i) Who are the micro entrepreneurs?
 - ii) Business dynamics of a microenterprise
 - iii) Financing needs of a microenterprise
- e) Global outlook
- f) Microfinance in a developing country
- g) Sources of financing for microenterprises
 - i) Prospects and challenges for microenterprises in Pakistani context
- h) Pakistan's microfinance industry
 - i) Prospects and challenges for microenterprises in Pakistani context
 - ii) Microenterprise: A strategy for poverty reduction, socioeconomic empowerment and gender equality
 - iii) Scope of microenterprises in building sustainable industrial and corporate sectors
 - iv) A review of microenterprise sector performance and impact on Pakistan's GDP and employment
 - v) Comparative analysis of the microenterprise models and performance in Pakistan viz. international experiences, such as India, Bangladesh, Uganda, Indonesia, South Africa etc
- i) Role of international agencies in the microfinance and leasing initiatives in Pakistan: Institutional capacity building and Funding financing/leasing operations

2. Product and services in microenterprise financing

- a) Microfinance programs and products
- b) Product innovations in microfinance services
- c) Islamic products for microfinance
- d) Types of lending
 - i) Group lending
 - ii) Individual lending
- e) Microenterprise leasing as an alternate: achievements and challenges
- f) A review and analysis of microfinance programs in Pakistan
- g) Current players in Pakistan's microenterprise finance industry

3. The main features of financing microenterprise

- a) The screening of beneficiaries
- b) Distinguishing features of microfinance
- c) Collateral policies
- d) Interest rates in microfinance
- e) Financial statements and analysis

4. Microenterprise finance – Process and Performance

- a) Analysis of the performance, and programs of international banks and financial institutions engaged in microenterprise financing
- b) The process of microenterprise financing
- c) The incentive system
- d) The microfinance control typologies
- e) Microfinance performance analysis
- f) Managing operational cost of microenterprise financing operations: volume versus pricing strategies
- g) Best practices in microenterprise financing
- h) Microfinance portfolio performance in Pakistan
- i) Collection and recovery of micro loans: strategies, prospects, impediments and performance of the formal sector in Pakistan

5. Microenterprise finance – Business Models

- a) Legal perspective – NGOs, Cooperatives and Banks

6. Risk management in microenterprise financing

- a) Risks in microfinance
 - i) Business risk
 - ii) Financial risk
 - iii) Process risk
 - iv) Political risk
- b) Risk management strategies
- c) Policies, decision criteria and collateral requirement

7. Microfinance - sustainability and outreach

- a) Microfinance sustainability – how to attain it
- b) The policies for improving sustainability
- c) The microfinance dilemma
- d) Achievements and challenges of MFIs
- e) Challenges in attaining sustainability in micro financing operations
- f) Development in consumer protection and social performance in microfinance
- g) Impact of partnerships between
 - i) Telecom companies
 - ii) Courier companies
 - iii) Post office
 - iv) Banks
 - v) Other institutes

8. Transformation and future outlook

- a) Insurances
- b) Regulatory framework
- c) Branchless banking

9. Regulations governing microfinance

- a) Determinants for regulating microfinance
- b) Key features of microfinance regulation
- c) SBP microfinance institutions regulations

5. Specific Learning Objectives (SLOs)

Microfinance

Specific Learning Objectives	Candidates Learning Outcome	Cognitive Level		
		K	U	A
1 Introduction	Candidates should be able to:			
	a. Define microfinance	*		
	b. Explain the nature and characteristics of loans that come under the umbrella of microfinance		*	
	c. Describe the characteristics of micro entrepreneurs		*	
	d. Discuss the business dynamics of micro enterprise concerns		*	
	e. Describe the products and services that popularly come under the micro enterprise realm		*	
	f. Discuss the concept of demand and supply for microfinance in a developing country		*	
	g. Discuss the financing needs of a microenterprise		*	
	h. Discuss the global trends and practices used in microfinance		*	
	i. Discuss the role of microenterprise development as a strategy for poverty reduction, socioeconomic empowerment and gender equality		*	
	j. Explain the importance of microfinance for a developing country		*	
	k. Discuss the scope of micro enterprises in building sustainable industrial and corporate sectors in Pakistan		*	
	l. Discuss the impact of microenterprise sector performance on Pakistan's GDP and employment		*	
	m. Explain the impact of microfinance on various macro economic factors of a developing country		*	
	n. Discuss the sources of financing for micro enterprise development: informal money lenders vs. formal sector institutions		*	
	o. Discuss the prospects and limitations faced by micro enterprises in accessing financing from the formal sector in Pakistan		*	
	p. Explain the role of financing in sustainable micro enterprise development for Pakistan		*	
	q. Explain the prospects and challenges faced by micro entrepreneurs in Pakistan		*	
	r. Perform comparative analysis of the micro enterprise models and performance in Pakistan viz. International experiences, such as India, Bangladesh, Uganda, Indonesia, South Africa etc			*
	s. Discuss the role played by international agencies in the microfinance and micro leasing initiatives in Pakistan		*	

