

Diploma in Islamic Banking Examination, April 2019

PART-I

101: Alternative Financial System

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the margin indicate full marks.)

- | | | | |
|----|--|--|--------|
| 1. | a) | Discuss the principles of Islamic Finance. | 10 |
| | b) | Describe the operating efficiency of Islamic banking. | 10 |
| 2. | a) | What is alternative financial system? Why is it important in a country like Bangladesh? | 10 |
| | b) | Do you think that a separate legal and regulatory framework is essential for growth of an alternative financial system in Bangladesh? Why? | 10 |
| 3. | a) | Define Riba. State its classification and implication on an economy. | 10 |
| | b) | What is profit? How it differs from Riba? | 3 |
| | c) | State the types of profit. What type of profit generates in Islamic banking and how? | 7 |
| 4. | a) | Enumerate the risks associated with the Islamic modes of financing. | 10 |
| | b) | “Customer first, Compliance must” - Explain | 10 |
| 5. | a) | Define Sukuk. Describe the features of sukuk. | 10 |
| | b) | “Sukuk can play a vital role in economic development of Bangladesh” – Discuss. | 10 |
| 6. | a) | Define BGIIB. How are Islamic banks benefitted from it? | 10 |
| | b) | What is SLR? Is it same for both Islamic bank and conventional bank? Why? | 10 |
| 7. | a) | Define Maqasid Al-Shariah. | 5 |
| | b) | How can Maqasid Al-Shariah be achieved through Islamic banking? | 10 |
| | c) | How does Maqasid Al-Shariah differ from the CSR? | 5 |
| 8. | Write Short Notes on any 5 (Five) of the following: | | 5x4=20 |
| | i) | IRTI | |
| | ii) | FAA | |
| | iii) | AAOIFI | |
| | iv) | Takaful | |
| | v) | Wakala | |
| | vi) | Economic man | |
| | vii) | School Banking | |
| | viii) | Gharar & Maysir | |

The End

Diploma in Islamic Banking Examination, April 2019

PART-I

102: Principles of Economics: Conventional & Islamic

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5 (five)** of the questions given below.

The figures in the margin indicate full marks.

- | | | | |
|----|-------|--|--------|
| 1. | a) | Define Conventional Economics and Islamic Economics. Describe the salient features of Islamic Economic System. | 10 |
| | b) | How can Islamic economic system ensure social justice and equitable distribution of wealth more efficiently? | 10 |
| 2. | a) | Explain Law of Demand and Law of Supply with graphical representation. | 10 |
| | b) | What is price elasticity? Distinguish between price elasticity and income elasticity of demand. | 10 |
| 3. | a) | Define utility. Describe total, average and marginal utility with graphical representation. | 10 |
| | b) | Define Production Function. Describe 3 (three) stages of production function in a graph showing best stage of a production function in which a producer may like to produce. | 10 |
| 4. | a) | What is perfect competition? Comment on this type of market structure from an Islamic perspective. | 10 |
| | b) | Define monopoly and oligopoly. What is monopolistic competition? | 10 |
| 5. | a) | Define money. Distinguish between narrow money and broad money. | 5 |
| | b) | Distinguish between Islamic monetary policy and Islamic fiscal policy. | 5 |
| | c) | Distinguish between Zakat, Tax and Sadaqah. | 5 |
| | d) | Define GDP, GNP & NNP. | 5 |
| 6. | a) | What is tax policy in Islam? Discuss the implication of linking the tax system with Zakat. | 10 |
| | b) | Discuss the role of money in an Islamic economy. | 10 |
| 7. | a) | Define inflation and stagflation. What is cost push and demand pull inflation? | 10 |
| | b) | How can inflation in Bangladesh economy be controlled? Is inflation always bad for an economy like Bangladesh? | 10 |
| 8. | | Write short notes on any 5 (five) of the following: | 5x4=20 |
| | i) | Tight monetary policy | |
| | ii) | Instruments of open market operation | |
| | iii) | Nominal wage and real wage | |
| | iv) | Value-oriented allocation of credit | |
| | v) | High powered money | |
| | vi) | Trade War | |
| | vii) | Money Market and Capital Market | |
| | viii) | Surplus budget and deficit budget | |

