



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) : _____

Course Code & Name : **FIN2156 Islamic Finance & Banking**
 Semester & Year : January – April 2022
 Lecturer/Examiner : Mr Muhammad Firdaus
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 3 parts:
 - PART A (20 marks) : TWENTY (20) multiple choice questions. Answers are to be shaded in the Multiple-Choice Answer Sheet provided.**
 - PART B (20 marks) : FIVE (5) short answer questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.**
 - PART C (60 marks) : FOUR (4) long essay questions. Answer THREE (3) OUT OF FOUR questions. Answers are to be written in the Answer Booklet provided.**
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple-choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 7 (Including the cover page)

PART B : SHORT ANSWER QUESTIONS (20 MARKS)

INSTRUCTION(S) : Answer ALL questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

Identify any **FIVE (5)** basic financial modes used by Islamic Banking.

(5 marks)

QUESTION 2

Identify the **FIVE (5)** factors that contribute to the growth of the Islamic finance industry in European countries.

(5 marks)

QUESTION 3

Describe any **FIVE (5)** issues in Takaful models.

(5 marks)

QUESTION 4

Briefly explain any **FIVE (5)** types of funds by investment portfolio.

(5 marks)

(Total: 20 marks)

END OF PART B

PART C : LONG ESSAY QUESTIONS (60 MARKS)

INSTRUCTION(S) : Answer THREE (3) out of FOUR (4) questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

a. Differentiate Bay al-Salam and Bay al-Istisna'. Provide any **TWO (2)** differences between these two contracts.

(8 marks)

b. Elaborate the **THREE (3)** main prohibitions in Islamic finance. Provide suitable example for each prohibition.

(12 marks)

(Total: 20 marks)

QUESTION 2

a. Explain any **TWO (2)** international infrastructure institutions that support the growth of the Islamic financial services industry.

(8 marks)

b. Differentiate share trading and gambling. Provide any **THREE (3)** differences between these two activities.

(12 marks)

(Total: 20 marks)

QUESTION 3

a. Briefly explain any **FOUR (4)** challenges faced by Islamic finance to sustain its development in the global financial system.

(8 marks)

b. Differentiate Mudharabah and Musyarakah contracts. Provide any **THREE (3)** differences between these two contracts.

(12 marks)

(Total: 20 marks)

QUESTION 4

- a. Briefly explain any **FOUR (4)** Islamic perspectives on conventional derivative products such as forwards, futures, options, and swaps.

(8 marks)

- b. Differentiate conventional and Islamic Real Estate Investment Trusts (REITs). Provide any **THREE (3)** differences between these two investment funds.

(12 marks)

(TOTAL 20 marks)

END OF EXAM PAPER