

**Diploma in Islamic Banking Examination, April-2017**  
**PART-I**

**101: Islamic Ideology**

Time: 3 hours  
Full Marks: 100  
Pass Marks: 45

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks.)

1. Write the translation of Surah Al-Kaferoon. Discuss the concept of Ibadah in Islam with its characteristics. Explain the text "Lakum deenukum waliya deen" 20
2. Define and differentiate between the following concepts (any five) (4×5) 20
  - a. Resalat & Nabuwat
  - b. Musafir & Muqim
  - c. Shariah & Deen
  - d. Ijma & Qias
  - e. Iman & Islam
  - f. Ibadat & Moamalat
  - g. Islamic consumer and Economic consumer
  - h. Mufti & Faqih
3. a) What are the basic human rights? 8  
b) Discuss how Islam protected human rights. Support your statement with the evidences of the holy Quran and Sunnah. 12
4. Discuss the importance and structure of family life in Islam. What are the contemporary challenges for family bondage? 20
5. Do you think that 'Zakat' is synonymous to the modern concept of CSR? Discuss the conditions of Zakat and also mention the recipients of zakat as discussed in the holy Quran, 20
6. a) What are the basic causes of conflict in the contemporary world? 10  
b) How peace can be established in the context of Islam? 10
7. What is the importance of acquiring knowledge in Islam? Elaborate your answer in the light of first five verses of Surah A'laq. 20
8. Write short notes on any **5(five)** of the followings: 5×4=20
  - a. Nafse Ammarah
  - b. Akhirat
  - c. Sahifa
  - d. Deen
  - e. Rob
  - f. Tawarruq
  - g. Moamalat
  - h. Moasarat

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-I

### 102: Principles of Economics: Conventional and Islamic

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks.)

1. a) Define Conventional economics and Islamic economics. 4  
b) Describe the salient features of Islamic economic system. 6  
c) Do you think that Islamic economic system can be one of the best alternatives for solving contemporary world economic problems? Justify. 10
2. a) Explain the law of demand and law of supply drawing hypothetical graph. Measure price elasticity of demand at a point of demand curve. 12  
b) How does the consumer behaviour in Islamic economics differ from conventional economics? 8
3. a) Define utility and describe total, average and marginal utility. Explain the law of diminishing marginal utility with a graph. (4+8)12  
b) Define production function. Graphically describe the 3(Three) stages of production function along with the best stage a producer will like to produce. 8
4. a) Define and distinguish between (i) Fixed cost; (ii) Variable cost; and (iii) Marginal cost. 6  
b) Distinguish between economies and diseconomies scale. 4  
c) Define GDP, GNP, NNP and per capita income. 4  
d) Discuss the importance of Shariah based micro-investment approach for alleviating poverty. 6
5. a) Explain the 'Law Of Comparative Cost Advantage Theory' of international trade. 10  
b) Distinguish between balance of trade and balance of payment. 10
6. a) Define monopoly, duopoly and oligopoly. 3  
b) What is monopolistic competition? Does Islam support monopoly? 3  
c) Graphically describe how a firm determines its price in a perfect competitive market. 6  
d) Distinguish between profit and interest. 2  
e) Describe the consequences of interest in the society and economy. 6
7. a) Define inflation, recession and stagflation. What is cost push and demand pull inflation? 4  
b) Discuss the ways of controlling inflationary pressure of Bangladesh economy. 6  
c) Describe how Islamic economic system can benefit controlling inflationary pressure from the economy? 2  
d) Define fiscal policy and monetary policy. How does monetary policy influence inflation in the economy? 8
8. Write short notes on any **5(five)** of the followings: 5x4=20
  - a. Surplus budget and deficit budget
  - b. Nominal wage and Real wage
  - c. Open Market Operation
  - d. Narrow Money and Broad Money
  - e. Indifference curve and Iso-cost curve
  - f. Marginal cost and Marginal revenue
  - g. Money

*The End*

# Diploma in Islamic Banking Examination, April-2017

## PART-I

### 103: Principles of Accounting

*Time: 3 hours*

*Full Marks: 100*

*Pass Marks: 45*

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks)