2	Product and services in microenterprise financing	Candidates should be able to:	K	U	A
		a. Describe the available microfinance products and programs in Pakistan		*	
		b. Elaborate the scope of product innovations in microfinance services in Pakistan			*
		c. List the Islamic products available to micro entrepreneurs in Pakistan	*		
		d. Discuss the various types of lending products available to microenterprises		*	
		e. Discuss the types of lending models available in microenterprise financing		*	
		f. Differentiate between the group lending and the individual lending model		*	
		g. Discuss micro enterprise leasing as an alternative to micro financing		*	
		h. List the features of formalized microfinance programs in Pakistan	*		
		i. List the current players in Pakistan's microfinance industry	*		
3	The main features of financing microenterprise	Candidates should be able to:	K	U	A
		a. Describe the concept of 'screening beneficiaries' for undertaking microfinance projects		*	
		b. Discuss the importance of understanding the borrowing cause		*	
		c. Describe the distinguishing features of microfinance		*	
		d. Explain the purpose of the collateral policies set for secure microfinance lending		*	
		e. Describe the documentation requirements deemed important for microfinance		*	
		f. State the Interest rate considerations that are mandatory in micro credit	*		
		g. Discuss how to assimilate the income, expenses (operating and capex) and cash flows of a micro enterprise		*	
		h. Discuss the ways in which to interpret and analyze the income, expenses and cash flows of a micro enterprise			*
4	Microenterprise financing - Models, Processes and Performance	Candidates should be able to:	K	U	A
		a. Discuss international microfinance institutions in terms of their performance and programs.		*	
		b. Describe the microfinance process		*	
		c. Describe the features and characteristics of the incentive system used in microfinance		*	
		d. Describe the microfinance controlled typologies		*	
		e. Discuss the role that IT infrastructure can play in strengthening the microfinance process and monitoring		*	
		f. Explain reasons for using a process approach in monitoring micro enterprise concerns		*	
		g. Analyze the current microfinance performance to see if the segment is lucrative for banks			*

	h. Discuss the process of microfinance being followed industry wide in Pakistan		*	
	i. Discuss the success and failures of international banks and financial institutions engaged in microfinance		*	
	j. Discuss the financing models and programs used by international banks and financial institutions engaged in microfinance		*	
	k. Describe the volume versus pricing strategies used in managing operational cost of microfinance operations		*	
	l. Recall the best practices being used in micro enterprise financing	*		
	m. Discuss the role of collection strategies being used by microfinance banks		*	
	n. Analyze the collection and recovery performance of the microfinance banks in Pakistan			*
	o. Discuss the prospects, impediments used for recovery of micro loans		*	
	p. Discuss the challenges faced by microfinance banks in terms of their collection efforts		*	
	q. Analyze the microfinance portfolio performance in Pakistan			*
5	Microenterprise finance - Business Models			
	Candidates should be able to:			
	a. Describe the forms of legal entities that extend microfinance		*	
	b. Describe the regulatory framework that govern them based on their legal entity status		*	
	c. Explain the role of PMN in institutional capacity building of microfinance institutions		*	
6	Risk management in microenterprise financing		K	U A
	Candidates should be able to:			
	a. State the inherent risks associated with microenterprise financing	*		
	b. Differentiate among the business, financial, process and political risk for microenterprises		*	
	c. Discuss the risk mitigating policies deployed by microfinance banks and their effectiveness		*	
	d. Analyze the risk management strategies used in micro enterprise financing in various scenarios			*
	e. Discuss the decision criteria and collateral requirement for micro enterprise financing		*	
7	Microfinance - sustainability and outreach		K	U A
	Candidates should be able to:			
	a. Explain the concept of sustainability and outreach in microfinance		*	
	b. State the challenges in attaining sustainability in microfinance in the past	*		
	c. Explain the policies and practices in place for improving microfinance sustainability		*	
	d. Discuss the achievements and challenges as faced by the microfinance banks and specialized microfinance institutions		*	