Diploma in Islamic Banking Examination, April 2019

PART-I

103: Principles of Accounting

Time: 3 Hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any five** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) State the advantages and disadvantages of double entry system. 4
b) Write down the accounting cycle with brief description. 8
c) Do you think that the accounting system of an organization running on Islamic principle should be more transparent? Why or why not? 8
2. a) Discuss the modern rule for debit and credit determination. 4
b) What is transaction? Why does it relate with accounting? 4
c) Mr. Haque started his delivery service on March 1, 2019 named “Haque Deliveries”. The following transactions occurred during the month of March:
March 1: Mr. Haque sold his personal investment Tk.200,000 and deposited Tk.100, 000 in the bank account of “Haque Deliveries”.
March 5: Purchased a delivery van for Tk.20,000; Tk.4,000 paid in cash and a note payable was signed for the remaining amount.
March 5: Paid Tk.20,000 for office rent for two months.
March 15: Performed service on account for Tk.8,000.
March 20: Received cash Tk.5,000 against the service provided on March 15.
March 25: The note payable was paid in cash.
March 31: Received cash Tk.2,800 in full settlement of remaining for service provided on March 15.
Required: Show the effects of each transaction on the accounting equation. 12
3. a) “Accounting is a language of business.” Justify. 3
b) What is ledger? Why is ledger called the king of all books? 5
c) Shown below are the inventory quantities, purchases and sales for the year 2018 on a/c of “Modern Plumbing” who uses periodic inventory system. 12

Particulars	Number of Units	Unit Price (Tk.)
Beginning Inventory (January 1)	9,100	4.00
Purchase (February 20)	20,000	4.10
Purchase (May 10)	30,000	4.25
Purchase (August 24)	50,000	4.60

Purchase (November 30)	10,900	5.00
Goods available for sale	120,000	
Units sold during the year	106,000	
Ending Inventory (December 31)	14,000	
Required: Compute the value of ending inventory and the cost of goods sold using (i) FIFO; (ii) LIFO; and (iii) Average Cost Methods.		

4. a) What is a cash book? State, in brief, the necessity of a cash book in a business organization.
- b) From the following transactions of M/S Rabbi & Sons, prepare a Triple Column Cash Book:

6
14

2018	
January 01:	Cash in hand Tk. 8,000 and cash at bank Tk. 20,000.
January 02:	Purchase of furniture for Tk.5,000 and paid in cheque.
January 03:	Goods sold for cash Tk.10,500.
January 04:	Goods purchased from M/S Hossain & Sons for Tk. 10,000. A cheque was issued in favour of them for Tk. 9,500 for full and final settlement of their dues, rest amount was allowed as discount.
January 07:	Received a cheque for Tk. 8,000 from M/S Noor & Co.
January 11:	Received a cheque for Tk. 5,000 from M/S Haque & Sons and deposited the same into the bank on same day.
January 15:	A bill receivable of Tk. 5,000 from M/S Saleh & Co. received a cheque for Tk. 4,800 from them as full and final settlement .
January 20:	Withdrawn from bank for office use of Tk. 2,000.
January 25:	Drew cash from bank Tk. 6,500 where Tk. 4,500 was for office purpose and Tk. 2,000 for personal use of the proprietor.
January 31:	Bank profit credited Tk. 900 and bank charge debited Tk. 300.

5. a) Describe the principle of accounting for intangible assets. 4
 b) What are the main factors in computing depreciation of property, plant and 4
 c) equipment?

A firm purchased a new machine on October 1, 2015 at cost of Tk. 14,50,000. The machine was expected to be used for 20,000 working hours during its 5- year life. Salvage value was estimated at Tk. 250,000.

Required: Compute the depreciation expense under the following methods 4
 for the year indicated: 4

- (i) Straight-line for 2015, 2016 and 2017;
 (ii) Units-of-activity for 2015, 2016 and 2017, assuming machine usage 4
 was
 800, 3500 and 3000 hours; and
 (iii) Double- Declining-Balance for 2015, 2016 and 2017.