1. a) What are the typical steps of accounting cycle? Discuss each step briefly. 5
- b) Mr. K. Alam did the following transactions during the month of January, 2017:
- Jan.-1: He brought Tk. 4,00,000 as capital.
- 2: Purchased furniture of Tk. 50,000 on credit.
- 10: Purchased goods, worth Tk. 100,000 in cash.
- 12: Sold goods Tk. 1,50,000 in cash, Tk. 80,000 on credit.
- 20: Paid Tk. 10,000 to the supplier of furniture to partial adjust credit purchase.
- 25: An amount of Tk. 50,000 was collected from the customer against credit sale.
- 31: Withdrawal from business Tk. 20,000.
- Required:
- i. Pass the journal entries with narration; 6
- ii. Transfer the entries to the Ledger Accounts; 6
- iii. Prepare the Trial Balance 3
2. a) What is cash book? Why it is prepared? 6
- b) From the following particulars prepare a three column cash book of M/s. Dhaka Traders: 14
- 2017
- Jan.-1: Cash in hand Tk. 8,000 and bank balance Tk. 5,000
- 5: Cash purchase Tk. 2,000.
- 7: Received cheque from ABC Ltd. Tk. 1,000.
- 10: Collection from Mr. X Tk. 5,500 as a full settlement of Tk. 6,000.
- 15: Cheque deposited into bank for collection as received earlier.
- 20: Paid to Mr. Y Tk. 1,500 upon receiving discount of Tk. 100.
- 26: Withdraw from bank Tk. 500.
- 31: Cash deposited into bank Tk. 250.
3. a) What do you mean by ethics in accounting? 4
- b) Why is AAOIFI established? 4
- c) Prepare a tabular analysis of the transactions, income statement, owner's equity statement and balance sheet of XYZ Co. Ltd. for the month of February, 2017: 12
- Feb.-1: Investment made by the owner Tk. 10,000.
- 2: Purchase of equipment Tk. 4,000.

- 10: Purchase of office supplies on credit Tk. 700.
- 12: Sale for cash Tk. 3,000.
- 15: Advertising expenses Tk. 200 incurred.
- 16: Credit sale Tk. 10,000.
- 20: Paid for rent Tk. 250, salary Tk. 300 and utility expenses Tk. 150.
- 25: Payment to account payable Tk. 300.
- 28: Withdrawal of cash Tk. 1,000.

4. a) State in brief the different methods of inventory valuation. 4  
 b) What are the differences between FIFO and LIFO? 4  
 c) From the following information determine the "Cost of goods sold" and "Value of ending inventory" under (i) FIFO and (ii) LIFO methods. 12

2017

- Jan. 1: Beginning inventory 1,000 units @ Tk. 20.00
- 5: Purchased 2,000 units @ 16.00
- 10: Sold 2,100 units
- 18: Purchased 8,000 units @ Tk. 18.00
- 25: Sold 6,000 units
- 31: Purchased 4,000 units @ Tk. 12.00

5. a) What are the principal factors to be considered to compute depreciation? 4  
 b) State in brief the methods of depreciation. 6  
 c) A firm purchased a new machine at a cost of Tk. 20,00,000 at the beginning of the year. It has an estimated economic life of 4 years with salvage value of Tk. 4,00,000. Now, determine the annual depreciation of the machine under: 10
- i. Straight Line Method
  - ii. Sum-of-the years Digit Method
  - iii. Unit production method when unit of product that can be produced over the life of the machine is 1,80,00,000 units and actual production would be
    - 1<sup>st</sup> year- 15,00,000 units
    - 2<sup>nd</sup> year-20,00,000 units
    - 3<sup>rd</sup> year-30,00,000 units
    - 4<sup>th</sup> year-40,00,000 units

6. The trial balance of M/s. ABC Co. Ltd. is being produced before you with advise to prepare the Income Statement and Balance Sheet for the year ended on December 31, 2016; 20

<b>Trial Balance</b>		
As on December 31,2016		
<u>Particulars</u>	<u>Debit</u>	<u>Credit</u>
Capital		500,000
Purchase	900,000	
Sales		2800,000

Sales return	50,000	
Opening Inventory	397,000	
(RM-Tk. 97,000, WIP-Tk. 1,00,000 & FG- Tk. 2,00,000)		
Equipment	95,000	
Furniture	25,000	
Commission on sale	10,000	
Bad debts	2,000	
Account Payable		10,000
Provision for Bad Debts		5,000
Office Rent	5,000	
Account Receivable	1,025,000	
Bank Investment		40,000
Wages	10,000	
Factory Overhead	5,000	
Salaries	4,000	
Other Income		2,500
Other Expenses	1500	
Bank Balance	828,000	
	<u>3,357,500</u>	<u>3,357,500</u>

Other Information:

