



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi, Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_1 EXAMINATION

COURSE CODE: BFN737 CREDIT UNIT: 2
COURSE TITLE: MICRO AND SMALL BUSINESS FINANCING
TIME ALLOWED: 2 HOURS

Instructions:

Attempt question number one (1) and any other two (2).

Question number 1 is compulsory and carries 30 marks while the other 2 questions carry 20 marks each. Present all your points in coherent and orderly manner.

1(a) Anecdotal evidence has shown that only 46 per cent of the world adults have access to financial services. Therefore discuss four major challenges facing financial inclusion generally. (10marks)

(b) Discuss the challenges facing micro finance banking in Nigeria (10 marks)

(c) Discuss five (5) different sources of equity and debt. (10marks)

2(a) Small Scale Businesses have suffered a lot of setbacks in Nigeria due to a lot of factors. Therefore discuss some of the problems posing serious challenges to small scale businesses in Nigeria (10 marks)

(b) Outline five Classifications of Leasing Transaction (10marks)

3(a) Discuss the relationship that exists amongst Leasing, Hire Purchase and Factoring (10 marks)

(b) To ensure the effective provision of micro-credit to MSMEs especially those managed by the economically active poor and the low-income households, discuss the specific objectives of the revised 2005 microfinance policy of government, which must met. (10 marks)

4(a) There are certain risks associated with the internal intricacies of a business operations. Elaborately, discuss these internal risks. (10 marks)

(b) List and show the formular of various types of Profitability Ratios (10 marks)