6. Write short notes on **any 5 (five)** of the following: 5x4
 (i) AAOIFI (ii) IFRS (iii) Statutory Reserve of Bank (iv) =20
 Revenue vs. Capital Expenses (v) Dividend Equalization Reserve of
 Islamic Bank

- (vi) Forensic Accounting (vii) Golden Rule of accounting (viii) FinTech
 7. Following is the Trial Balance of M/S Disney Enterprise of 31st December, 20
 2018:

Particulars	Debit (Tk.)	Credit (Tk.)
Cash in Hand	50,000	
Cash at Bank	125,820	
Purchase	40,765	
Sales		200,115
Wages	11,200	
Fuel and Power	8,220	
Stock	2,360	
Salaries	13,120	
Insurance	1,230	
Preliminary Expense	5,600	
Building under Construction	290,000	
Plant and Machinery	312,000	
Land	380,000	
Software	270,000	
VAT current A/C	12,890	
Income Tax Deducted at Source	3,110	
L/C Margin for Spare Parts	13,500	

Marketable Securities	6,800	
Trade Receivables	22,800	
Paid up Capital		550,000
Share Money Deposit		724,000
Accumulated Profit		130,200
Vehicle Running Expenses	8,130	
Trade License Renewal Fee	1,800	
Certification and Special Audit	22,000	
Derivative expenses	3,800	
Other Income		15,685
Reimbursable Expenses	14,855	
Total	16,20,000	16,20,000

Additional Information:

(i) Stock as on 31.12.2018 is Tk. 4,240.

(ii) Plant and Machinery, Building are to be depreciated at the rate of 10%,

and Preliminary Expenses to be written off at the rate of 20%.

(iii) Salary for the month of December 2018 amounting to Tk. 850 was unpaid.

(iv) The life time of the software was estimated for 10 (Ten) years.

(v) Provision for taxation was 40%

(vi) Dividend payout ratio is 50%.

Required:

a) Prepare an Income Statement for the year ended 31st December, 2018: and

b) Prepare a Statement of Financial Position as on the day.

8. Modern Islami Bank Ltd. has provided following Trial Balance and additional information:

Modern Islami Bank Ltd.

Trial Balance

As on December 31, 2018

Account Title	Debit Amount (Tk'000)	Credit Amount (Tk.'000)
Al-Wadeah Current Account		30,000
Mudaraba Savings Deposits		45,000
Mudaraba Term Deposits		35,000
Other Deposits		10,450
Cash in Hand	2,150	
Balance with Bangladesh Bank	6,500	
Balance with other banks	1,500	
Land and Building	3,000	

Furniture and Fixture	500	
Other Fixed Assets	250	
Salaries and Allowances	1,200	
General Investments	105,480	
Bills Purchased	15,000	
Profit Paid on Deposits	8,000	
Managing Director's Salary	112	
Provision		1,000
Commission, Exchange, etc.		750
Investment Income		12,600
Income from OBUs		1,000
Loss on Brokerage	50	
Prepaid Expenses	15	
SSC Fees & Expenses	60	
Non-banking Assets	90	
Accrued Expenses		130
Legal Expenses	15	
Other Assets	150	
Directors' Fees	25	
Other Operating Income		1,000
Statutory Reserve		1,170
General Reserve		650
CSR Expenses	108	
Postage and Telephone	30	
Printing and Stationary	65	
Investment in Securities	3,000	
Balance of Profit and Loss A/C		550
Paid Up Capital		8,000
Total	147,300	147,300

Additional Information:

(i) Provide Provision for Investment Tk. 110,000; Taxes Tk. 35,000 and Others Tk. 60,000.

(ii) Proposed Dividend Tk. 125,000

Required:

- a) Prepare a Profit and Loss Account for the year 2018; and
- b) Prepare a Balance Sheet as on December 31, 2018.

The End

10

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Diploma in Islamic Banking Examination, April 2019

PART-I

104: Principles of Management

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the margin indicate full marks.)