- Ending Inventory: Raw Materials Tk. 40,000, WIP Tk. 50,000 and Finished Goods Tk. 100,000.
  - Depreciation to be charged on fixed assets @ 10%.
  - Provision for bad debts Tk. 3,000.
  - Provision for taxes Tk. 5,000.
  - Prepaid rent Tk. 2,000.
7. Fael Islami Bank Ltd. provided the following trial balance to prepare profit and loss account and Balance Sheet for the year ended on December 31, 2016:

20

**Fael Islami Bank Ltd.**  
**Trial Balance**

as on December 31, 2016

<u>Particulars</u>	<u>Debit</u>	<u>Credit</u>
Share Capital		800,000
(8000 shares @ Tk. 100 each paid up)		
Share Premium A/c		100,000
Al-Wadiah Current Deposit		194,000
Mudaraba Term Deposits		66,000
Mudaraba Savings Deposits		110,000
Bills Payable		70,000
Reserve Fund		80,000
Investment Income		579,160

Income from Investment in Securities		116,000
Income from Locker Service		36,000
Other Operating Income		7,000
Cash in hand	92,700	
Investment -General	800,000	
Investment –Securities	300,000	
Balance with Bangladesh Bank	150,260	
Balance with other Banks	326,240	
Fixed Assets	140,000	
Profit paid on Deposit	60,000	
Zakat Paid	5,900	
Salaries & Allowances	42,500	
Rent, Insurance and Lighting	8,000	
Postage and Telegram	10,000	
Stationary, Printing and Advertisement	14,000	
Legal Expenses	12,000	
Auditor’s Fees	12,400	
Salary & Allowance to CEO	76,000	
Dividend Payable		30,000
Zakat payable		14,480
Balance of Profit and Loss A/c		37,000
Branch Adjustment A/c	190,000	
Other Liabilities		360
	<u>2,240,000</u>	<u>2,240,000</u>

Other Information:

- i. Provision for Tax Tk. 5,000, Provision for classified Investment Tk. 7,000 and other Provision Tk. 3,000.
- ii. Un-paid utility bills Tk. 5,000.

8. Write Short Notes on any 5(five) of the following:

5x4=20

- a. Basic Accounting Concepts
- b. Conventional Vs. Islamic Accounting System
- c. Single Entry Vs. Double Entry System
- d. Accounting Equation
- e. Bank Reconciliation Statement
- f. GAAP
- g. Trial Balance Vs. Balance Sheet
- h. Financial Statement of Bank

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-I

### 104: Principles of Management

Time: 3 hours  
Full Marks: 100  
Pass Marks: 45

(N.B.: Answer *any 5(five)* questions. The figures in the right margin indicate full marks)

1. a) What is meant by scientific management? Discuss the principles of scientific management. 7  
b) Do you observe any difficulty in following the scientific management practices in an Islamic bank? Explain in brief. 6  
c) Describe how system approach to management process can produce better financial harmony towards achievement of goals. 7
2. a) Explain the role of motivation in developing a sound organizational climate. 6  
b) Discuss the various motivational tools in the hands of a manager. 7  
c) What is career planning? How does motivation helps the personnel to work through the career path determined by an organization? 7
3. a) Define productivity. What are the limitations in comparing the productivity of an Islamic bank with that of a conventional bank? 7  
b) Green banking concept in banking is growing worldwide popular-Why? 6  
c) What is corporate social responsibility? How does CSR help attain organizational objectives of your bank? 7
4. a) What do you mean by organizational behavior? 3  
b) Briefly discuss the different methods of organizational behavior with their limitations. 10  
c) 'External environment is more important than internal environment for smooth growth of a banking institution'- Do you agree? Put arguments for your favor. 7
5. a) "Bangladesh is not poor in resources- it is poor in managing resources" – do you agree? Justify. 7  
b) A good manager must have a few basic skills. What are those skills? 7  
c) How would you raise the ethical standard of a manager of Islamic bank? 6
6. a) Distinguish between line and staff conflict. 6  
b) 'Authority can be delegated but not responsibility'-comment. 7  
c) Is it always possible to make a rational decision? Give arguments for your answer. 7
7. a) How can we make an effective leader? 7  
b) Discuss the patterns of leadership. What are the differences between a manager and a leader? 7  
c) Describe the path-goal theory of leadership. 6
8. Write short notes on any **5 (five)** of the following: 5x4=20
  - a. MBO and MBE
  - b. Corporate Management
  - c. Islamic Management
  - d. Participative Management
  - e. Budgetary Control
  - f. Organizational structure
  - g. Strategic Planning
  - h. Stress Management

