

Diploma in Islamic Banking Examination, October-2023

Part :II Subject Code:201
Subject Name: Investment Management
Full Marks: 100 Pass Marks: 45
Time: 3 Hours

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

- 1 a. “The investment mechanisms of Islami banks are superior to the lending mechanisms of conventional banks” explain in detail. 8
- b. Discuss in brief “Islamic Financial Modes”. 4
- c. Discuss the major barriers of investment. 4
- d. Differentiate between “Bai Murabaha and Bai Salam” modes of investment. 4
- 2 a. What is Project Appraisal and why is it required? 4
- b. Discuss the different aspects of project appraisal. 8
- c. State the procedure for rescheduling a classified investment account. 8
- 3 a. What is classification of investment? Explain the impact of classification on the profitability of the bank. 7
- b. What is provisioning against classified investment? Explain the existing provisioning system. 7
- c. “The most important activity of investment is recovery” explain and discuss. 6
- 4 a. What are Quantitative and Qualitative components of ICRRS? How ICRRS contributes in selecting a good investment client and pricing of investment. 7
- b. What is the regulation of single borrower exposure and how does the limit facilitate risk management in investment? 6
- c. What are the main components of NPI? Point out the preventive and remedial measures for NPI. 7
- 5 a. What is Ratio Analysis? 2
- b. What are the different major types of ratios? 2
- c. The balance sheet of ABC Corporation as on 31st December 2022 has been cited below:

Liabilities & Equity	Amount (Tk.)	Assets	Amount (Tk.)
Equity and Share Capital	4,00,000	Goodwill	2,40,000
Capital Reserve	80,000	Fixed Assets	5,60,000
12% Mortgage Investment	2,00,000	Stock	1,20,000
Sundry Creditors	1,60,000	Investment (Short Term)	40,000
Bank Overdraft	40,000	Cash	1,20,000
Provision for taxation	80,000		
Profit and Loss Account	1,20,000		
Total Liabilities & Equity	10,80,000	Total Assets	10,80,000

Calculate the following ratios for the year 2022:

- i) Current Ratio
- ii) Debt to Equity Ratio
- iii) Quick Ratio
- iv) Proprietary Ratio

4x4=16

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6. a. What do you understand by Investment Risk Management? Explain the techniques used by Islamic banks to reduce their investment risks. 10
- b. Differentiate between “Business Risk and Financial Risk”. 6
- c. What is Syndicate Financing? 4
- 7 a. Define Capital Budgeting. 3
- b. Discuss the importance of Credit Rating. How does it impact capital adequacy? 6
- c. Define Average Rate of Return (ARR)? What is the Acceptance Rule of ARR? 5
- d. Suppose initial investment of Mr. Rasel in a project is Tk.100,000/- life time of the project is 5 years. After tax net profit of the project is given below: 6

Year	1	2	3	4	5
After Tax Net Profit	15,000	18,000	23,000	28,000	32,000

Find out Average Rate of Return (ARR)

- 8 Write short notes on **any 05 (five)** of the following: 5×4 = 20
- | | |
|---|------------------------------------|
| a. Venture Capital | e. CRR & SLR |
| b. Gestation Period & Moratorium Period | f. UPAS Facility |
| c. Residual Risk | g. Creation of Charge and Mortgage |
| d. Bank Guarantee and Indemnity | h. ROE and ROA |

