



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **FIN2153 ISLAMIC FINANCE AND BANKING**
 Trimester & Year : SEPTEMBER – DECEMBER 2020
 Lecturer/Examiner : RAVINDRAN RAMAN
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 PART A (40 marks) : Answer all THREE (3) short answer 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 : SHORT ANSWER QUESTIONS (40 MARKS)

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

Question 1

(a) Define 'Riba' in Islamic finance activity. (5 marks)

(b) "Riba is strictly prohibited in Islamic financial activity". Discuss this statement. (5 marks)

(Total 10 marks)

Question 2

You are appointed as an Islamic banking manager in a local Islamic financial institution hence you are required to advise your customer on various Islamic contracts. Explain the following Islamic financial contracts which offered by your bank:

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 Malaysian financial institutions.

(Total 15 marks)

END OF PART A

PART B : ESSAY QUESTIONS (60 MARKS)

INSTRUCTION (S) : Answer only **TWO (2)** questions. Write your answers in the Answer Booklet(s) provided.

Question 1

Malaysia has been a popular and strategic Islamic financial hub. The rapid growth has developed an opportunity to all financial institutions to expand further the sukuk market to maximize the wealth in the Islamic financial market. As a head of Islamic bank you have been requested to train a group of your bank's staff 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 Maybank Bhd and Maybank Islamic Bhd. (20 marks)
 - (b) Describe **TWO (2)** types of Islamic Takaful which are being operated under its insurance scheme. (10 marks)
- (Total 30 marks)**

Question 3

- (a) One of your bank's customers intends to apply for a leasing facility. Explain the difference between an ordinary lease and an ijarah (Islamic lease) so that the customer can choose the appropriate type of lease. (10 marks)
 - (b) Describe how does Ijarah operates in the Islamic secondary market. (10 marks)
 - (c) Identify **FOUR (4)** roles of Islamic money market in the Malaysian Islamic financial market. (10 marks)
- (Total 30 marks)**

END OF QUESTION PAPER