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-I

### 105: Business Communication

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks)

1. a) Briefly explain the major objectives of communication. 4  
b) Describe the importance of effective communication in banking industry. 8  
c) What are the relative merits and demerits of oral communication and written communication? 8
2. a) Differentiate between formal communication and informal communication. 5  
b) Describe the barriers to effective communication. 8  
c) Do you think that the electronic means of communication are always advantageous than the traditional means? Explain your answer with suitable examples from your practical experience. 7
3. a) As a client of an Islamic Bank, draft a letter to the Bank Manager to avail an investment for purchasing a private car. 7  
b) As the manager of the Islamic Bank referred to in (a) above, write a letter to the concerned client stating the papers required for availing the investment to purchase the intended car. 7  
c) Regret the client's request by writing a letter mentioning the reasons for declining his/her proposal. 6
4. a) Why are memos used? 4  
b) What are the elements of an office memo? 4  
c) Write an office order instructing three officials of your bank to visit an overdue client's establishment. 6  
d) Write a show-cause notice to an employee of your branch for his gross misbehavior with his superior. 6
5. a) "If a business letter does not generate goodwill, it fails in one of its major functions." Comment on the statement. 4  
b) "A customer's complaint paves the way to improve customer services." Elaborate the statement. 8  
c) Prepare an appropriate reply to a customer who has complained about the unsatisfactory services of the front desk of your branch. 8
6. a) Draft a circular letter on behalf of the Head Office to all employees of your bank stating the benefits of agent banking program. 10  
b) Write a letter to the Principals of different colleges for signing MoU with your bank to collect tuition fees through the mobile financial services of your bank. 10
7. Prepare a comprehensive report to be submitted to Bangladesh Bank on the performance of school banking services of your bank during 2016 and its plan for 2017. 20
8. Write short notes on any **5 (five)** of the following: 5x4=20
  - a. Extraordinary General Meeting
  - b. Press Release
  - c. SMS Banking
  - d. Power Point Presentation
  - e. Vertical Communication
  - f. Virtual Banking
  - g. Google
  - h. Social Media

**The End**



# Diploma in Islamic Banking Examination, April-2017

## PART-I

### 106: Theory and Practice of Banking: Islamic and Conventional

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks)

1. a) Describe the phase-wise development of Islamic Banking in Bangladesh. 9  
b) Describe some characteristics of Islamic Banking. 5  
c) Briefly describe the contribution of Islamic Banking system in Bangladesh. 6
2. a) Define Green Banking. Briefly describe the guidelines of Bangladesh Bank regarding Green Banking. 7  
b) Differentiate between Profit and Riba. 6  
c) Briefly describe the distortion of different modes of operations of Islamic Banking and impact there against. 7
3. a) Define Negotiable Instrument. What are the characteristics of a negotiable instrument? 8  
b) What are the duties and responsibilities of collecting and paying banker? 8  
c) What are the duties and responsibilities of an introducer? 4
4. a) Differentiate between Liquidity and Liquid Asset. 6  
b) Briefly describe Asset Liability Management Risk of a Bank. 7  
c) Describe the role of E-Banking in the overall development of the banking sector. 7
5. a) Describe the role of Money Market and Capital Market in Bangladesh economy. 5  
b) What is Repo and Reverse Repo? 4  
c) What is CAMELS? How CAMELS rating helps banks to improve their performance? 6  
d) What are the instruments of Islamic Money Market? 5
6. a) Define Remittance. Describe briefly the role of Foreign Remittance in Bangladesh economy. 8  
b) What are the sources of Non-investment income of a Bank? 5  
c) Describe the role of Shariah Supervisory Committee in an Islamic Bank. 7
7. a) Mention the differences between primary and collateral security. 5  
b) Briefly describe the importance of securities against investment. 5  
c) Differentiate between Guarantee and Indemnity. 5  
d) What are CRR and SLR 5
8. Write short notes on any **5 (five)** of the following: 5x4=20
  - a. Customer Due Diligence
  - b. Endorsement
  - c. Treasury Bills
  - d. CTR & STR
  - e. Offshore Banking
  - f. Syndicate Financing
  - g. Mutual Funds
  - h. AAOIFI

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-II

### 201: Investment Management

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer *any 5(five)* questions. The figures in the right margin indicate full marks)