	e. Discuss the developments in terms of consumer protection and social performance taking place in the microfinance arena		*	
	f. Discuss the impact of professional alliances and partnerships between microfinance institutions and telecom companies, courier companies, post office, banks and other institutes		*	
8	Transformation and future outlook	Candidates should be able to:	K	U A
	a. Explain the concept of micro insurance and how it works		*	
	b. Discuss the potential benefits that can arise out of wide-scale use of micro insurance products		*	
	c. Predict the potential challenges in providing micro insurance services		*	
	d. Recall the different regulatory frameworks exercised by different countries		*	
	e. Explain how regulatory framework can expand or limit the reach of microfinance		*	
	f. Recall some of the successful interventions by regulators which have helped boost microfinance activities		*	
	g. Discuss the role of technology in transforming the products and services available to micro enterprises		*	
	h. Forecast the impact branchless banking will have on traditional micro lending activities		*	
9	Regulations governing microfinance	Candidates should be able to:	K	U A
	a. Explain the role of the primary regulatory body in ensuring smooth micro credit operations in Pakistan		*	
	b. Describe the key variables for microfinance regulation		*	
	c. Describe the determinants for regulating projects under microfinance		*	
	d. Recall SBP's regulations for microfinance		*	

6. Scheme of Assessment

Both components of assessment i.e. the Research Report and the Written Examination will be independently assessed. Candidates are required to pass each component independently to qualify for the diploma. Each component comprises of 100 points. Marks distribution is as follows:

a) Research Report

- I. Executive Summary- 10 marks
- II. Table of Contents
- III. Scope of Report- 5 marks
- IV. Research Methodology- 10 marks
- V. Research Findings- 25 marks
- VI. Recommendations and Conclusion- 40 marks
- VII. References- Bibliography, Endnotes, Appendices (if any)- 10 marks

Total: 100 marks

b) Written Exam

The tentative pattern of the examination paper along with marks distribution is as follows:

Type of Question	No. of Questions	Marks / Question	Total Marks
MCQs	30	1.5	45
CRQs	5	5	25
ERQs	3	10	30
Total	38		100

There will be one examination for the course every six months. Details of exam cycle are available on IBP's website.

The duration of the examination will be 2-3 hours.

All Constructed and Extended Response Questions will be in a booklet which will also serve an answer script.

Key Definitions

i) Multiple-Choice Questions (MCQs)

Multiple-choice question is a form of assessment in which respondents are asked to select the best possible answer (or answers) out of a list of choices. Only one answer can be keyed as correct.

ii) Constructed Response Questions (CRQs)

Constructed Response questions are open-ended, short answer questions that measure application-level cognitive skills as well as content knowledge. These questions provide candidates with the opportunity to generate and weave ideas into a short response. The candidate supplies a response in the form of a few sentences, a graphic organizer, or a simple drawing/diagram with explanation.

iii) Extended Response Questions (ERQs)

Extended constructed-response questions are lengthier and more complex exercises that allow for a finer level of discrimination in scoring the responses. Extended-response questions require candidates to consider a situation that demands more than a numerical response or a short verbal communication. Candidates are required to model, as much as possible, real problem solving in a large-scale assessment context.

Attempts

Candidates will be required to submit the hard copy of the report on the day of the written exam. Details of electronic submission will be shared at the time of enrollment. In the instance the examiner finds the report lacking in any manner, the candidate will be contacted electronically to submit a re-worked version within 5 working days to be eligible to pass in the same session. Candidates who do not pass either or none of the two components of assessment in the first session will have the option of 2 retakes.

