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Total Number of Pages: 02

Course: MBA  
Sub\_Code: 18MBA401F

4<sup>th</sup> Semester Regular Examination: 2023-24

SUBJECT: Rural Credit & Micro Finance

BRANCH(S): GM, MBA

Time: 3 Hour

Max Marks: 100

Q.Code: P064

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

**Part-I**

**Q1 Answer the following questions: (2 x 10)**

- a) What are the primary objectives of financing rural development as outlined by the Reserve Bank of India (RBI)?
- b) How does the National Bank for Agriculture and Rural Development (NABARD) contribute to financing rural development in India?
- c) What specific roles do cooperative banks play in financing rural development initiatives?
- d) How do financial institutions differentiate their financing approaches for various agricultural activities such as crop farming, horticulture, and animal husbandry?
- e) How do financial institutions assess the creditworthiness of farmers applying for crop loans, and what factors are considered during the evaluation process?
- f) Can you explain the typical documentation requirements for farmers seeking crop loans, including land records, crop details, and other necessary paperwork?
- g) What are the primary challenges faced by rural banks in effectively delivering financial services to rural communities?
- h) Can you identify some of the key obstacles hindering the expansion of banking services in remote rural regions?
- i) How has microfinance evolved over the years, and what are the key principles underlying its operation?
- j) Can you discuss the impact of microfinance on poverty alleviation and economic development in low-income communities?

**Part-II**

**Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)**

- a) Could you elaborate on the lending schemes and programs initiated by Regional Rural Banks (RRBs) to support rural development projects?
- b) Can you discuss any recent initiatives or policy changes by RBI, NABARD, or other financial institutions aimed at enhancing rural development financing?

- c) Could you elaborate on the financing options available for the establishment and management of social forestry programs, including agroforestry and afforestation projects?
- d) What are some innovative financing models or partnerships between financial institutions and agricultural stakeholders to promote sustainable practices in horticulture, fishery, and social forestry?
- e) Can you discuss any recent policy changes or initiatives by governments or financial regulators aimed at enhancing access to finance for agricultural and allied activities, particularly in the context of horticulture, fishery, and social forestry?
- f) What are the common terms and conditions associated with crop loans for irrigation purposes, including interest rates, repayment periods, and collateral requirements?
- g) What role do financial institutions play in providing crop loans to support the development of the rural nonfarm sector, and what types of activities are typically eligible for financing?
- h) What are the main reasons for the high level of non-performing assets (NPAs) in rural banking portfolios, and what measures can be taken to mitigate credit risk in lending to the rural sector?
- i) What are the prospects for increasing the outreach of priority sector lending in rural areas, and how can financial institutions align their lending practices with government-mandated targets?
- j) Can you identify emerging opportunities for rural banks and financial institutions in diversifying their product offerings to cater to the evolving needs of rural customers, beyond traditional agriculture-focused lending?
- k) How does microfinance contribute to empowering women and marginalized groups in society, and what are some successful examples of microfinance initiatives targeting these demographics?
- l) Can you explain the role of insurance products in microfinance, including health insurance, crop insurance, and life insurance, and how they mitigate risks for low-income households?

### Part-III

#### Only Long Answer Type Questions (Answer Any Two out of Four)

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|-----------|--|-------------|
| <b>Q3</b> | Explain about the functions and policies of RBI in Rural Banking.    | <b>(16)</b> |
| <b>Q4</b> | Elaborate about financing agricultural and allied activities.        | <b>(16)</b> |
| <b>Q5</b> | Describe about microfinance products and services in Rural India.    | <b>(16)</b> |
| <b>Q6</b> | What are the different micro-finance credit lending models? Explain. | <b>(16)</b> |