The End

Diploma in Islamic Banking Examination, October-2023

Part : II Subject Code: 202

Subject Name: International Trade and Finance

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) Define International Trade. What are the main areas of International Trade? 6
b) What is the difference between Balance of Trade and Balance of Payment? 6
c) What are the mandatory fields in SWIFT message for opening a Letter of Credit? 4
d) Define Current Account and Capital Account. 4
2. a) What is International Financial Market? Discuss components of International Financial Market? 7
b) How does Islamic Financial System Support International Financial Market? Explain 6
c) Describe different types of Financial Derivatives. 4
d) What is Financial Engineering? 3
3. a) Define Documentary Letter of Credit and Back to Back Letter of Credit. 4
b) What are the Procedures required for issuing a Letter of Credit? 8
c) How to handle discrepant documents? 4
d) Is Documentary Credit preferred worldwide? Explain your view. 4
4. Distinguish between any **05 (five)** of the following: 5×4=20
 - a. Bill of Lading and Bill of Entry
 - b. Short Position and Long Position
 - c. EDF and MFCI
 - d. Credit and Contact
 - e. Bai-as-Sarf and Bai-Salam
 - f. UPAS LC and Deferred LC
 - g. Buyer's Credit and Supplier's Credit
5. a) What is Off-shore Banking? Is it favorable for the importers in the current prevailing situation? 7
b) Importers and Exporters are facing different challenges recently- explain why? 8
c) What are the Local and Foreign regulations for conducting Foreign Exchange/ Foreign Trade Business? 5
6. Explain any **05 (Five)** of the following terms in the light of UCP-600 5×4=20
 - i. Issuing Bank
 - ii. Force Majeure
 - iii. Banking Day
 - iv. Assignment of Proceeds
 - v. Bill of Lading
 - vi. Clean Transport Document
 - vii. Advising Bank
 - viii. Honour
7. a) What is the difference between Spot Rate and Forward Rate? 4
b) Describe the application of following types of rates: 4
 - i) BC Selling Rate
 - ii) OD Sight Export Rate

iii) TT Clean Rate

- c) Suppose, Mr. X is a renowned exporter. He is willing to sell an export bill of Euro 20,000 at sight basis. Calculate applicable exchange rate for purchasing the bill under Bai-as-Sarf and total value to be paid to the customer based on following information:

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i.	EURO/USD Rate	1.1770-1.1775
	USD/BDT Rate	109.5000-109.5500
ii.	Transit Period	21 days (1 year = 360 days)
iii.	Collection Charge	0.25%
iv.	Bank's Profit	9% P.A
v.	Postage Charge	Tk. 0.15 per EURO
vi.	Foreign Correspondence Charge	Tk.0.10 per EURO

8. Write short notes on any **05 (Five)** of the following:

5×4=20

- | | |
|------------------|-------------------------------|
| a. Open Position | b. Exporter's Retention Quota |
| c. EFPP | d. Duty Draw Back |
| e. TBML | f. World Bank Group |
| g. Trade Deficit | h. Inco-terms-2020 |

THE END

Diploma in Islamic Banking Examination, October-2023

Part :II Subject Code: 203

Subject Name: Ethics in Banking & Legal Environment

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) “ Sometimes Ethics supersedes the written text of law”- Explain 5
b) ‘A good number of laws regulate the banking business’ –What are those laws in the context of Bangladesh? 7
c) State briefly the concept of ‘Corporate Governance’ and ‘Good Governance’. How can you ensure Good Governance in a bank? 8
2. a) What is the procedure for changing a company’s name? 5
b) How a private Limited Company differs from a Public Limited Company? 6
c) Suppose, a Private Limited Company maintains a Current Account with a bank titled “X Company Ltd”. As per decision of the company, it has changed its name from “X Company Ltd” to “Y Company Ltd.” Then the company approached the bank for changing its account title by its new name. Suggest the bank as to the documents that shall be taken from the company to change its account title. 9
3. a) What are the pre-conditions that are to be fulfilled before filing of Artha Rin Suit against a defaulter investment client? 6
b) What steps a bank shall take for disposal of the properties upon obtaining certificate under section-33(7) of Artha Rin Adalat Ain-2003? 10
c) Write down the time limit of filing Artha Rin Suit and Artha Jari Suit as per the provisions of Artha Rin Adalat Ain-2003 4
4. a) What do you mean by “Trade based Money Laundering” and “Credit based Money laundering”? 5
b) What are the duties and responsibilities of a Reporting organization as per section-25 of Money Laundering Prevention Act-2012? 8
c) Which precautionary measures to be taken by the bank for opening account of a Politically Exposed Person? Why EDD and SCDD are required? 7
5. a) Find out the distinction between “Bill of Exchange & Promissory Note”. 5
b) What are the punishments of dishonor of cheque as per NI Act-1881? What are the pre-conditions of filing of Appeal by a convicted person under section-138A of NI Act-1881? 8
c) Which properties are transferable and which are not as per ‘Transfer of Property Act-1882’? 7
6. a) Choose the correct answer from the following: 5×1 =5
i) ‘Writ’ is the original Jurisdiction of –
 - a. Appellate Division
 - b. Sessions Judge Court
 - c. High Court Division
 - d. Additional Judge Court.
ii) Artha Rin Adalat is presided over by-
 - a. District Judge
 - b. Additional District Judge
 - c. Joint District Judge
 - d. Senior Assistant Judge