1. a) Islamic Banks so far have given focus on 'Mechanism' rather 'Maqasid'. Explain the statement. 10
- b) How an Investment Perspective Plan can help a bank to fulfill the needs of 'Maqasid al Shariah'? 10
2. a) Discuss the criteria for selecting a new investment client considering shariah perspective. 10
- b) What are the basic considerations of paying off the liability of conventional bank to Islamic one? 10
3. a) Discuss the risks involved in short term & long term investment. 8
- b) How the risks are mitigated in line with CRM guideline. 12
4. a) Mention elaborately the key factor of an investment proposal for sanction. 12
- b) What are the probable risks of continuing disbursement even after the expiry? 8
5. a) Discuss the main features of CIPPS. 12
- b) What role is being played by Investment Administration Division of an Islamic bank in controlling Investment portfolio? 8
6. a) Define with example 9
  - i. Charge documents
  - ii. Title documents
  - iii. Mortgage documents
- b) Why should a banker prefer 'persuasion process' in case of recovery than going through 'Legal way'? 11
7. a) Design a sound working capital policy for a manufacturing company. 6
- b) The following information have been supplied by M/s. ABC Electric company in support of their application for working capital investment from your bank for TK. 18,00,000.00

<u>Sl.</u>	<u>Particulars</u>	<u>Amount</u>
i.	Projected annual sales (10,000 Fans @Tk. 1200)	1,20,00,000
ii.	Annual consumption of raw materials (10,000 units@Tk. 600) Imported	60,00,000
iii.	Annual consumption of raw materials (10,000 units @ Tk. 100) Local	10,00,000
iv.	Annual cost of stores and spares	72,000
v.	Annual labor charges (Tk. 20,000×12)	2,40,000
vi.	Annual Overhead cost (Tk. 5,000×12)	60,000
vii.	Annual depreciation	20,500
viii.	Cash balance for 2 months selling and Administrative expenses	60,000

Other Information:

Raw material in stock on an average, Imported 90 days and Local 30 days

Work-In-Process (50% complete) on an average 10 days.

Finished goods in stock on an average, 15 days.

Credit allowed by suppliers on an average, 10 days

Credit allowed to debtors on an average, 15 days.

Lag in payment of wages on an average, 15 days

stores and spares in stock, 90 days

Requirement: Compute the permissible bank investment by using 20% margin of required working capital. 14

8. Write short notes on any **5 (five)** of the following:

5x4=20

- a. Shariah products in FEx transaction
- b. Security cover risk & security control risk
- c. Conditions of writing off
- d. Single party exposure
- e. Women empowerment through SME
- f. Investment Syndication
- g. Stress testing
- h. BEP

*The End*

**Diploma in Islamic Banking Examination, April-2017**

**PART-II**

**202: International Trade and Finance**

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer *any 5(five)* questions. The figures in the right margin indicate full marks.)

1. a) What are the benefits of international trade? 6  
b) Discuss the features of international trade in the light of Islamic Economics. 7  
c) How the concept of currency convertibility is related to Balance of Payment of a country. 7
2. a) What do you mean by “Document” and “Transport Document” in accordance with Documentary Credit operation? 6  
b) State the information which must be contained in a Transport Document. 7  
c) Differentiate between “Clean Transport Document” and “Not Clean Transport Document (with examples) according to UCP-600. 7
3. a) Explain the operation and implication of Musharaka Documentary Bill (MDB) inland. 6  
b) Narrate the disbursing procedure of “Murabaha Post Import(MPI)” Investment. 6  
c) What is the interpretation of Bai-As-Sarf? Show the applicability of the mode in foreign Trade Transactions. 8
4. a) What are the causes of recent negative trend in foreign inward remittance in Bangladesh? 6  
b) What measures would you suggest to improve flow of remittance by expatriate Bangladesh? 6  
c) What is Brexit? What are the probable impacts of Brexit on Bangladesh economy? 8
5. a) State the functions of Dealing Room in foreign exchange transactions. 6  
b) Describe activities and responsibilities of “Treasury Mid Office” and “Treasury Back Office” as per Bangladesh Bank Foreign Exchange Risk Management Guidelines. 7  
c) Discuss about different types of FC Accounts which can be opened and operated in the name of Residents and None-residents of Bangladesh. 7
6. Write short notes on: 4×5=20
  - a) UPAS L/C
  - b) World Trade Organization
  - c) World Bank Group
  - d) Free Floating Exchange Rate System
  - e) Off-Shore Banking
7. a) State the responsibilities of buyers and sellers under all “Inco-Terns 2010.” 8  
b) Discuss the roles of principal, Drawee, Remitting Bank and Collecting Bank according to URC-522. What is the implication of Collection Instruction under Documentary Collection method of payment? 8  
c) Distinguish between “Reimbursement Authorization” and “Reimbursement Undertaking” according to URR-725. 4
8. a) Quote at least 2(two) cross rates from Bangladesh perspective and how would Bankers calculate those? 6  
b) Forward operation- Is it a hedging or speculative activity? Give reason of your answer. 4  
c) Calculate Rate for remitting Euro-1,000 through FTT as per following data: 10
  - i. Rate available:  
USD/BDT: 79.5000-80.1000 (Dhaka)  
Euro/USD: 1.1120-1.1890 (Frankfort)
  - ii. Profit margin for the bank: @ 0.15%
  - iii. FTT charge : @ 0.20%
  - iv. Fixed overhead cost is Tk. 0.15 per Euro
  - v. Rebate to be allowed to customer @1% for a period of 21 days (considering 360 days a year)

