

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code: 101

Subject Name: Alternative Financial System

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) Define the term 'Alternative Financial System'. 5
b) It is often argued, 'Alternative Financial System promotes Ethical Finance' Give your opinion. 7
c) Is there any difference between Interest Free Banking and Islamic Banking? Justify your answer. 8
2. a) Give an overview of historical development of Islamic Banking worldwide. 8
b) What is Sharia'h? How can an Islamic bank ensure Sharia'h compliance in its day to day operations? 6
c) Narrate the role and functions of Sharia'h Supervisory Board (SSB) of an Islamic Commercial Bank. 6
3. a) Define Islamic Banking. 4
b) What are the reasons behind the popularity of Islamic banking in Bangladesh? Justify your opinion. 8
c) What do you mean by AAOIFI? Evaluate its contributions in the progress and development of Islamic finance worldwide. 8
4. a) Explain the major prohibitions in Islamic financial transactions. 6
b) Define the term Takaful. Develop a process flow of an Islamic Insurance operation based on Wakala concept/model. 7
c) What are the risks associated with the transactions based on Musharaka, Murabaha and Ijarah? 7
5. a) Define Riba. Give an example of Riba an-Nasiah. 5
b) Describe the economic and social harms of Riba. 7
c) What do you understand by Liquidity Management? What liquidity management tools do you suggest for Islamic banking operations in Bangladesh? 8
6. a) "Fasten the camel first and then depend on Allah"- this Hadith of Prophet Muhammad (pbuh) is referred to as Fundamental of Islamic Risk Management. Explain. 6
b) What are the implications of Sharia'h non-compliance risk in Islamic banks? Suggest the preventive measures to stop Sharia'h non-compliance in Islamic banks. 8
c) How Asset Backed Sukuk is different from Asset Based Sukuk? To you, which is more sharia'h complaint? 6
7. a) Define Sukuk. What are the types of Sukuk? 4
b) Describe the process flow of Ijarah Sukuk highlighting the different parties to it. 8
c) Explain the major challenges and opportunities for developing a vibrant Sukuk market in Bangladesh. 8
8. Write short notes on **any 5 (Five)** of the following 4 × 5 = 20
 - a. Banking Murabaha
 - b. IFSB, IIFM
 - c. Maisir
 - d. MDB
 - e. Wadeah, Qard
 - f. Musharaka, Mudaraba
 - g. Sukuk al-Murabaha
 - h. Islamic Banks Liquidity Facility (IBLF)

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code:102

**Subject Name :Principles of Economics: Conventional
& Islamic**

Full Marks: 100 Pass Marks: 45

Time : 3 Hours

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

1. a) Define Conventional Economics and Islamic Economics. 5
b) Define Micro and Macro economics. What are the major indicators of macro economics of a country? 8
c) What are the basic features of Islamic economics? 7
2. a) Define “Demand and Desire” with example. 5
b) Explain Law of Demand and Law of Supply with graphical presentation. 7
c) “Resources are scarce and wants are unlimited” explain it from both conventional and Islamic point of view. 8
3. a) What is Market in economics? 5
b) What is Perfect Competition? Discuss its main features. 7
c) Define and distinguish between Monopoly & Monopolistic Competition in the market. 8
4. a) What is Money? 5
b) Define Monetary Policy. How does Bangladesh Bank control the money supply through monetary policy? 8
c) What are the functions of money in conventional and Islamic economics? 7
5. a) What are the differences between Profit and Interest? 5
b) Discuss the socio-economic impact of interest (Riba). 8
c) Maquasid-al-Sharia’h is the main focus of Islamic Financial Institution-explain. 7
6. a) What is Budget? Define Surplus and Deficit budget. 6
b) Define GDP, GNP and NNP. Discuss the various methods of measuring GDP. 7
c) What is concentration of wealth? Describe its impact on the economy. 7
7. a) Distinguish between Economic Growth and Economic Development? 5
b) Describe the main obstacles to economic development of Bangladesh. 8
c) What are the main sources of revenue of the government of Bangladesh? 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
 - i) Money Market and Capital Market
 - ii) CRR and SLR
 - iii) IMF and IBRD (World Bank)
 - iv) Financial Inclusion
 - v) Factors of Production
 - vi) **Mubah and Makruh**
 - vii) Zakat and Income Tax
 - viii) Impact of NPI on economy.