7. Recommended Texts & Reference Materials

Recommended Readings:

- | | |
|-----------------------------------|--|
| 1. Institute of Bankers, Pakistan | Microfinance |
| 2. Institute of Bankers, Pakistan | Role of Micro Credit in Economic Revival and Poverty Alleviation |

Supplementary Readings:

- | | |
|---------------------------------------|--|
| 1) The Microfinance Revolution: | Sustainable Finance for the Poor |
| 2) Access for All: | Building Inclusive Financial Systems |
| 3) Banker to the Poor: | Micro-Lending and the Battle against World Poverty |
| 4) ITCILO - Making Microfinance Work: | Managing for Improved Performance |
| 5) ITCILO - Making Microfinance Work: | Managing Product Diversification |

8 Definition of Cognitive Levels and Command Words of the SLOs

i) Cognitive Levels (Knowledge, Understanding and Application)

Knowledge (K)

This requires knowing and remembering facts and figures, vocabulary and contexts, and the ability to recall key ideas, concepts, trends, sequences, categories, etc. It can be taught and evaluated through questions based on: who, when, where, what, list, define, identify, label, quote, name, state, etc.

Understanding (U)

This requires understanding information, grasping meaning, interpreting facts, comparing, contrasting, grouping, inferring causes/reasons, seeing patterns, organizing parts, making links, summarizing, solving, identifying motives, finding evidence, etc. It can be taught and evaluated through questions starting with: why, how, show, demonstrate, paraphrase, interpret, summarize, explain, prove, identify the main idea/theme, predict, compare, differentiate, discuss, chart the course/direction, report, solve, etc.

Application (A)

This requires using information or concepts in new situations, solving problems, organizing information and ideas, using old ideas to create new ones, generalizing from given facts, analyzing relationships, relating knowledge from several areas, drawing conclusions, evaluation worth, etc. It can be taught and evaluated through questions starting with: distinguish, analyze, show relationship, propose an alternative, prioritize, give reasons for, categorize, illustrate, corroborate, compare and contrast, create, design, formulate, integrate, re-arrange, reconstruct/recreate, reorganize, predict consequences etc.

ii) Definition of Command Words

Knowledge

Arrange:	To put something in a particular order
Define (the term or terms):	Only a formal statement or equivalent paraphrase is required. No examples need to be given. Specify meaning.
Find:	A general term that may variously be interpreted as calculate, measure, determine etc.
Give:	Provide meaning or quantity or a fact about something
Identify:	Describe with specific examples of how a given term or concept is applied in daily life
List:	Name item-by-item, usually in one or two words, precise information such as dates, characteristics, places, names.
Measure:	To determine extent, quantity, amount or degree of something as determined by measurement or calculation
Name:	Mention the commonly used meanings of things, objects, people, books, etc
Outline:	Implies brevity, i.e. restricting the answer to giving essentials
Recall:	To bring back to mind and write down, as it is given in the text you have already memorized
Recognize:	Involves looking at a given example and stating what it is
Skim:	To read quickly to search for key information

State:	Implies a concise answer with little or no supporting argument
Use:	To deploy the required attribute in a constructed response
Write:	To construct full sentences of continuous prose, not abbreviated text

