



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with A+ Grade by NAAC. Recognized by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II- October 2024

SEMESTER III

Class : II UG
Major : B. Com

Time:2 Hours
Maximum Marks:60

23BCOSE1A-Banking and Micro Finance
Financial Arithmetic and Basics of Micro Finance and Lending

Course Outcomes:

- CO1. Understanding the basics of financial arithmetic
- CO2. Analyze the structure and need of Micro finance in the market
- CO3. Obtain the knowledge on concepts, types and ideology behind Micro finance
- CO4. Acquire knowledge on different loan products
- CO5. Appreciate the role of regulatory authorities of MFIs

Part-A

Choose the correct answer

- (6x1=6)
1. The whole community is treated as one unit in
a. Association model b. Community banking model c. SHG model d. JLG model **CO3K2**
Joint liability model
2. Which is not a financial risk? **CO3K2**
a. Mission drift b. Staff fraud c. Inefficient staff performance d. Interest rate risk
3. In micro finance the demand side constraint is **CO4K1**
a. Lack of awareness b. Distance from bank branch c. Unsuitable product
d. Communication
4. The model based on community based credit and savings association is **CO4K1**
a. Intermediaries model b. Peer pressure model c. Village banking model d. Grameen model
5. The full form for LTV is **CO5K2**
a. Long term value b. Lend to value c. Lack of value d. Loan to value
6. The collateral that leads to cash flow issues is **CO5K2**
a. Blanket lien b. Invoices c. Inventory d. Real estate

Part- B

(3x6=18)

Answer ALL Questions

Each answer should not exceed 400 words or two pages

7. a. Explain the factors affecting operating expenses of MFIs. **CO3K2**
(or)
7. b. Explain the differences between SHG and JLG models. **CO3K2**
8. a. Identify the value added services of MFIs. **CO4K3**
(Or)
8. b. Compare the financial viability and sustainability in micro finance institutions. **CO4K2**
9. a. Identify the differences between secured and unsecured loans. **CO5K3**
(Or)
9. b. Summarize the different types of collateral security. **CO5K2**

Part-C

(3x12=36)

Answer ALL questions

Each answer should not exceed 800 words or four pages

10. a. Identify the different functional risks faced by MFIs. **CO3K3**
(Or)
10. b. Discover the risk management process of MFIs. **CO3K3**
11. a. Explain the funding structure of MFIs. **CO4K2**
(Or)
11. b. Discover the structure of micro finance industry and constraints on MFIs growth. **CO4K3**
12. a. Identify the various concepts of lending. **CO5K3**
(Or)
12. b. Discover the regulatory authorities of banks and micro finance institutions. **CO5K3**