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code:103

Subject Name: Principles of Accounting

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) What are the branches of Accounting? Describe in brief. 7
b) Discuss the components of a complete set of financial statements. 7
c) Mention the objectives of financial statements. 6
2. a) Explain the steps in recording process. 7
b) What are the purposes of Subsidiary Ledger? 7
c) Discuss the errors that are committed in recording process. 6
3. a) What are the objectives of charging Depreciation? 5
b) To what context, Diminishing Balance Method of depreciation is better than that of the Straight Line Method? 5
c) ABC Company purchased a machinery on January 01, 2020 at a price of TK.650,000, useful life of which is 5 years and residual value is TK.50,000. The transportation cost of the machine was TK.20,000 and the installation cost was TK.30,000. Calculate depreciation for the machinery under Diminishing Balance Method. 10
4. a) Why and when adjusting entries are made in accounting? 3
b) What are the purposes of Trial Balance? 3
c) The following transactions were made by Mr. Rifat Owner of M/s Rifat Enterprise during the month of March 2023:

| | |
|----------|---|
| March 1 | The owner invest Tk.2,50,000/- in cash and Furniture Tk.90,000/-. |
| March 5 | Appointment a manger Tk.30,000/- per month. |
| March 10 | Purchase of goods Tk.1,20,000/- by cash and Tk.30,000/- on credit |
| March 16 | Sales of goods to Mr. Nihal Tk.2,00,000/- and received cash Tk.1,50,000/- |
| March 20 | Purchase Furniture Tk.20,000/- by cash. |
| March 23 | Received cash Tk.40,000/- from Mr. Nihal |
| March 30 | Paid monthly expenses: Office Rent Tk.10,000/- , Manager Salary Tk.30,000/- |

- i. Pass the Journal entries with narration. 6
 - ii. Transfer the entries in proper Ledger accounts; and 5
 - iii. Prepared Trail Balance. 3
5. a) Explain the Double Entry System of accounting. 5
b) What is a Ledger and why it is prepared? 6
c) Show the effect of the following transaction in an accounting equation creating a tabular summary: 9x1=9
 - i) Investment of the owner TK.100,000 in the business.
 - ii) Purchase a furniture from Hasan Traders for TK.70,000 on credit.
 - iii) Providing consultancy services to the customer for TK.50,000 in cash.
 - iv) Payment made to Hasan Traders TK.70,000.
 - v) Provided consultancy services to Mr. Kibria TK.40,000.
 - vi) Paid TK.20,000 as rent for the period.
 - vii) Cash received from Mr. Kibria TK.20,000.
 - viii) Provided services to Mr.Zakaria of TK.80,000 and out of which TK.30,000 was in cash.
 - ix) The owner paid TK.20,000 as a tuition fees for his child from the business.

6. Write short notes on any **5 (Five)** of the following:

5x4=20

- i) Sukuk
- ii) IFRS
- iii) AAOIFI
- iv) Modern rules for identifying debit and credit
- v) Zakat calculation for Islamic Banks
- vi) Perpetual Inventory System
- vii) Contingent Liability
- viii) Capital Expenditure Vs Revenue Expenditure

7. The Trial Balance of M/S. XYZ Company for the year ended on December 31,2022 was as follows:

M/S XYZ Company
Trial Balance
As on December 31, 2022

| Particulars | Debit (TK.) | Credit (TK.) |
|---------------------------------------|------------------|------------------|
| Opening Stock | 25,300 | |
| Purchase | 1,200,000 | |
| Sales | | 2,000,000 |
| Accounts Receivable | 300,000 | |
| Accounts Payable | | 400,000 |
| Building | 2,000,000 | |
| Accumulated Depreciation | | 300,000 |
| Furniture | 85,000 | |
| Accumulated Depreciation on Furniture | | 15,000 |
| Salary | 220,000 | |
| Accruals Salary | | 20,000 |
| Office Rent | 120,000 | |
| Utilities | 30,000 | |
| Prepaid Expenses | 20,000 | |
| Unearned Revenue | | 30,000 |
| Stationary | 10,000 | |
| Cash and bank balance | 85,000 | |
| Capital and Drawing | 50,000 | 1,000,000 |
| Retained Earning | | 380,300 |
| Total | 4,145,300 | 4,145,300 |

Additional Information:

- i. Closing Stock TK.30,000.
- ii. Depreciation for furniture TK.5,000.
- iii. Depreciation for building TK.20,000.
- iv. Corporate tax rate 25%

Required:

- i. Prepare an Income Statement for the year ended December 31, 2022;
- ii. Prepare a Balance Sheet as of December 31, 2022.

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8. The following Trial Balance was extracted from the books of Glory Islamic Bank Ltd. as on December 31, 2022.

