

DSE 13: Microfinance

Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
Microfinance (DSE 13)	4	3	1	0	Class XII	Basics of Finance

Learning Objective:

- Develop a clear understanding of the role of Microfinance and Insurance in addressing the problem of poverty and income generating activities to the poor people.
- To understand microfinance concepts, functions, products and strategies

Learning Outcomes:

- Conduct awareness and sensitivity towards the people at the bottom of the pyramid. Facts and figures regarding Poverty in India.
- Describe the need and relevance of Microfinance.
- Illustrate the role of Micro Finance Institutions for financial Inclusions.
- Demonstrate the role of NGOs in implementing the Governments welfare policies.

Syllabus DSE 13

Unit 1: Introduction to Microfinance

(9 hours)

Background, evolution and Overview; Emerging trends in Micro finance; Poverty: Sources and Consequences of Poverty, Understanding the construct of Poverty Indices - The Human Poverty Index (HPI) developed by UN and Global Multidimensional Poverty Index (MPI), critical evaluation of India's position on the Poverty Index; Understanding of Human Development Index and Hunger Index.

Unit 2: Microfinance Models

(12 hours)

NABARD model, SIDBI model, SGSY model, Grameen Banking model, NMDFC model, Associations model, Community Banking Model, Credit unions etc. Strategic Issues in Microfinance: Significance of NGOs: their role and responsibilities; case studies.

Unit 3: Microfinance Institutions

(12 hours)

Eligibility, Regulations, types, Commercial Microfinance: Investing in Microfinance, Viability of MFIs, Risk management in Micro finance; Pricing of Micro-loans: issues and challenges; Strategic Issues in Microfinance, Role of RBI in Financial Inclusion.

Unit 4: Social Rating, Credit Rating of MFIs

(12 hours) Social Rating,

Credit Rating of MFIs and Impact assessment in Micro finance; Micro insurance: issues and challenges; MUDRA Yojana; PMJDY. Government's welfare schemes for financial and social inclusions like Deendayalantyodaya yojana, Pradhan Mantri Garib Kalyan Yojana (PMGKY) (Case Studies)

Essential/recommended Readings (latest editions of readings to be used)

1. Debadutta K panda, “Understanding Microfinance”, Wiley India (Latest Edition)
2. Indian Institutes of Banking and Finance, “Micro-finance Perspectives and Operations”, MacMillan India Ltd.(Latest Edition)
3. Beatriz Armendariz and Jonathan Morduch (2005), “*The Economics of Microfinance*”, Prentice-Hall of India Pvt. Ltd. Delhi.

Suggestive Readings (latest editions of readings to be used)

1. Joanna Ledgerwood, “*Microfinance Handbook*”: *an institutional and financial perspective*, The World Bank, Washington, D.C. (Latest Edition)
2. Malcolm Harper (2003), “*Practical Microfinance*” *training Guide for South Asia*, Vistaar Publication, New Delhi.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time