***The End***

# Diploma in Islamic Banking Examination, April-2017

## PART-II

### 203: Ethics in Banking & Legal Environment

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer *any 5(five)* questions. The figures in the right margin indicate full marks.)

1. a) What are the Ethical Principles of Trade & Finance? 8
- b) How ethics can protect fraud & forgeries in banking business? 6
- c) "Ethics can play a vital role to reduce non-performing investment" –Explain. 6
2. a) Differentiate among "Ordinance", "Order" and "Act". 6
- b) What are the acts related to banking business. 6
- c) What are the functions of a bank as per the Bank Company Act, 1991? 8
3. a) What agreements are contract? 5
- b) Who are competent to contract? 5
- c) Describe Coercion, Undue influence and Misrepresentation as per contract Act-1872 with examples. 5
- d) When a guarantee is discharged from liability? 5
4. a) What are the necessities of CS, SA, and RS parcha while scrutinizing documentation for mortgage? 5
- b) What are the differences between second charge and pari-passu charge? Which is preferable for a banker and why? 7
- c) Describe the steps to be followed by a bank while putting a mortgaged property on auction under section 12 of Artharin Adalat Ain-2003. 8
5. a) Distinguish between a "Cheque" and a 'Bill of Exchange.' 5
- b) What are the procedures of filing suit against issuer of a cheque in case of dishonor? 10
- c) When collecting bank will get legal protection under Negotiable Instrument Act-1881? 5
6. a) What are the sources of Shariah? 5
- b) Do you think shariah compliance in investment can protect the bank from non-performing investment? 5
- c) What are the shariah rules for a sale contract? 5
- d) Describe the basic principles of Mudaraba and Musharaka. 5
7. a) What are the duties & responsibilities of a commercial bank as per section 25 of the money laundering prevention act, 2012? 10
- b) When BFIU can impose penalties on a bank? 5
- c) Who are beneficial owners? 5
8. Write short notes on any **5 (five)** of the following: 4x5=20
  - a. Customer Acceptance Policy
  - b. Holder and Holder in Due Course
  - c. Dormant Account
  - d. Corporate Governance
  - e. Fixed and Floating Charge
  - f. Right of setoff
  - g. Without Negligence
  - h. Predicate Offence

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-II

### 204: Management Accounting & Financial Management

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer *any (5) five* questions selecting at least **2(two)** questions from each section. The figures in the right margin indicate full marks)

### Section-I

#### (Management Accounting)

1. a) Describe in brief the scope of Management Accounting. 6
- b) How are changes in technology affecting Management Accounting? 7
- c) In what respects Management Accounting is different from Cost Accounting? Discuss. 7
2. a) Discuss the advantages and disadvantages of using Break Even analysis. 3
- b) How do the following reflect on a break-even volume and P/V ratio? (any Five) 5
  - i. Increase in total fixed cost;
  - ii. Increase in physical sales;
  - iii. Decrease in selling price per unit;
  - iv. Decrease in variable cost per unit;
  - v. Expansion of factory building;
  - vi. Price of electricity is increased;
- c) Mr. Khurshed Alam is commencing in business to produce a single article which it sells at Tk. 100. He estimates that the marginal cost of production is Tk. 60, while his fixed costs will be Tk. 4,000 per month. He has asked for your assistance with some calculations to inform his business plan.