Glory Islamic Bank Ltd.
Trial Balance
As on December 31, 2022

| Particulars | Debit (TK.) | Credit(TK.) |
|--|------------------|------------------|
| Cash in Hand | 450,000 | |
| Balance with Bangladesh Bank | 380,000 | |
| Balance with other BFIs and NBFIs | 100,000 | |
| Investment in Shares & Securities | 320,000 | |
| Investment Income | | 500,000 |
| Income from investments in Shares & Securities | | 30,000 |
| Commission, Exchange & Brokerage | | 40,000 |
| Other Operating Income | | 4000 |
| Placement with BFIs and NBFIs | 170,000 | |
| General Investment | 6,013,000 | |
| Bills Purchased and Discounted | 300,000 | |
| Fixed Assets | 575,000 | |
| Other Assets | 220,000 | |
| Non Banking Assets | 5000 | |
| Murdaraba Term Deposit Account | | 4,000,000 |
| Mudaraba Saving Deposit Account | | 2,000,000 |
| Al Wadeah Current Deposit Account | | 1,000,000 |
| Bills Payable | | 200,000 |
| Profit Paid Deposit | 200,000 | |
| Salary & Allowances | 70,000 | |
| MD/CEO Salary | 1200 | |
| Directors' Fees & Expenses | 500 | |
| Shari'ah Supervisory Committee's (SSC) Fees | 50 | |
| Auditors' Fees | 120 | |
| Other Operating Expenses | 230 | |
| Other Liabilities | | 150,000 |
| Statutory Reserve | | 220,000 |
| General Reserve | | 170,000 |
| Retained Earnings | | 130,000 |
| Paid-up Capital | | 361,100 |
| Total | 8,805,100 | 8,805,100 |

Additional Information:

- i. Additional provision for NPI TK.20000.
- ii. Corporate Tax Rate 30% on profit before tax.
- iii. Dividend declared but not paid TK.30000.

Required:

- a) Prepare a Profit and Loss Account for the year ended December 31, 2022 and
- b) Prepare a Balance Sheet as on December 31, 2022.

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Diploma in Islamic Banking Examination, May-2023

Part: I Subject Code:104

Subject Name: Principles of Management

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) "Management is the process of designing and maintaining an environment in which individuals working together in group effectively and efficiently accomplish selected aims"- explain the statement. 6
- b) F.W. Taylor is acknowledged as the 'Father of Scientific Management'. Explain the principal concern of F.W. Taylor to shift the traditional management to the scientific management. 7
- c) How does Cooperative Social Systems Approach to Management explain the interpersonal and group dynamics in an organizational setting? Explain in brief. 7
2. a) 'Motivational attitude is needed to retain the good customers'- discuss. 4
- b) How does external environmental forces play role positively and/or negatively in an organization? 8
- c) Explain the social responsibilities of managers and the arguments for and against the social investment of business. 8
3. a) What is Managerial Planning and why it is important for an organization like bank. 6
- b) Describe the benefits and weakness of Management by Objectives. 7
- c) As a strategic manager of an Islamic bank, how do you apply the planning process to set up a new branch of your bank? Discuss in brief. 7
4. a) What is Staffing? Which nature of staffing do you follow in your organization? 6
- b) Explain the policy of open competition and ways to make staffing more effective. 7
- c) What are the internal and external factors to ensure good governance in an organization? 7
5. a) How Sharia'h Governance is linked with Islamic concept of management? Give example. 6
- b) Distinguish the functions of Islamic management philosophy from traditional management philosophy. 5
- c) "Ethics in management is one of the core components of governance and management in banks"-explain this statement and justify by your answer. 5
- d) Explain how macro environment factors influence the management functions in banks. 4
6. a) What is Informal Organization? Give an example from your work-setting. 5
- b) Define Span of Management. How does a manager determine the applicability of span of management to ensure effective and efficient supervision of employees? 6
- c) What determines the basic framework of departmentation and what are the strengths and weakness of the basic forms? 5
- d) Differentiate between departmentation and decentralization with suitable examples of both. 4
7. a) Define Job Satisfaction. How would you satisfy an employee under your control? 5
- b) Distinguish between Democratic and Autocratic leader. 5
- c) How will you appraise an employee for promotion to the next grade or position? 5
- d) "A leader is doing bad in a public bank. But after leaving that bank, he is showing marvelous performance in a private bank"- comment. 5
8. Write short notes on **any 5 (five)** of the following: 584200
 - a) Universality of Management
 - b) Crisis Management Techniques
 - c) Hybrid Organization Structure
 - d) Stress Management
 - e) Critical Path Method
 - f) Delphi Method for HR Planning
 - g) Innovation Management
 - h) Accountability under Islamic Framework.

