



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_

Course Code & Name : **FIN2153 Islamic Finance & Banking**  
 Trimester & Year : January – April 2018  
 Lecturer/Examiner : Mohd Khairil bin Bahari  
 Duration : 3 Hours

### INSTRUCTIONS TO CANDIDATES

1. This question paper consists of:  
     **PART A (100 marks) : Answer FOUR (4) out of SEVEN (7) short essay questions.**  
     **Answers are to be written in the Answer Booklet provided.**
2. Candidates are not allowed to bring any unauthorised 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 = 3 (Including the cover page)**

**PART A** : **SEVEN (7) SHORT ESSAY QUESTIONS (100 MARKS).**  
**INSTRUCTION(S)** : Answer only **FOUR (4)** questions. Write your answer in the Answer Booklet(s) provided.

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**Question 1**

- a) Critically discuss **FIVE (5)** sources of Islamic Jurisprudence. (10 marks)
- b) Explain the characteristics of Riba. (5 marks)
- c) Zakat can be a benchmark to evaluate economic growth. Critically evaluate the importance of zakat on the economy and the financial system. (10 marks)

**[Total: 25 marks]**

**QUESTION 2**

Islamic banks grows more popular nowadays. Critically discuss any **FIVE (5)** differences between Islamic banks and conventional banks.

**[Total: 25 marks]**

**QUESTION 3**

- a) Critically discuss the **THREE (3)** concepts of money from the Islamic perspective. (9 marks)
- b) Apart from Riba, discuss other **THREE (3)** prohibited elements in fiqh al-muamalat. (7 marks)
- c) Islamic banks apply the principle of wadiah (Guaranteed Safe custody). Critically discuss the concept of wadiah and its application in Islamic Banking. (9 marks)

**[Total: 25 marks]**

#### QUESTION 4

- a) Islam prohibits the acceptance and payment of Riba. Critically discuss the **TWO (2)** classifications of Riba.

(13 marks)

- b) Evaluate the **THREE (3)** essential elements of a valid contract in Shariah.

(12 marks)

**[Total: 25 marks]**

#### QUESTION 5

- a) Discuss any **THREE (3)** examples of Islamic capital market products.

(3 marks)

- b) According to section 51 of Central Bank Malaysia Act 2009, the Shariah Advisory Council (SAC) shall be the authority for the ascertainment of Islamic Law for the purposes of Islamic financial business. Critically discuss the responsibilities of SAC as listed in section 52 of the same act.

(12 marks)

- c) Demand for sukuk is growing, signaling widening popularity for a programme designed as a cross-border tool for Islamic banks to manage their liquidity needs. Critically discuss the characteristics of sukuk.

(10 marks)

**[Total: 25 marks]**

#### QUESTION 6

**“Allah (God) has permitted trade and forbidden usury” (Surah Al-Baqarah verses 275)**

Based on the verses of Quran above, justify the reason Allah permitted trade and prohibited interest in Islamic Finance.

**[Total: 25 marks]**

#### QUESTION 7

- a) Critically explain the misconceptions of Islamic Finance.

(15 marks)

- b) Critically evaluate the differences between arbitration and mediation.

(10 marks)

**[Total: 25 marks]**

**END OF EXAM PAPER**