



The Institute of
Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks:100

Date: December 12, 2019

**Microfinance
JAIBP (Specialization)**

Roll No:

Instructions:

- Attempt ALL questions;
- Answers must be neat, relevant and brief;
- In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, presentation and language;
- Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- DO NOT write your Name, Access No. or Roll. No. etc. anywhere inside the answer script(s);
- Candidates are advised not to mark any of the objective answer on the question paper, otherwise their paper will be cancelled;
- Question Paper must be returned to invigilator before leaving the examination hall.

SECTION B: SUBJECTIVE

All the questions from Section B are compulsory.

(55 Marks)

Q1. State the characteristics of Effective Individual Lending Models used by Microfinance Institutions across the world. (Any five) **(05 Marks)**

Q2. Discuss the role of Information Technology in Microfinance. **(05 Marks)**

Q3. A group of persons plans to use the funds to setup a Microfinance Institution, which will operate in several districts of Baluchistan.

Devise a plan to setup a non-bank Microfinance Institution. Use your knowledge of the different Regulatory frameworks, registration processes and corporate governance to structure your answer.

(10 Marks)

Q4. Three different microenterprises have submitted a loan application form in your Microfinance Bank branch. The following quantitative and qualitative data can be extracted from their submissions:

Particulars in Loan Form	Microenterprise A	Microenterprise B	Microenterprise C
Industry	Knitwear	Woodwork	General Store
Monthly Sales (Rs.)	50,000	60,000	60,000
Purpose of Loan	Working Capital Needs	Expansion	Expansion
Gross Profit Margin	20%	40%	40%
Geographical Location	Urban	Urban	Urban
Interest Coverage Ratio	0.9 times	2.0 times	1.2 times

A. Calculate the Monthly Gross Profit for Microenterprise A.

(01 Mark)



- B. What is meant by Working Capital Needs? **(01 Mark)**
- C. Describe with reasons, to which of the three Microenterprises you will extend the loan? **(03 Marks)**
- Q5.** A Microfinance Bank is exposed to Transaction Risk and Portfolio Risk. The Portfolio at Risk has risen by 10% since last year.
- A. State the difference between a Transaction Risk and a Portfolio Risk. **(01 Mark)**
- B. What is meant by the Bank having a rising Portfolio at Risk? **(02 Marks)**
- C. Discuss methods to mitigate Credit Risk. **(07 Marks)**
- Q6.** Zindagi Microfinance Bank is performing well in the microfinance banking industry according to the motive “Developing its Human Resources to Develop its Markets”.
- According to above mentioned motive, answer the following:
- A. State ways an MFB can develop its Human Resources for sustainability goals. **(05 Marks)**
- B. State the knowledge areas the employees of an MFB should possess to deliver services effectively to the society. **(05 Marks)**
- Q7.** Describe advantages and disadvantages of Automated Teller Machine (ATM) for microfinance banks. **(10 Marks)**

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