1. a) Describe the functions of management with reference to Islam. 7
b) Why is management called the science of attaining efficiency? 6
c) Explain the 'Management role theory' in developing efficient management of an organization. 7
2. a) What do you understand by the term 'Operational Planning'? Give an example. 5
b) Discuss the relationship between planning and controlling. 7
c) How can a plan be successfully implemented in Islamic banks of Bangladesh? 8
3. a) Define supervision. Describe the basic needs to be required for a supervisor. 7
b) Discuss the responsibility of a supervisor under Islamic perspective. 6
c) What are the key factors that make a manager more popular? 7
4. a) "Leadership is the key to 99 percent of all successful efforts" – explain the statement. 7
b) Which leadership style would you prefer in the context of Bangladesh as a manager and Why? 6
c) What is motivation? What are the primary and secondary needs of motivation? 7
5. a) Define ethics in banking. How the deterioration of ethics in banking is linked with internal and external environment of a banking company? 8
b) Explain in brief. 6
How the principles and process of Islamic management determine the ethical
c) business behavior in banking? 6
Explain in short how corporate governance of a bank is linked with corporate social responsibility in banking business.
6. a) Differentiate between line and staff concept in management. 6
b) What is decentralization? How do you make delegation of authority and decentralization of authority effective? 8
c) Explain the building blocks or foundation of organizational behavior in banks. 6
7. a) What is succession planning? Explain HR inventory chart to perform 7

succession planning in banks.

b) Explain Balanced Scorecard Model for performance appraisal of employees in banks. 7

c) What is Decision Support System (DSS)? How DSS supports the bank managers to make decision in banks. 6

8. Write short notes on **any 5 (five)** of the following: 5x4

a) Mc Kinsey's 7S approach =20

b) Task force

c) Blue Ocean Strategy

d) Six Sigma

e) Change management

f) Team building

g) Stress management

h) e-Governance

The End

c) Facebook and Twitter

d) Press Release

e) Goodwill Letters

f) Conversational Style of Writing

g) Glossary

The End

Diploma in Islamic Banking Examination, April 2019

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)** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) What is specialized banking? How it differs from commercial banking? 6
b) What are the sources of non-investment income of a commercial bank? 5
c) How can a commercial bank minimize its cost of fund? 5
d) How can a bank maintain an ideal Investment Deposit Ratio (IDR)? 4
2. a) Describe the objectives of Islamic banking under the concept of Maqasid Al 6
b) Shariah. 5
c) Describe the differences between Interest and Profit. 5
d) Describe the profit and loss earning and distribution system under Mudaraba 4
principle.
What are the sources of fund of an Islamic Bank?
3. a) What is CAMELS? How CAMELS rating helps banks to improve their 6
b) performance? 5
c) Describe the importance of "Off-sight" and "On-sight" supervision by the 5
4. a) What do you mean by financial inclusion? How does it help to strengthen 6
the financial health of a bank?
b) What is agent banking? Describe its role in the operation of a bank. 6
c) Describe the main features of customer acceptance policy of a bank. 6
d) Define EDD. 2
5. a) Define post dated cheque and stale cheque. 4
b) Differentiate between Mandate and Nominee. 4
c) Differentiate between general crossing and special crossing. 4
d) Mention the characteristics of a negotiable instrument. 6
e) Define RTGS. 2
6. a) Define Alternative Delivery Channel. 3
b) Describe the role of alternative delivery channel in attaining customer 6
satisfactions of a bank.
c) Describe the importance of CDD and EDD in AML and CFT. 6
7. a) Discuss asset-liability management in bank. 5
b) Define concentration of risk. How can it be mitigated? 5
c) What is Repo and Reverse Repo? 4
d) "Compliance is a tool for good governance"- Discuss. 6

8. Write short notes on any 5 (five) of the following: 5×4
- a) Lien and Mortgage =20
 - b) Fixed and Floating charge
 - c) Corporate Governance
 - d) Predicate offence
 - e) CRAR
 - f) Call money market
 - g) Mutual Fund

The End

Diploma in Islamic Banking Examination, April 2019

PART-II

201: Investment Management

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the margin indicate full marks.)

