


Name:			
Enrolment No:			
<div><div>UPES</div><div>End Semester Examination, May 2025</div></div>			
Course: Rural Finance		Semester: IV	
Program: MBA-Finance		Time: 3 hrs.	
Course Code: FINC8056		Max. Marks: 100	
Instructions: Kindly read all the questions carefully.			
<div>SECTION A</div> <div>10Qx2M=20Marks</div>			
S. No.		Marks	CO
	Statement of question		CO1
Q 1.1	Which committee shifted the focus from calorie intake to consumption expenditure for measuring poverty? a. Tendulkar Committee b. Lakdawala Committee c. Rangarajan Committee d. Alagh Committee	2	CO1
Q 1.2	Which of the following is NOT a commonly used method for measuring poverty? a. Headcount Ratio (HCR) b. Poverty Gap Index (PGI) c. Human Development Index (HDI) d. Lorenz Curve	2	CO1
Q 1.3	Which method measures poverty by comparing an individual's income to the median income of the society? a. Absolute poverty method b. Relative poverty method c. Food Security method d. Capability approach	2	CO1
Q 1.4	Which committee introduced the concept of urban and rural separate poverty lines based on different consumption baskets? a. Lakdawala Committee b. Rangarajan Committee c. Saxena Committee d. Tendulkar Committee	2	CO1

Q 1.5	Which of the following is NOT a reason why formal lenders hesitate to provide credit to the poor? a. Lack of collateral b. High risk of default c. Low profitability from small loans d. Excess government subsidies for poor borrowers	2	CO1
Q 1.6	Which of the following is NOT a typical consequence of imperfect credit markets? a. Credit rationing b. Uniform interest rates across all borrowers c. Dependence on informal lenders d. Inefficient investment decisions	2	CO1
Q 1.7	In poverty studies, the term 'depth of poverty' is best captured by: a. Headcount Ratio b. Poverty Gap Index c. Gini Coefficient d. Human Development Index	2	CO1
Q 1.8	Why do credit constraints exist in developing countries? a. High levels of wealth inequality b. Lack of credit demand c. Oversupply of formal loans d. Lack of government intervention	2	CO1
Q 1.9	Adverse selection in credit markets occurs due to: a. Borrowers taking loans for unproductive purposes b. Lenders failing to differentiate between high-risk and low-risk borrowers c. Government intervention in interest rates d. High repayment rates in microfinance institutions	2	CO1
Q 1.10	A collateral requirement in credit markets helps to mitigate: a. Moral hazard b. Adverse selection c. Market demand d. Interest rate ceilings	2	CO1

SECTION B
4Qx5M= 20 Marks

Q	Statement of question		
2	Explain the concept of the capacity curve.	5	CO2
3	What do you understand by correlated shocks? Explain.	5	CO2
4	Explain adverse selection with the help of an example.	5	CO2

5	What is a poverty trap? Explain.	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q	Statement of question		
6	Define the concept of a poverty trap and identify the critical factors that contribute to its formation. Discuss how a poverty trap can sustain poverty across multiple generations.	10	CO3
7	How is the Multidimensional Poverty Index (MPI) different from income-based poverty measures? What are its advantages in rural settings?	10	CO3
8	Discuss the purpose and significance of Priority Sector Lending (PSL) in India. Analyze its effectiveness in promoting inclusive growth, highlighting both achievements and challenges.	10	CO3
SECTION-D 2Qx15M= 30 Marks			
Q	Statement of question		
9	Discuss the role of Bandhan Bank in advancing financial inclusion in India. How did its transition from a microfinance institution to a commercial bank impact its ability to serve underserved communities? What challenges did it face, and how did it overcome them?	15	CO4
10	<p>Examine the two major models of microfinance delivery in India — the SHG-Bank Linkage Model and the MFI Model. Compare their key characteristics, advantages, and drawbacks. Do you think a hybrid model could better serve the goal of financial inclusion? Provide a reasoned argument to support your view.</p> <p>Or,</p> <p>Critically assess the Rangarajan Committee's methodology for measuring poverty in India. In what ways does it address the limitations of the Tendulkar Committee's approach? Do you believe the Rangarajan Committee failed to introduce a fundamental shift in the way poverty is estimated? Support your argument with appropriate evidence and reasoning.</p>	15	CO4