

**Exam ECON4915, Spring 2023 [The three questions count equally much]**

1. Explain why credit markets for poor people often work poorly with either excessive interest rates or rationing?
2. Can the use of micro finance be a way out of poverty traps? Can it contribute to poverty reduction more generally?
3. Poor people organize informal self-help groups. Discuss possible motives for such organizations and explain how they work.