- 1 a. What is Investment Portfolio Management? How can you evaluate portfolio risk? 7
- b. “Forward Looking Towards Financial Excellence” – Explain from the viewpoint of investment management. 6
- c. “Investment mechanism in Islamic banks are more efficient than that of conventional banks” Explain in detail. 7
- 2 a. “Fund flow statement analysis signifies to evaluate an investment project” Discuss. 6
- b. Elaborate the factors those influence investment sanctioning process. 7
- c. How can an investment perspective plan help a bank to achieve its vision? 7
- 3 a. Differentiate between Risk Rating & Risk Grading? 6
- b. Explain in details the investment risk grading process. 7
- c. State the procedure for rescheduling a defaulted investment account. 7
- 4 a. What are the profitability ratios? Write down the objectives of Ratio Analysis. 6
- b. The Balance Sheet of Exit Corporation as on 31st December 2018 has been cited below: 14

Liabilities & Equity	Amount (Tk.)	Assets	Amount (Tk)
Share Capital	2,50,000	Land & Building	1,50,000
Profit & Loss Account	30,000	Capital Machinery	3,50,000
General Reserve	40,000	Stocks	2,40,000
12% Debentures	4,20,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Accounts Receivable	10,000
Bills Payable	50,000	Cash at Bank	40,000
Total Liabilities & Equity	8,90,000	Total Assets	8,90,000

Calculate:

- a. Current Ratio, b. Quick Ratio, c. Inventory to Working Capital, d. Debt to Equity Ratio , e. Proprietary Ratio, f. Capital Gearing Ratio, g. Current Assets to Fixed Assets.
- 5 a. Discuss different processes for calculation of actual working capital. Differentiate between gross working capital and net working capital of a business enterprise. 8
- b. What is investment pricing? What are its components? Explore an example. 6

- c. What are the causes of Non- Performing Investments? Point out the preventive and remedial measures for Non- Performing Investments. 6
- 6 a. What is compelled situation? Discuss the probable risk factors for continuation of disbursement even after expiry. 7
- b. Differentiate between Consortium Financing and Syndicate Financing. 6
- c. Explain the significance of provisions against classified investment with present provisioning system. 7
- 7 a. What is capital budgeting? How do capital budgeting tools help an investment analyst to make decision? 7
- b. Narrate the mechanism of ballooning in investment? Explain its impacts on the banking business. 7
- c. How does a bank resolve the conflict between liquidity and profitability while managing its investment portfolio? 6
- 8 Write short notes on any 05 (five) of the following: 4X5=20
- a. Average Method and Annuity Method
 - b. BMRE & IRM
 - c. Financial Derivatives
 - d. Islamic Money Market Instruments
 - e. Venture Capital Finance
 - f. EPS and Dividend Payout Ratio
 - g. Capital Asset Pricing Model (CAPM)

The End

Diploma in Islamic Banking Examination, April 2019

PART-II

202: International Trade and Finance

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5 (five)** of the questions given below.

The figures in the margin indicate full marks.)

1. a) Define balance of trade and balance of payment. 4
b) What are the components of balance of trade and balance of payments? 4
c) What is the difference between Balance of trade and balance of 8
d) payments? 4
'Balance of payment is always balanced' – Explain.
2. a) What is Dash Board? Describe the operation of Musharaka Documentary 6
Bill (MDB).
b) Narrate the disbursing procedure of Murabaha Post Import (MPI) 6
c) investment. 8
Explain the operation of Bai-as Sarf and its implications in foreign trade operation.
3. a) What is export? 2
b) Describe the various steps involved in the export of goods from 6
Bangladesh to abroad.
c) What is Import? 2
d) Describe the various processes of importing goods in Bangladesh. 6
e) What are the local and foreign regulators of foreign exchange 4
businesses?
4. a) What do you mean by international financial market? 4
b) What are the instruments of international financial market? 4
c) Does Islamic economics support international financial market? 6
d) What are Derivatives? What is the difference between forward and 6
future?
5. Explain the following terms in the light of UCP-600: 10×2=20
a) Advising Bank
b) Complying Presentation
c) Banking Day
d) Clean Transport Documents
e) Honor
f) Transferable Letter of Credit
g) Commercial Invoice h) Credit vs. Contract
i) Charter Party Bill of Lading j) Confirmation

