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School of Business
Bachelor of Business Administration
Semester End Examination - May 2024

Duration : 180 Minutes
Max Marks : 100

Sem VI - D1UE602T - Msme Credit and Micro Finance

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Considering the challenges faced by microfinance institutions in reaching remote areas, propose & produce innovative approaches to expand financial services to underserved populations. K3 (6)
- 2) Consider a scenario in a community where microfinance is actively used. You are supposed to examine the gender dynamics within microfinance, specifically addressing the challenges and opportunities for women, both as clients and entrepreneurs? Discuss how microfinance plays a role in empowering women economically and fostering social equality in this particular situation. K3 (9)
- 3) Analyze the correlation between MSME growth and job creation in specific industries or regions. K4 (4)
- 4) Imagine a group of passionate environmentalists seeking funding for a reforestation initiative. Explain reward-based crowdfunding, emphasizing its perks like offering donors exclusive rewards. Contrast with equity-based crowdfunding, which provides investors with ownership stakes. Discuss advantages such as diverse funding sources and potential for higher returns, alongside limitations like regulatory complexities and dilution of control for entrepreneurs. K4 (8)
- 5) In a scenario where a social enterprise aims to launch a sustainable agriculture project, elucidate the benefits of choosing crowdfunding over traditional fundraising avenues. Highlight advantages such as direct engagement with supportive communities, rapid access to capital, and the ability to test market demand, enabling the venture to garner grassroots support and validate its innovative approach. K4 (8)

6) Conclude into a comprehensive exploration and analysis of the State Industrial Development Corporations (SIDCs), unraveling their multifaceted role and functions in fostering industrial growth at the state level. K5 (10)

7) Assess the multifaceted risks encountered by Microfinance Institutions (MFIs) in their operations, encompassing aspects such as credit risk, liquidity risk, operational risk, and regulatory risk. Explore how these risks can undermine the stability and sustainability of MFIs, potentially impacting their ability to serve vulnerable populations effectively. K5 (10)

8) In the outskirts of Dehradun, a hilly region in northern India, a government-led initiative has established Self-Help Groups (SHGs) as pivotal entities for delivering financial services to underserved communities. These SHGs act as instrumental vehicles, forming a symbiotic relationship with microfinance institutions to enhance financial inclusion and uplift the economic well-being of community members. K5 (15)

Questions –

1. Explore the symbiotic dynamics between SHGs and microfinance in the Dehradun initiative. Analyze the collaborative mechanisms that facilitate this symbiotic relationship.

2. Assess the tangible impact of SHGs on financial inclusion in the Dehradun region. Evaluate the role of SHGs in breaking down barriers to financial access and fostering a culture of financial inclusion among community members.

3. Delve into the economic well-being of community members facilitated by SHGs. What specific economic improvements have been observed as a result of SHGs providing microcredit and other financial services?

- 9) Read the case and answer the following questions - The collaborative efforts of various institutions such as SIDO, SIDBI, NSIC, Commodity Boards, State Directorate of Industries, SIDC's, SFC, District Industries Centre, and MUDRA Bank, coupled with strategic policies focusing on credit, equity, and technology, have played a pivotal role in propelling India's MSME sector towards sustained growth and global competitiveness. This comprehensive approach has not only addressed immediate challenges but has also laid the foundation for a robust and resilient MSME ecosystem. The introduction of the Policy of Technology Upgradation in small enterprises (OCTEI) marked a significant step towards aligning MSMEs with global technological standards. Small enterprises actively issued equity to fund technology upgrades, thereby enhancing their capabilities and enabling them to compete on a global scale.

Q1: How have collaborative efforts among institutions such as SIDO, SIDBI, NSIC, Commodity Boards, State Directorate of Industries, SIDC's, SFC, District Industries Centre, and MUDRA Bank contributed to the sustained growth and global competitiveness of India's MSME sector?

Q2: What role have strategic policies focusing on credit, equity, and technology played in propelling the MSME sector towards sustained growth?

Q3: How has the Policy of Technology Upgradation in small enterprises (OCTEI) impacted the MSME sector, and in what ways has it aligned these enterprises with global technological standards?

- 10) Read the case and answer following questions -In a concerted effort to drive community development, a non-profit organization initiated a donation-based crowd-funding campaign, leveraging grassroots outreach and digital platforms to engage individuals in supporting their cause. Through compelling storytelling and targeted outreach efforts, the organization effectively mobilized a diverse array of stakeholders to contribute towards the project. The campaign's resounding success not only surpassed fundraising goals but also served as a catalyst for raising awareness about the organization's mission and the pressing issues it aims to address. As donations poured in from supporters near and far, the campaign not only provided crucial financial resources for the community development project but also galvanized a broader movement of solidarity and support for the organization's overarching goals.

Questions –

1. Evaluate the impact of donation-based crowd-funding in supporting social causes and community development projects. 6 Marks
2. Analyze the strategies employed by non-profit organizations to effectively engage donors in crowd-funding campaigns. 6 Marks
3. Discuss the challenges faced by non-profits in sustaining donor engagement and long-term support beyond the campaign duration. 6 Marks