- iii) Artha Rin Suit & Execution Suit are filed to-
 - a. Different Courts
 - b. Same Court
 - c. District Judge Court
 - d. None of the above
- iv) 'Ordinance' & 'Order' are promulgated by the-
 - a. Prime Minister
 - b. President
 - c. Chief Justice
 - d. Parliament
- v) 'Certificate of Commencement' of business is required for-
 - a. Private Limited Company
 - b. Public Limited Company
 - c. Both a & b
 - d. None of the above
- b) Do you find any distinction between 'Contract' & 'Agreement'? "All contracts are agreements but all agreements are not contracts"-explain in the light of Contract Act - 1872. 10
- c) Who are not competent to enter into a contract? What are the procedures for opening an account of a minor? 5
- 7. a) What do you mean by '2nd Charge' & 'Pari-Passu Charge'? Which is preferable for a banker and why? 7
- b) State briefly the different types of charges and methods for creation of charge with the RJSC & Firms as per Section 159 of company Act-1994. 10
- c) What is Primary Security and Collateral Security? 3
- 8. Write short notes on **any 5 (five)** of the following: 5×4= 20
 - a. BFIU
 - b. Residual Risk
 - c. Annual General Meeting (AGM)
 - d. Writ Petition
 - e. Payment in Due Course
 - f. Code of Conduct
 - g. e-KYC
 - h. Trade Mark

THE END

Diploma in Islamic Banking Examination, October 2023
Part : II Subject Code: 204
Subject Name: Management Accounting and Financial Management
Full Marks: 100 Pass Marks: 45
Time: 3 Hours

(N.B.: Answer any **5 (Five)** Questions selecting **at least 2 (two)** questions from each section. The figure in the right margin indicates full marks. Answer to the question must bear workings, notes, and formula where necessary)

Section-I: Management Accounting

1. a) How Management Accounting helps in planning, controlling and making investment (lending) decisions of an Islamic bank? Discuss. 8
- b) The following data relate to a manufacturing company: 12

Inventories	Ending (Amount in Tk.)	Beginning (Amount in Tk.)
Finished Goods	70,000	12,000
Work-in-Process	50,000	45,000
Direct Material	90,000	95,000
Cost incurred during the period:		
Direct Material used		Tk. 1,33,000
Direct Labor	3000 hours @	Tk. 30 per hour
Manufacturing Overhead		Tk. 67,000
Administrative Expenses		
- Fixed		Tk. 50,000
- Variable		10% of Prime Cost
Marketing Expense		
- Fixed		Tk. 30,000
- Variable		5% of Cost of Goods Manufactured
Sales		Tk.6,00,000

Required: Prepare Income Statement for the period.

2. a) How does the decrease in fixed cost, increase in variable cost per unit, and decrease in selling price per unit will affect the Break-Even Sales Volume and Contribution Margin? 5
- b) Mim Manufacturing Company provides the following data on cost and sale of the product it produces:
- Direct Materials : Tk. 500 per unit
Direct Labor : Tk. 800 per unit
Manufacturing Overhead : 75% of direct labor
Fixed Cost : Tk.24,00,000
Selling Price Per Unit : Tk.2500
- Based on the above information, you are required to determine:
- i) Break-Even Sales in amounts of Taka and in units. 5
- ii) Volume Sales and Margin of Safety in amounts of Taka at which the company will make a profit of Tk.12,00,000. 5
- iii) Break-Even Sales in amounts of Taka and in units if selling price is reduced by 5% and variable costs are increased by 10%. 5
3. a) State the ratios that are to be used for measuring debt-servicing ability of a client of your bank. 5
- b) Alif Chemical Company, a client of your branch, provides the following financial statement of the last year:

