

**FINANCE COST AND MICROFINANCE OUTREACH OF VISION FINANCE  
COMPANY LIMITED  
A CASE STUDY OF NYARUGENGE BRANCH**

**BY  
MARIE CLAIRE UMUTONIWASE  
MBA 3303/11**

**ABSTRACT**

This study was carried out on finance costs and microfinance outreach in the frame of reaching the poor people. The choice of the topic was due to the fact that despite the great contribution by the sector of micro finance in most developing countries, in Rwanda it is yet to be fully established how effective microfinance outreach has been realised given the finance costs. During the last twenty years the field of microfinance has grown substantially. It is considered as a useful development approach to combat poverty in developing countries. Within that framework donors actively support and encourage microfinance activities, focusing on Microfinance Institutions (MFIs) that are committed to achieving substantial outreach and financial sustainability. The objectives of the study were to analyse the impact of interest rate, repayment period and transaction costs on microfinance outreach in Vision Finance Company Ltd. To achieve the objectives and answer research questions, semi-structured questionnaire were used to collect primary data on 25 clients (sample size from 2 103 clients) and 25 employees in Nyarugenge branch, while books and other documents were used to collect secondary data. After setting the techniques used in collection of data, the researcher used the simplest way of cross- tabulation, which is to count the number of responses to one question and find percentages of cases according to each variable in the research question. Prior data analysis, these were transformed in form that permitted their summarization and interpretation. This was possible by coding each response on the questionnaire into numerical values. The results have been summarized in the form of statistical tables. The tool of analysis that the researcher has used the Statistical Package for the Social Sciences (SPSS) which helped her to summarize the primary data into quantitative data. Then, the researcher tried to give interpretation of the results basing on the research objectives and questions. Results found out from the field state that there is a linkage between finance costs and microfinance outreach as shown in Table 4.10, 80% of the total respondents agreed that there is a linkage between interest rate and microfinance outreach, in Table 4.13, 76% of the total respondents agreed that there is a linkage between repayment period and microfinance outreach and in Table 4.15, 88% of the respondents agreed that there is a linkage between transaction cost and microfinance outreach.