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code: 105
Subject Name: Business Communication
Full Marks: 100 Pass Marks: 45
Time: 3 Hours

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

1. a) Define Communication and discuss its importance in the financial institutions. 8
b) Briefly describe the principles of effective business communication. 6
c) Narrate special features of the communication style of Prophet Muhammad (SW). 6
2. a) How can you classify Business Communication? 4
b) Briefly explain the comparative merits and demerits of oral versus written communication in business. 8
c) What are different modes of Internal Communication? Describe briefly. 8
3. a) Why is “Feedback” important in business communication? 4
b) Narrate the situation that justifies the use of “Informal Communication” in banking institutions. 8
c) How does the digital advancement affect the communication culture of an organization? 8
4. a) What are “Goodwill Letters”? When are such letters used? 4
b) Draft a letter to one of your valued clients informing him/her about the “Locker Services” available at your branch. 8
c) Draft a reminder letter to be issued to one of your clients for repayment of a “Stimulus Investment” to be due shortly. 8
5. a) What are Persuasion Letters and what are its features? 4
b) Write a letter to prospective customer to keep deposits in your branch of the Islamic bank. 8
c) As the branch manager of an Islamic bank, write a letter to the Head of the Human Resources Division at the Head Office to place some additional manpower at your branch with justification. 8
6. a) State descriptive purpose of “Advertisement” and “Press Release”. 4
b) Prepare an advertisement on “Talent Hunt” for the post of “Probationary Officers” in your bank. 8
c) Draft a press release along with a letter to the Editor of a daily newspaper for publishing the news of a discussion meeting held at your branch in connection with the celebration of Independence Day, 2023. 8
7. a) Define a “Memo” and discuss the purposes of writing memos in an organization. 4
b) Prepare a “Leaflet” for distribution among the expatriate Bangladeshis detailing the benefits of sending remittances through banking channel. 8
c) Write a short report on your recent visit to a RMG factory in connection with enhancing its working capital limit. 8
8. Write short notes on **any 5 (five)** of the following: 5x4=20
 - a) Voice Mail
 - b) Multimedia Presentation
 - c) Twitter
 - d) Cyber Security
 - e) Internet
 - f) Circular Letter
 - g) Minutes
 - h) References

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code: 106

**Subject Name: Theory and Practice of Banking: Islamic
and Conventional**

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

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

1. a) 'Unit Banking and Branch Banking have their own advantages and disadvantages'-explain. 6
b) What is a Commercial Bank? Write a note on the 'Evolution of Banking'. 7
c) Differentiate between 'Banks' and 'NBFIs' conceptually, in terms of their functional areas in Bangladesh. 7
2. a) 'Islamic banks are different from conventional banks in term of their welfare goals'-How? 6
b) What are the key functional areas of AAOIFI? What are the roles of a Central Sharia'h Board in an Islamic banking system? 7
c) What are the key principles of Islamic banking? What are the conceptual differences of 'Interest' and 'Riba'? 7
3. a) Elaborate the role of Central Bank as the monetary policy authority and financial sector regulator. 7
b) Explain the role of Central Bank within an Islamic banking framework. 6
c) 'Prudential Regulation and Supervisions are crucial for financial stability'-explain. 7
4. a) Elaborate uses, handling and methods of collection of cheques. What are the major 6
b) investment products of Islamic banks? Explain the key features of the investment products 8
c) of Islamic banks in Bangladesh? Explain 'Banker-Customer Relationship' in the context of Islamic banking. 6
5. a) What is Internal Control? What are the necessities of internal control in a bank? 6
b) What is a Compliance Risk? Explain the role of compliance in ensuring sound banking 7
c) system. What is Statutory Audit? Write a note on 'Preparation and Handling of audit report for a 7
bank'.
6. a) What are purposes of CRR and SLR? Why liquidity management is important for a bank? 6
b) What is Basel-III? Explain key features of Capital Adequacy Requirement under Basel-III 7
c) framework. Explain Asset and Liability Management (ALM) in the context of Islamic banking with 7
special reference to Bangladesh.
7. a) 'All money market instruments are also financial instruments'-explain. 6
b) What is Call Money Market? How Islamic Bonds and Mutual Funds Market might benefit 7
investors?
c) Explain ancillary services by Islamic banks with special reference to Bangladesh. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
a) Repo b) Reverse Repo
c) Promissory Note d) Cash Management
e) CAMELS Rating f) Musharaka
g) Asymmetric Information h) Sharia'h Supervisory Committee