Balance Sheet- As on 31 December 2022

Liabilities and Stockholders' Equity	Amount (Tk.)	Assets	Amount (Tk.)
Current liabilities	2,00,000	Cash	1,00,000
Long-term liabilities	1,00,000	Marketable securities	2,00,000
Common stock, Tk. 10 par value, 10,000 shares	1,00,000	Inventory	3,00,000
Premium on common stock	5,00,000	Plant assets	5,00,000
Retained earnings	2,00,000		
	<u>11,00,000</u>		<u>11,00,000</u>

Income Statements- For the year ended 31 December 2022

	<u>Amount (Tk.)</u>
Net sales	1,00,00,000
Cost of Goods Sold	<u>(60,00,000)</u>
Gross Profit	40,00,000
Operating Expense	<u>(10,00,000)</u>
Income Before Tax	30,00,000
Income Taxes @50%	<u>(15,00,000)</u>
Net Income	<u>15,00,000</u>

Additional information includes a market price Tk.1,500 per share of stock, total dividends of Tk.6,00,000 for 2022 and Tk.2,50,000 of inventory as of December 31, 2021.

You are required to compute the following based on given information:

5×3=15

- | | | |
|------------------------|------------------------------|---------------------|
| i) Quick Ratio | ii) Average Age of Inventory | |
| iii) Debt-Equity Ratio | iv) Price-Earnings Ratio | v) Dividend Pay-out |

4. a) Are selling and administrative expense treated as product cost or as period cost under absorption costing? Discuss. Distinguish between a Flexible Budget and a Static Budget. 10
- b) Why is the sales forecast the starting point in budgeting? State briefly the procedures adopted in making sales forecasts. 10

Section-II: Financial Management

5. a) What is meant by Time Value of Money? Does this concept contradict with Islamic ideology? Explain. 6
- b) The Trustee Board of a renowned Private University decided to provide scholarship among the poor meritorious students. It has planned to give scholarship to 100 students @Tk.10,000 for each student for the next five years. The scholarship will be awarded one year later from now. If the university can earn a 7% return on their investments per annum compounded annually, how much amount the Trustee Board should arrange now so that it can run the five years' scholarship program? 7
- c) Assume you have decided to purchase a flat for Tk.75,00,000 and deposited Tk.25,00,000 as down payment to the developer. You approached your bank for making investment of the rest amount. The bank sanctioned investment of the remaining amount under HPSM mode for a period of 15 years where rent will be determined charging 4% rate of return and rent will be paid at the end of each year. What will be your annual rent size for this investment facility? 7

6. a) Define Internal Rate of Return (IRR). How do you resolve the situation if a project have multiple IRR's? 5
- b) The Marwah Company was confronted with the two mutually exclusive investment projects, Ababil and Salsabil, which have the following after-tax cash flows:

	Cash flows Per Year (in Tk.)				
	0	1	2	3	4
Ababil	(12,000)	5,000	5,000	5,000	5,000
Salsabil	(12,000)				25,000

Based on these cash flows:

- i) Calculate each project's NPV and IRR. (Assume that the firm's cost of capital after taxes is 10%.) 8
- ii) Which of the two projects would be chosen according to the NPV and IRR criterion? 7

- 7 a) Why is the Cost of Debt calculated on an after-tax basis? 5
- b) The capital structure of Shahara Company is as follows:

Source of Capital	Amount
9% Debentures	Tk. 50,000
10% Preference Shares	Tk. 20,000
Common Shares	Tk. 80,000
Retained Earnings	Tk. 50,000
Total	<u>Tk. 2,00,000</u>

The common shares of Shahara Company sell for Tk.25 each. It is expected that the company will pay next year a dividend of Tk.3 per share, which will grow at 5% for ever. The company's marginal tax rate is 40%. The Tk.100 face value preference shares sell for Tk.96 per share and the underwriting fee of 3% of the market price would be incurred to the issue of such shares.

Compute the Weighted Average Cost of Capital of Shahara Company.