6. a) Definition of Letter of Credit. 2
- b) What are the parties involved in a letter of credit. 4
- c) Preparatory steps for opening a letter of credit. 6
- d) What are mandatory fields in the SWIFT message for opening a letter of credit? 6
- e) What is Off-shore Banking? 2
7. a) Describe the different variants of spot buying and selling rates as practiced by the banks of Bangladesh. 6
- b) What is cross rate? How do you calculate it? 4
- c) Determine the rate for remitting GBP 5000 through FTT for study purpose as per following date & how much total amount so far paid: 10
- i) Rates available GBP/USD: 1.3880–1.3885
USD/BDT: 82.9000–83.6000
- ii) FTT charge @ 0.25%
- iii) Fixed overhead cost @ Tk. 0.20 per GBP
- iv) Profit margin for the bank @ 0.20%
- v) Rate to be allowed to the customer; @ 0.30% for a period of 21 days
- (360 days in a year)
8. Write short notes on **any 5 (Five)** of the following: 5×4=20
- a) SWAP
- b) IDB
- c) EDF
- d) Nostro Account and Vostro Account
- e) SWIFT
- f) Documentary collection
- g) Intervention currency
- h) Financial Engineering

The End

Diploma in Islamic Banking Examination, April 2019

PART-II

203: Ethics in Banking & Legal Environment

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) What are the Ethical Principles of Trade and Finance in the light of Islamic 10
b) Shariah? 5
c) Justify the operational efficiency of Islamic Banking. 5
Is Interest free banking 'Islamic Banking'?
2. a) What is contract? Who are competent to contract? 10
b) What do you mean by 'Free consent'? 5
c) Define 'Undue influence and Fraud'. 5
3. a) What do you mean by Negotiable Instruments? 5
b) Distinguish between 'Bill of Exchange' and 'Cheque'? 5
c) What do you mean by 'Good Faith' and 'Without Negligence'? 5
d) When collecting bank will get legal protection under Negotiable Instrument 5
Act-1881?
4. a) What do you mean by 'conflict of interest'? 5
b) What is Misconduct? 5
c) Discuss the 'DO'S and 'DONT'S'' of the 'General conduct and Discipline' 10
for the bank employees.
5. a) 'Artha Rin Adalat Ain-2003 is a special law for the protection of 10
investment of a bank' -Explain.
b) What are the procedures of filing suit for recovery of banks dues as per 10
law?
6. a) Distinguish between a Public Limited Company and a Private Limited 10
b) Company. 10
What is Good Governance? How can Good Governance be ensured in a
Bank?
7. a) What are the duties & responsibilities of a commercial bank as per section 10
25 of the Money Laundering Prevention Act, 2012?
b) What are the "Predicate Offence"? When BFIU can impose penalties on a 10
bank?

8. Write short notes on any 5 (Five) of the following: 4x5=
- a) Dormant Account 20
 - b) Financial Crime
 - c) Cost of Fund
 - d) Green Banking
 - e) BAMLCO
 - f) Clients Rating
 - g) Material Alteration
 - h) ADC Product.

The End

Diploma in Islamic Banking Examination, April 2019

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. Answer to the question must bear workings, notes, and formula where necessary.)

Section-I : Management Accounting

1. a) Enumerate the tools and techniques used in Management Accounting. 8
b) Accounting. 5
c) Show the relationships of Management Accounting with Cost Accounting. 7

Discuss the role of Management Accounting in managing investment of Islamic banks.

2. a) Why do you need to know break-even point of a company? 5
b) Explain. 15

A company produces a similar product in two factories. The following are the information of two factories about the product it produces:

Particular	Factory-A	Factory-B
Selling price per unit (Tk.)	200	200
Variable cost per unit (Tk.)	150	140
Fixed cost (Tk.)	8,00,000	10,00,000
Depreciation included in fixed cost (Tk.)	1,20,000	1,10,000
Sales in units	80,000	50,000
Production capacity in units		

- i) Calculate break-even point, cash break-even point and, margin of safety of each factory.
ii) If the variable costs increase by 10% in factory A and 15% in factory B, what will be the consequences in profit and in break-even point (both in Taka and in units)?
iii) If selling price is reduced by 10%, what would be BEP sales

in amount of Taka and in units for both factories?

iv) What would be the profit or loss of the company when sales is 50,000 units in each factory.