Understanding

Acknowledge:	To accept that is true
Appreciate:	To judge with heightened perception or understanding
Arrange:	To put something in particular order
Clarify:	Implies further explanation of any given information that elaborates the key components
Comment:	Present an informed opinion
Compare:	List the main characteristics of two entities clearly identifying similarities (and differences). Identify similarities and differences.
Comprehend:	To understand something that is complicated/difficult
Conceptualize:	Make an understanding on a given topic with the help of examples, graphs and data, etc
Convey:	Use or apply appropriately in context
Deduce:	Go beyond the information given to draw a conclusion which is not explicitly stated in the stimulus material
Describe:	Requires Candidates to state in words (using diagrams where appropriate) the main points of the topic. It is often used with reference either to particular phenomena or to particular experiments. In the former instance, the term usually implies that the answer should include reference to (visual) observations associated with the phenomena.
Develop:	To make an argument or ideas clearer by studying it in more detail. To build a statement
Differentiate:	Identify those characteristics which always or sometimes distinguish two categories
Discuss:	Present advantages and disadvantages or strengths and weakness and give a conclusion
Distinguish:	To identify those characteristics which always or sometimes distinguish between two categories
Draw:	Implies a simple free hand sketch or diagram. Care should be taken with proportions and the clear labeling of parts.
Elaborate:	Clarify or enrich given statements or definitions, by providing relevant details or examples
Eliminate:	To remove a variable from two or more simultaneous equations
Establish:	To prove correct or true on the basis of facts, argument or other evidence to come to conclusion
Explain:	May imply reasoning or some reference to theory, depending on the context
Explore:	To examine or discuss something carefully in order to find out more about it
Express:	Use appropriate vocabulary, language structure and intonation to communicate thoughts and feelings
Follow instruction:	Demonstrate an understanding of the information given especially the required sequence of events
Highlight:	To bring to front, make evident, bring to light, with emphasis
Identify:	Select the most appropriate from many possibilities on the basis of relevant characteristics. It will not normally be expected that the Candidate justifies the choice unless specifically asked to do so.
Illustrate:	To give clear examples to state, clarify or synthesize a point of view
Infer:	Go beyond the information given to identify what is implied but not stated
Interpret:	Clarify both the explicit meaning and the implications of given information
Investigate:	Thoroughly and systematically consider a given problem or a statement in order to find out the result or rule applied

Make a relationship:	Put different items together to develop a set of related data
Outline:	Set out the main characteristics
Paraphrase:	Repeat a text using different words
Point out:	Pick out and recognize specific information from a given content and/or situation
Practice:	Doing an activity or training regularly so that you can improve your skills
Predict/anticipate:	Make inferences about probable/possible turns of event from the information given so far
Present:	To write down in a logical and systematic way in order to make a conclusion or statement
Prove:	Propose a base to support the outcome
Rectify:	To correct something that is wrong
State:	Implies a concise answer with little or no supporting argument
Suggest:	To put forward an idea or a plan
Summarize:	Write a shorter version of a given text capturing the main points and eliminating detail. The writing must be grammatical and the referent of each statement must be clear.
Verify:	To prove, check or determine the correctness and accuracy of laws, rules or reference given in the set task

Application

Analyze:	Use information to relate different features of the components of specified material so as to draw conclusions about common characteristics. Break information into component parts and identify characteristics.
Advise:	Suggest solutions, with justification, to problems
Apply:	To use the available information in different contexts to relate and draw conclusions
Assess:	Make an informed judgment
Calculate:	Show workings to arrive at a numerical answer
Clarify:	Implies further explanation of any given information that elaborates the key components
Classify:	State a basis for categorization of a set of related entities and assign examples to categories
Compare and Contrast:	Involves (a) listing the main points or characteristics of two distinct and (b) clearly identifying similarities and differences between characteristics
Compose:	Form a piece of writing with a number of parts
Comprehend:	To understand something that is complicated/difficult
Construct:	To bring together given elements in a connected or coherent whole
Convey:	Use or apply appropriately in context
Demonstrate:	To show by argument, facts or other evidences the validity of a statement or phenomenon
Derive:	To arrive at a general formula by calculating step by step
Elaborate:	Clarify or enrich a given statement or definition, by providing relevant details or examples
Evaluate:	Make a judgment based on evidence
Formulate:	To develop a plan or proposal and decide all the details of how it will be done
Portray:	To describe or represent something or someone. To describe or show someone or something in a particular way according to your opinion of them
Predict/anticipate:	Make inferences about probable/possible turns of event from the information given so far
Summarize:	To express the most important facts and ideas in a short and clear form

9. **Linkage between ISQ- JAIBP and IBP Diploma in Microfinance**

The linkage between ISQ- JAIBP and the Diploma in Microfinance is limited. Both are stand-alone awards and have a distinct registration process.

The Institute does allow those JAIBP candidates who have passed Microfinance as their specialization subject to pursue the Diploma in Microfinance and be exempt from the written exam. Such candidates will have to pass the written report component of the assessment to receive the Diploma.

Similarly candidates who have completed their Diploma in Microfinance will be exempt from appearing for the specialization subject exam for completion of JAIBP.

The fee structure for both programs is distinct and each program will follow its respective fee structure.

For details about the latest fee structure please refer to the IBP website.