- 8 a) Write short notes on any 5 (Five) of the following: 5×4=20
- i) Stable dividend policy ii) Zero-Coupon Bond iii) Hybrid Security
- iv) Stock Dividend v) Trade Credit vi) Hire Purchase under Shirkatul Melk
- vii) Sunk Cost viii) Working Capital Cycle

The End

Diploma in Islamic Banking Examination, October-2023

Part :II Subject Code: 205

Subject Name: E-Banking

Full Marks: 100 Pass Marks: 45

Time: 3 hours

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

1. a) Define Memory of Computer, Central Processing Unit (CPU), Peripheral Devices and Open Source Operating System. 6
- b) What are the differences between Tablet and Laptop computer, Online & Offline UPS? 6
- c) What is Cloud Computing? How does it facilitate in efficient Infrastructure Management? 8
2. a) What is Data Communication? Write the functions of Switch, Router & Firewall. 8
- b) Compare between LAN and WAN? What are the steps should be taken to ensure Network Security? 6
- c) What is 4G Router? Where is it used? Write some of its advantages. 6
3. Distinguish between the following terms : 5x4=20
 - i) EMV Contact Card and DI Card
 - ii) BEFTN and NPSB
 - iii) Credit Card and Prepaid Card
 - iv) POS and QR Code
 - v) On-Us and Off-Us transaction of ATM & POS
4. a) Define ICT Risk. How ICT Risk can be mitigated in Banking Operation? 8
- b) What is Social Engineering? What steps should be taken to protect Cyber Security threat and fraudulent activities through Social Engineering? 8
- c) What is the difference between Phishing and Spam Mail? 4
5. a) What is International Payment Network? Give the name of some popular International Payment Networks. 5
- b) What are the roles of a Bank's official deputed at Agent Banking outlet? 5
- c) What is the functionality of Sanction Screening during customer onboarding? 6
- d) What is the difference between VISA and NPSB 4
6. a) How do you onboard a Micro Merchant through PRA account? 4
- b) How payment is made through QRCode? Describe its transactional procedure. 6
- c) What do you mean by Digital Nano financing? Describe its end to end digital procedure. 10
7. a) What is Core Banking System (CBS)? What are the standard functionalities and controls a CBS should have as per Bangladesh Bank's guideline? Name some popular CBS used in Banking arena of our country. 8
- b) What is Digital Banking? What are the major differences between Digital Banking and Conventional Banking? 8
- c) Write down the information contained in the MICR line of an MICR cheque. 4
8. Write short notes on any **5 (five)** of the following:
 - a. Machine Learning & AI
 - b. Block Chain
 - c. IOT
 - d. Binimoy
 - e. Cellfin – All of your banking in one App
 - f. Digital Complain Management
 - h. Bangla QR

Islamic Banking Examination, October-2023

Part : II Subject Code:206

Subject Name: Micro Finance & Rural Banking: Conventional & Islamic

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) Explain the impact of Microcredit Regulatory Act-2006 on Microfinance industry in Bangladesh. 10
b) What do you understand by “Graduations” of MF clients? Discuss the strategies of limitations of MFIs graduating their clients. 10
2. a) What are the sources of fund for Islamic and Conventional Microfinance? 10
b) What are the regular and special activities of Microfinance Regulatory Authority? 10
3. a) Describe and explain the difference between the activities of NGO and Rural Development Scheme (RDS) of IBB PLC in rural areas. 10
b) What are the suitable Islamic modes of investment for Microfinance? Discuss. 10
4. a) Micro-Finance is monitoring and supervision based program-why? Explain. 10
b) What do you mean by “Hardcore Poor”? How the MFIs address these segments of population? 10
5. a) Describe the role of MFIs towards “Women Empowerment”. 10
b) Discuss the socio-economic & cultural impact of Islamic Microfinance in Bangladesh 10
6. a) Define Maqasid-e-shariah. How can Islamic Microfinance help to achieve Maqasid-e-Shariah? 10
b) Describe the difference between traditional security based microcredit and supervised Microcredit. 10
7. a) Define Financial Inclusion. State all the Financial Inclusion Programs of IBB PLC. 10
b) Define UPDS of IBB PLC. Do you think urban poverty can be reduced through the UPDS? Justify your Answer? 10
8. Write short notes on any 05(five) of the following: 5x4=20
 - i. CMSME
 - ii. Social Business
 - iii. Informal Credit
 - iv. BARD
 - v. Off-farm activities
 - vi. AMWAB
 - vii. Group Guarantee
 - viii. PKSF