



## BERJAYA BUSINESS SCHOOL

### FINAL EXAMINATION

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **FIN2153 ISLAMIC FINANCE AND BANKING**  
 Trimester & Year : SEPTEMBER – DECEMBER 2019  
 Lecturer/Examiner : RAVINDRAN RAMAN  
 Duration : 3 Hours

### INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:  
     **PART A (40 marks) : Answer THREE (3) compulsory questions. Answers are to be written in the Answer Booklet provided.**  
     **PART B (60 marks) : THREE (3) essay questions. Answers only TWO (2) out of THREE (3) 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.

**PART A : COMPULSORY QUESTION (40 MARKS)**

**INSTRUCTION (S)** : There is **THREE (3)** compulsory question in this section. Write your answers in the Answer Booklet(s) provided.

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**Question 1**

(a) Discuss what 'Riba' means. (5 marks)

(b) Explain why Riba is strictly prohibited in Islamic economy. (5 marks)

**(Total 10 marks)**

**Question 2**

Explain the following Islamic financial contracts which are operated by Malaysian Islamic financial institutions.

i. Mudarabah (3 marks)

ii. Musharakah (3 marks)

iii. Murabahah (3 marks)

iv. Ijarah (3 marks)

v. Qard al Hassan (3 marks)

**(Total 15 marks)**

**Question 3**

Explain **FIVE (5)** principles of Islamic Finance which are observed by Islamic Malaysian banks.

**(Total 15 marks)**

**END OF PART A**

**PART B : ESSAY QUESTIONS (60 MARKS)**

**INSTRUCTION (S)** : There are **THREE (3)** questions in this section, answer only **TWO (2)** questions. Write your answers in the Answer Booklet(s) provided.

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**Question 1**

The Sukuk market have been growing lately in the Malaysian Islamic financial market. The rapid development has provided an opportunity to all financial institutions to expand further this product to maximize the wealth in the Islamic financial market. You being an expert in sukuk has been requested to train a pool of bank managers in an Islamic bank as per below.

- (a) Explain what a Sukuk is. (4 marks)
  - (b) Discuss **FOUR (4)** types of most structured Sukuk used in Islamic Finance. (16 marks)
  - (c) Classify **FOUR (4)** underlying risks which involved in operating the Sukuk. (10 marks)
- (Total 30 marks)**

**Question 2**

- (a) Distinguish **FIVE (5)** differences between Islamic banking and conventional banking. (20 marks)
  - (b) Describe **TWO (2)** types of Takaful which are operated under the Islamic Insurance. (10 marks)
- (Total 30 marks)**

**Question 3**

- (a) Discuss the difference between an ordinary lease and an ijarah (Islamic lease). (10 marks)
  - (b) Ijarah is a trading instrument in the Islamic financial market. Describe how does it operates in the Islamic secondary market. (10 marks)
  - (c) Identify the roles of Islamic money market in the Malaysian Islamic financial system. (10 marks)
- (Total 30 marks)**

**END OF QUESTION PAPER**