



The Institute of Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks:100

Date: June 21, 2023

**SME Banking
JAIBP (Specialization)**

Roll No:

Instructions:

- i. Attempt ALL questions;
- ii. Answers must be neat, relevant and brief;
- iii. In checking the answers, the examiner takes 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.
- viii. Ensure that you shade your choice on the Optical Mark Reader sheet correctly. Only ONE circle must be shaded as shown below:

Correct Way: A B C D (Choice B is selected)

Incorrect Ways: A B C D

SECTION B: SUBJECTIVE

Attempt ALL Questions.

(55 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.** State Bank of Pakistan has developed prudential regulations for SMEs, which work as guiding principle for banks. Explain what Regulation (SME R-5) entails and why it is important for the proper utilization of loan. **(05 Marks)**

Q3.

Write down the factors responsible for the importance of SMEs in developing country like Pakistan.

(10 Marks)

Q4.

A. What are the boundaries of credit scoring solutions, and how do they limit the usefulness of this approach? **(05 Marks)**

B. SMEs in Pakistan face number of challenges. Enlist any **TEN** of them? **(10 Marks)**

Q5.

A. Write a note on the importance of diversification of loan portfolio. **(05 Marks)**

B. Enlist any **FIVE** bodies that are most directly responsible for SME development and promotion in Pakistan. **(05 Marks)**

Q6.

List down the key financial performance metrics used in SME financing.

(10 Marks)

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