



The Institute of Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks:100

Date: November 22, 2022

**SME Banking
JAIBP (Specialization)**

Roll No:

Instructions:

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

SECTION B: SUBJECTIVE

Attempt ALL Questions.

(55 Marks)

- Q1.** State Bank of Pakistan has defined the Small Enterprise (SE) and Medium Enterprise (ME) in Prudential Regulations separately. State the regulation number and criteria for both enterprises. **(04 Marks)**
- Q2.**
- a. SMEs are defined as independently owned, mostly by families, individuals or small groups of individuals. In relation to above, list any **FIVE** positive and **FIVE** negative aspects of SMEs. **(05 Marks)**
 - b. Briefly explain Asset-based Finance? **(05 Marks)**
- Q3.**
- a. There are number of challenges faced by SMEs in Pakistan; one of which is Quality Control Problems. Write a short note on Quality Control Problems. **(05 Marks)**
 - b. Briefly discuss the requirement of audited accounts from Small Enterprises as defined in Prudential Regulations issued by State Bank of Pakistan. **(05 Marks)**
- Q4.** Discuss any **TWO** of the following: **(04 Marks)**
- a. TDAP
 - b. The Ministry of Science and Technology
 - c. The National Productivity Organization
 - d. Chamber of Commerce and Industry
- Q5.** Diversification of loan portfolio is very important, how banks can achieve the diversification by extending loan to SMEs. **(05 Marks)**
- Q6.** List down the key financial metrics used in SME financing. **(10 Marks)**
- Q7.** Ahmed Foods is a rice exporter from Pakistan. Data presented below is extracted from its audited financials for FY 2021. **(08 Marks)**



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<i>Description</i>	<i>Rupees in million</i>
Current Assets	100
Current Liabilities	60
Inventory	40
Gross Profit	25
Sales and General Expenses	10
Interest Expense	5
Taxes	5
Non-Current Assets	50
Current Portion of Long-Term Maturity	5
Sales	200

Calculate and interpret the following ratios.

- Current Ratio
- Net Profit Margin
- Return on Assets
- Interest Coverage Ratio

Q8. Enlist any **FOUR** services provided by SMEDA for promotion of SME sector in Pakistan. **(04 Marks)**

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