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**ZIMBABWE EZEKIEL GUTI UNIVERSITY**  
**COLLEGE FOR LIFELONG LEARNING**

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**FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS**

**EXAMINATION PAPER**

**MODULE CODE : DMF113**

**MODULE TITLE : Introduction to Microfinance**

**DURATION : 2 Hours**

**LEVEL : 1:1 09 JUN 2025**

**DATE : .....**

**INSTRUCTIONS TO CANDIDATES:**

1. Answer all questions
2. Number of marks for part questions are shown in brackets
3. Start each question on a new page
4. This paper consists of two (2) pages
5. Answer sheets are provided

**Section A: Multiple Choice Questions (10 marks)**

**Answer all questions. Each question is worth 2 marks.**

1. Which of the following best describes the primary objective of microfinance institutions (MFIs)?
  - A. Providing credit to high-income individuals
  - B. Promoting financial inclusion for low-income populations
  - C. Maximizing shareholder profits
  - D. Investing in international markets
  
2. What trend has most significantly impacted microfinance over the past two decades?
  - A. Expansion of physical bank branches
  - B. Digital banking and mobile money solutions
  - C. Decreasing regulatory oversight
  - D. Fixed interest rate policies
  
3. Which research methodology is most frequently used to assess the impact of microfinance interventions on poverty alleviation?
  - A. Randomized controlled trials
  - B. Historical data review
  - C. Opinion surveys only
  - D. Descriptive case studies
  
4. In microfinance, what does the term "client-centric" best practice refer to?
  - A. Developing one-size-fits-all financial products
  - B. Tailoring financial products and services to meet clients' unique needs
  - C. Focusing on administrative efficiency
  - D. Prioritizing internal financial controls over client engagement
  
5. Which challenge is most commonly encountered by MFIs as they scale up operations?
  - A. Excess liquidity

- B. Regulatory constraints and rising operational costs
- C. Lack of client demand
- D. Over-diversification of financial products

**Section B: Structured Questions (90 marks)**

**Answer all the following questions. Allocate your responses as indicated by the marks.**

1. Discuss the evolution of microfinance over the past two decades. In your answer, explain the major trends—including the rise of digital technologies and regulatory shifts—that have influenced the sector. Consider the impact of global socio-economic changes on microfinance strategies. (20 marks)
2. Critically analyze various methodologies used for evaluating microfinance programs. Discuss the advantages and limitations of randomized controlled trials, quasi-experimental designs, and case study approaches in measuring both social and financial impact. **\*\*(20 marks)\*\***
3. Outline best practices in managing microfinance institutions. Address components such as risk assessment, financial product design, and client relationship management. Support your discussion with examples of MFIs that have successfully implemented these practices to achieve sustainability and growth. (25 marks)
4. Evaluate the role of technology in enhancing microfinance service delivery. Discuss how innovations such as mobile banking, digital platforms, and data analytics have reshaped product distribution, risk management, and overall MFI operations. (25 marks)

1/0 Pm