#### **Requirement;**

- i. Calculate the projected profit/(loss) for the month for sales of: 4
  - 500 units;
  - 200 units and
  - 100 units.
- ii. Calculate the Sales Revenue required to earn a projected profit of Tk. 5,000. 2
- iii. Calculate the projected profits at sales of Tk. 30,000. 2
- iv. Calculate the margin of safety in value terms and units for sales of 400 units. 2
- v. Calculate a projected breakeven point if the sales price is reduced by 10%. 2

3. a) What are the basic differences between absorption costing and direct costing? 5
- b) Daffodil Company produces and sells a single product, a wooden hand loom for weaving small items. Selected cost and operating data relating to the product for two years are given below:

(Figure in Tk.)

Selling price per unit	50
Manufacturing costs:	
Variable cost per unit produced:	
Direct materials	11
Direct labor	6
Variable overhead	3
Fixed cost per year	1,20,000
Selling and administrative costs:	
Variable per unit sold	5
Fixed per year	70,000

Units Details	Year 1	Year 2
Beginning inventory	-0-	2,000
Product produced during the year	10,000	6,000
Product sold during the year	8,000	8,000
Ending inventory	2,000	-0-

Required:

- Compute an income statement for each year assuming that the company uses absorption costing. 6
  - Compute an income statement for each year assuming that the company uses direct costing. 6
  - Reconcile the direct costing and absorption costing net income figures. 3
4. a) How cash budget help the bankers in appraising Investment proposal. 5
- b) From the following forecasts of income and expenditure, prepare a cash budget for the months January to April 2017. 15

Months	Sales (Credit)	Purchase (Credit)	Wages	Manufacturing expenses	Administrative expenses	Selling expenses
2016 Nov.	40,000	18,000	2,800	1,200	1,160	700
Dec.	45,000	23,000	3,400	1,400	1,240	650
2017 Jan.	35,000	19,000	2,900	1,000	1,160	800
Feb.	35,000	24,000	3,100	1,100	1,280	580
March	40,000	21,500	2,700	1,300	1,300	690
April	38,000	27,000	3,200	1,050	1,480	670

Additional information :

- The customers are allowed a credit period of two months.
- A dividend of Tk. 6,000 payable in April.

3. Capital expenditure which has to be incurred: 15th January Tk. 5,000, for buying a plant and in March, buy a building from leasing company and its payment will be done with in monthly installments of Tk. 2,000 each.
4. The creditors are allowing a credit of 2 months.
5. Wages are paid on the 1<sup>st</sup> day of the next months.
6. Lag in payment of other expenses is one month.
7. Balance of cash in hand on 1st January 2017 is Tk. 15,000.

## Section-II Financial Management

5. a) What is financial management all about 5
- b) What are the three functions of financial manager? How are they related? 5
- c) Mr. Jahid Hasan has Tk. 10,00,000 to deposit in Mudaraba Term Deposit on auto renewal basis for Three years at the following Rate of Return(RR);

<u>Term</u>	<u>RR</u>
12 Months	9.00%
6 Months	8.50%
3 Months	8.00%

Compute;

- i. The amount he would have at the end of the third year, leaving all profit paid on deposits in the bank, on each alternative. 5
  - ii. The effective rate of return he would earn on each alternative and which plan should he choose? 5
6. a) Explain the uses of Capital Budgeting technique in banking industry. 5
  - b) What are mutually exclusive Projects? 3
  - c) Sarder Electronics can make either of two investments at time 0. Assuming a required rate of return of 14%, determine for each project (a) the pay back period, (b) the net present value, (c) the profitability index, and (d) the internal rate of return. 12

The initial investments required and yearly savings after taxes are shown below:

Project	Investment	End of year						
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
A	56,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
B	40,000	10,000	10,000	12,000	12,000	14,000	14,000	16,000



7. a) Define capital structure. What is an appropriate capital structure? 6
- b) BF Fashion has the following capital structure on 30 June 2016:
- |   |               |
|---|---------------|
| Ordinary share capital (400,000 Shares) | Tk. 80,00,000 |
| 10% Preference shares                   | Tk. 20,00,000 |
| 14% Debenture                           | Tk. 60,00,000 |
- The share of the company sells for Tk. 20. It is expected that company will pay next year a dividend of Tk. 2.00 per share which will grow at 5% forever. Assume a 40% tax rate.
- You are required to:
- i. Compute a weighted average cost of capital based on the existing capital structure. 7
  - ii. Compute the new weighted average cost of capital if the company raises an additional Tk. 40,00,000 debt by issuing 15% subordinated bond. This would result in increasing the expected dividend to Tk 3.00 and leave the growth rate unchanged, but the price of share will fall to Tk 15.00 per share. 7
8. Write short notes on any **8 (eight)** of the following: 8x2.5=20
- a. Horizontal Analysis
  - b. Return on Equity (ROE)
  - c. Goal of A Firm
  - d. Stable Dividend Policy
  - e. Cash Flow and Fund Flow
  - f. Diluted EPS
  - g. Margin of Safety
  - h. Annuity Method
  - i. Common and Preferred Stock
  - j. Price Earnings Ratio

