

**Course Code: BFN737**

**Credit Unit: 2.**

**Course Title: MICRO AND SMALL BUSINESS FINANCING**

**Time Allowed: 2 HOURS**

**Instructions:**

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

## **THEORY QUESTIONS**

### **Question ONE**

- a. Nigerian Government has continuously made significant efforts towards reforming the Microfinance banks for optimal performance. State six (6) of these efforts. **(12marks)**
- b. Discuss the concept of Hire Purchase Arrangement as a source of funding to Small and Medium Scale Enterprises (SMEs) in Nigeria **(9marks)**
- c. State three (3) features of hire purchase arrangement **(9 marks)**

### **Question TWO**

- 2a. Discuss exhaustively five (5) challenges confronting Small and Medium Scale Enterprises (SMEs) in developing economies **(15marks)**
- 2b. The Nigerian government is worried about the problem of financial exclusion and efforts are on the top gear to drive financial Inclusive strategies. Explain the concept of Financial Inclusion **(5marks)**

### **Question THREE**

- a. Explain the concept of a Bond as a source of funding to companies in Nigeria **(11 marks)**.
- b. To improve access to finance by SMEs, the Central Bank of Nigeria approved the investment of the sum of N500 billion debenture stock to be issued by the Bank of Industry (BOI) with effect from May, 2010. Discuss three objectives of the Fund **(9 marks)**.

### **Question FOUR**

- (a) Discuss the concept of Working Capital Management **(10marks)**
- (b) State four (4) sources of working capital to Small and Medium Scale Enterprises in Nigeria. **(10 marks)**