3. a) Distinguish between variable costing and absorption costing.

5

b) Mr. Ezel set up a business for making an energy product. The budgeted per unit sales and production information are given below:

Cost Elements	Taka
Sales price	1,200
Direct materials	400
Director labour	250
Variable production overhead	120
Fixed production overhead	200
Fixed administrative & general overhead	150

Followings are projected level of activity:

Month	Sales (units)	Production (units)
July	300	500
August	600	750
September	600	1,000

Fixed overhead costs have been projected on the basis of annual activity of 10,000 units and will be incurred constantly over the year. There is no opening stock.

Requirements:

i) Prepare a budgeted statement of profit for each month using absorption costing and variable costing.

10

ii) Explain the reasons of differences in profits of each month under the two methods of costing.

5

4. a) How does the *time series analysis* of financial statement differ from the *cross-sectional analysis* of financial

4

b) statement?

3

Why is quick ratio considered as a better indicator of liquidity than

c) current ratio?

Selected financial ratios and the industry average for ABC Company are as follows:

Ratios	Firm	Industry Average
Current ratio	3.2 times	2.5 times

Quick ratio	1.75 times	1.9 times
Long term debt to equity	23%	33%
Inventory turnover ratio	8.7 times	5.5 times
Average collection period	33 days	40 days
Net profit margin	3.8%	3.5%
Return on Asset (ROA)	11.5%	9.75%

Requirements:

- i) Evaluate the financial health of the firm compared to its industry average as regards to *Liquidity, Solvency, Activity and Profitability* in particular. 10
- ii) Give suggestions to the firm for improvement of financial health in future. 3

Section-II: Financial Management

- 5. a) What is time value of money? Why is it significant in business 4
- b) decision? 4
- c) Define annuity. How is it different from perpetuity?

Mr Ameer Ali plans to purchase a Machine costing Tk. 80,00,000. He makes a down payment of Tk. 20,00,000 and avail investment facilities under HPSM mode for the next 5 years with a fixed rate of rent. The payments are made in quarterly installment with the first payment due at $t = 1$. The rate of return is 16% per annum compounded quarterly. Calculate the installment of the quarterly payment. 12

- 6. a) Why discounted cash flow is more reliable and authentic than non discounted cash flow. 2
- b) Describe the accept-reject criteria of long-term investment decision under the Net Present Value (NPV), the Internal Rate of Return (IRR) and, the Profitability Index (PI) methods of capital budgeting. 6

- c) Two mutually exclusive projects have the following projected cash flows:

Cash flows (Period)	Project A (in Tk.)	Project B (in Tk.)
0	(20,000)	(20,000)
1	10,000	0
2	10,000	0
3	10,000	0
4	10,000	60,000

Requirements:

- i) Determine the net present value of each project assuming 10% cost of capital.
- ii) Which project would you select and why? What assumptions are inherent to your decision?
7. a) Define cost of capital. Why is cost of debt capital calculated after 6
b) tax basis? 14

The following figures are capital structure of Gung-chill Company:

Ordinary share capital	Taka
Authorized: 50,000 shares of Tk. 20 each	<u>10,00,000</u>
Issued: 40,000 shares of Tk. 20 each	8,00,000
Share premium	2,00,000
Reserves	<u>6,00,000</u>
Shareholders' funds	<u>16,00,000</u>
6% irredeemable debentures	6,00,000

Gung-chill has just paid an annual dividend of 2.20 Taka per ordinary share. The recent growth rate of ordinary share dividends has been 8% per annum, and this growth rate is expected to continue forever. Annual interest has recently been paid on the debentures. The ordinary share price is Tk.108 and the price of the debentures (the par of which is Tk.100) is Tk.75.

Required:

Estimate the weighted average cost of capital (WACC) of Gung-chill using:

- i) Market values weight.
- ii) Book values weight.
8. Write short notes on **any 5 (five)** of the following: 4×5=20
- a) Zero-coupon bond b) Stock split c) Basic EPS
- d) Revolving credit e) Stable dividend policy
- f) Goal of wealth maximization g) Ideal concept of financing

The End

Diploma in Islamic Banking Examination, April 2019

PART-II

205: E-Banking

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the right margin indicate full marks.)

