



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2019_2 EXAMINATION

COURSE CODE: BFN737

CREDIT UNIT: 2

COURSE TITLE: MICRO AND SMALL BUSINESS FINANCING

TIME ALLOWED: 2 Hours

INSTRUCTIONS:

- 1. Attempt question Number one (1) and any other two (2).**
- 2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each.**
- 3. Present all your points in coherent and orderly manner.**

1. (a) Identify five (5) documents that must be submitted before accessing Loan from Bank of Industry in Nigeria. **5marks**
- (b) Discuss extensively two (2) major sources of finance available in Nigeria. **12marks**
- (c) Enumerate eight (8) of the services a Microfinance bank could render. **8marks**
- (d) Highlight five of the objectives of microfinance reforms in Nigeria. **5marks**

- 2 (a) Differentiate between external and internal business risk. **3marks**
- (b) Discuss briefly six (6) internal risks that could business operations in Nigeria. **12marks**
- (c) Explain four (4) sources of working capital to business in Nigeria. **5marks**

- 3 (a) Highlight five of the challenges of Small Scale Businesses in Nigeria. **10marks**
- (b) What are four (4) uses of capital in business? **5marks**
- (c) Discuss four (4) ways a business could build up its goodwill. **5marks**

4. (a) Explain the term Financial Ratio and identify four (4) limitations of ratios. **4marks**

(b) Identify four (4) categories of ratios and show how each ratio is computed. **16marks**

5. (a) Classify five (5) facilities under CBN intervention fund to be managed by Bank of

Industry to improve SMEs access to loan financing facility. **7½mark**

(b) Explain five (5) conditions for eligibility in accessing this facility. **7½marks**

(c) Enumerate five (5) engagements covered under the fund. **5marks**