*The End*

# Diploma in Islamic Banking Examination, April-2017

## PART-II

### 205: E-Banking

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5(five)** questions. The figures in the right margin indicate full marks.)

1. a) What is operating system (OS)? Distinguish between OS and Application software with example. 8
- b) What is Virtual Banking and Any Branch Banking? Describe briefly. 8
- c) What guidelines should be followed in using email and internet? 4
2. a) What is scope and objective of IT policy of a Bank as per Bangladesh Bank Guideline? 4
- b) Name the list of documents which is mandatory to preserve by the Bank as per IT policy for record keeping purpose. 8
- c) How CBS security, user Privilege etc. are maintained through Central Authentication Security Module (CASM)? 8
3. a) What is BCP? How BCP protect a Bank as per guideline of Bangladesh Bank? 8
- b) What are the differences between DC and DRS? 6
- c) What is IT Audit? Describe what fields are covered in IT auditing system? 6
4. a) What is Transaction Monitoring System of CBS? 7
- b) What is the policy of the Transaction Monitoring System of your Bank? 6
- c) What is MIS? How IT based MIS can help a Financial Institution? 7
5. a) What is Financial Inclusion? How do Alternative Delivery Channels play a vital role regarding Financial Inclusion of a Bank? 8
- b) Describe functionalities of Call Center. Explain "Banking Services are available through Call Center" 7
- c) How many security factors are verified from the user during fund transfer in internet banking (i-banking)? 5
6. a) What is difference between Cyber banking and Traditional banking? "Cyber banking is safer than Traditional banking." -Explain. 10
- b) What do you understand by physical and logical security of your bank IT system? Describe your responsibilities to ensure the same. 10
7. a) What is SWIFT? How SWIFT network payment and settlement happen? 8
- b) What are the transactions type handle by SWIFT? 4
- c) Distinguish among BACH, BEFTN and RTGS. 8
8. Write short notes on any **5(five)** of the following: 5x4=20
  - a. Agent Banking
  - b. NPSB
  - c. AML Screening
  - d. SMS Banking
  - e. e-Commerce
  - f. MICR
  - g. Credit Card
  - h. Computer Anti Virus

**The End**

# Diploma in Islamic Banking Examination, April-2017

## PART-II

### 206: Micro Finance and Rural Banking: Conventional & Islamic

*Time: 3 hours*

*Full Marks: 100*

*Pass Marks: 45*

(N.B.: Answer any **5(five)** questions. The figures in the right margin indicate full marks.)

1. a) Do you consider the Micro Finance as the most effective tool for poverty alleviation? Why? 10  
b) How can you assess and analyse the impact of Micro Finance in the target market? 10
2. a) Distinguish between individual financing and group based financing. 10  
b) What are the risks involved in individual financing and group based financing and how can the risks be minimised? 10
3. What are the problems currently faced by the MFIs in operating micro finance in our country? What steps can be taken to solve those problems? 20
4. Discuss the main characteristics of MRA. Explain the legal framework done by Government regarding Micro Finance in Bangladesh. 20
5. a) Discuss the concept of graduation of Micro Finance clients. 10  
b) What is the role of Social Safety Net programs of MFIs in graduation process of its clients? 10
6. Is there any difference between Rural Development Scheme (RDS) of Islami Bank Bangladesh Limited (IBBL) and other Microfinance Institutions in Bangladesh? Explain. 20
7. Discuss the role of the following organizations as Micro finance providers:- 20  
a) BRAC  
b) BARD  
c) CDF  
d) BRDB
8. Write short notes on any **5(five)** of the following: 5x4=20  
a. Overlapping of Micro Finance  
b. Social Business  
c. Financial Inclusion  
d. Group Guarantee in Microfinance  
e. Hard Core Poor Vs. Target Groups  
f. Sustainable Development  
g. Empowerment of Family through Microfinance

*The End*