- | | | | |
|----|-----|--|-------|
| 1. | a) | What are the network devices used to build Local and Wide area network of your bank? | 5 |
| | b) | What is Operating System (OS) of your computer at your office? Why it is require for your PC? Compare the multiuser and Multi-tasking operating system. | 5 |
| | c) | What is DC & DR? How they will perform in an organization like IBBL in the context of BCP? What are Physical securities of DC & DR. | 10 |
| 2. | a) | What is ICT Audit? What is the scope of IT auditing in e-banking system? How are you/your office complying IT audit observation? What documents are your office provide to the IT auditor as per their demand? Discuss the importance of ICT Audit in e-Banking. | 12 |
| | b) | Define Cyber Security. Discuss the role of Non-IT employees to minimize IT security risk in e-Banking environment. | 8 |
| 3. | a) | What is financial inclusion? Discuss the role of agent banking system for financial inclusion in Bangladesh. | 7 |
| | b) | What is e-Commerce? How can a bank contribute to the development of e-Commerce in Bangladesh? | 7 |
| | c) | Compare between cyber banking and traditional banking. | 6 |
| 4. | a) | What do you mean by the alternative delivery services in e-banking system? Mention the features of i-banking, mCash and NPSB. | 12 |
| | b) | Name the Debit, Credit and Prepaid cards issued by your bank. What are the features of those cards? | 8 |
| 5. | a) | What is MIS? What are the uses of MIS in bank management? | 8 |
| | b) | What is RDBMS? Discuss the merits and demerits of Centralized and Decentralized database management in e-Banking system. | 6 |
| | c) | Describe in brief about BIG data. | 6 |
| 6. | a) | What is Phishing mail? Describe the email and internet use policy of your bank. | 12 |
| | b) | Describe the differences between BACH and upcoming BACH2 services. | 8 |
| 7. | a) | “Information technology can help a bank to achieve competitive advantage” - Explain. | 10 |
| | b) | “IT security is not only a tool but also a practice and culture” - Explain. | 10 |
| 8. | | Write short notes on the following: | 10x2= |
| | 1. | Fintech | 20 |
| | 2. | NFC | |
| | 3. | CRM | |
| | 4. | OTP | |
| | 5. | PCI DSS | |
| | 6. | eGP | |
| | 7. | BIOS | |
| | 8. | RTGS | |
| | 9. | POS | |
| | 10. | SWIFT | |

The End

Diploma in Islamic Banking Examination, April 2019

PART-II

206: Micro Finance & Rural Banking: Conventional & Islamic

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B. : Answer **any 5 (five)** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) Define financial inclusion. Discuss its importance 10
b) Discuss the role of Islamic microfinance in women's financial inclusion in Bangladesh. 10
2. Establish linkage between formal, semi-informal and informal credit markets. 20
Despite wide network of banks and MFIs, why does informal credit market exists?
3. a) How does traditional micro finance differ from Islamic micro finance? 5
b) How can traditional micro finance program be converted into Islamic micro finance program? 10
c) Discuss the features of RDS of IBBL. 5
4. a) Distinguish between individual guarantee and group guarantee. 10
b) What are the risks involved in individual guarantee and group guarantee? 10
5. a) Do you consider the MF as the effective tool for poverty alleviation? Why? 10
b) How can you assess the impact of MF in the target market? 10
6. a) What is UPDS? Discuss the differences between RDS and UPDS. 10
b) Discuss the modes of investment used in RDS and UPDS. 10
7. Discuss the role of MRA and PKSf in promoting and regulating micro finance industry in Bangladesh. 20
8. Write short notes on any 5 (five) of the following: 5x4=20
 - i) Graduation of MF borrower
 - ii) Women's empowerment through MF
 - iii) Obstacles of Islamic MF
 - iv) Overlapping of MF
 - v) Off-firm economic activities
 - vi) Hardcore poor vs targeted poor
 - vii) Sustainable income
 - viii) Social investment under MF program

The End