

**Diploma in Islamic Banking Examination, October 2018**

**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 efficiency of 'Alternative Financial System'. 10  
b) What is Shari'ah? What is the role of 'Shari'ah Supervisory Committee' in an Islamic bank? 10
2. a) What do you mean by the Shari'ah compliance? 3  
b) How Shari'ah compliance is ensured for financing under different modes of Islamic Finance? 7  
c) Discuss the system of profit distribution to Mudaraba depositors by an Islamic bank. 10
3. a) What are the components of 'Islamic Money Market'? 4  
b) What is Mudaraba Perpetual Bond (MPB)? What is its use in IBBL? 8  
c) What is the treatment of realized compensation in Islamic banking? 8
4. a) What are the challenges and opportunities of Islamic banking in Bangladesh to grow further? 10  
b) 'Islamic banking is the solution for global financial crisis' – Discuss. 10
5. a) Which mode dominates the investment portfolio of Islamic banking in Bangladesh? Why? 10  
b) Suggest the measures to increase financing under Musharaka and Mudaraba. 10
6. a) Insurance is treated as a 'Risk Management Strategy' – Discuss. 6  
b) Why conventional insurance is not accepted by Shari'ah? 7  
c) Discuss the problems and prospects of Takaful in Bangladesh. 7
7. Discuss the 'Economics of Profit' in Islamic banking. 20
8. Write short notes on **any 5 (five)** of the following: 5 ×4=20
  - a) Sukuk
  - b) AAOIFI
  - c) HPSM
  - d) Maqasid-Al-Shari'ah
  - e) Sources of Islamic Law
  - f) Mark-up Profit
  - g) Islamic Capital Market
  - h) Ijtihad and Mujtahid

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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 Economics. What are the differences between 'Micro' and 'Macro' Economics? 5
- b) Describe the characteristics of Islamic Economics. 5
- c) What are Normative and Positive Economics? Of these two economics which one is more supportive to Islamic Economics? 10
2. a) Distinguish between demand and desire. 2
- b) Illustrate the law of demand with an example. 8
- c) "Resources are scarce and wants are unlimited" – Explain it from both conventional and Islamic economics point of view. 10
3. a) Define indifference curve. Discuss the characteristics of indifference curve. 10
- b) Distinguish between cardinal and ordinal utility approach. Explain with a suitable model how a consumer maximizes his utility. 10
4. a) Define money. What are the functions of money in Conventional and Islamic Economics? 8
- b) Distinguish between M1 and M2 money. 6
- c) Differentiate between Monetary policy and Fiscal policy 6
5. a) What is inflation? Suggest the measures to control inflation in Bangladesh Economy. 10
- b) What is concentration of wealth? What are its consequences in the economy? Does Islam permit wealth concentration? Justify. 10
6. a) Define and distinguish between i) Fixed cost; ii) Variable cost; iii) Average cost and iv) Marginal cost with graphical representation. 10
- b) Explain the situation of increasing, constant and decreasing returns to scale in a production function. 10
7. a) What is GDP and per capita income? 4
- b) Discuss the importance of Shari'ah based micro investment approach and Zakat in reducing poverty. 10
- c) Explain the consumer behavior in Islamic Economy. 6

8. Write short notes on **any 5 (five)** of the following: 5×4=20
- a) Monopoly, Duopoly and Oligopoly
  - b) Loose monetary policy
  - c) High-income, Middle-income and Low-income countries
  - d) Deficit Budget
  - e) Interest & Mark-up Profit
  - f) Balance of Payment & Balance of Trade
  - g) Green Banking & Ethical Banking
  - h) Factors of Production

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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) Briefly describe the accounting assumptions. 4
- b) “Accounting is an information system” – Justify. 2
- c) Mrs. Chowdhury, a woman entrepreneur, opened ‘A+Dry Cleaners’ on September 1, 2018. During the first month of its operation, following transactions occurred.
- September 1: Mrs. Chowdhury invested Tk. 600,000 cash in the business.
- September 3: Paid Tk. 200,000 as Advance Rent and Tk. 20,000 as rent for September, 2018 for the shop.
- September 4: Purchased washer and dryers for Tk. 150,000 paying Tk. 50,000 in cash and signing a 6-month 12% note payable for the rest amount.
- September 4: Paid Tk. 4,800 for one year accidental insurance policy.
- September 10: Received a bill from the ‘Daily News’ for advertising the opening of the shop of Tk. 10,000.
- September 25: Mrs. Chowdhury withdrew Tk. 24,000 cash for personal use.
- September 30: Cash received from laundry service for the month Was Tk. 100,000 and account Tk. 140,000.

- Required:** (i) Prepare journal entries 5  
(ii) Post the journal entries to the accounts in the ledger 4  
(iii) Prepare a trial balance as of September 30, 2018
2. a) State, in brief, different methods of inventory valuation. 4  
b) What are the differences between perpetual and periodic inventory systems? 4  
c) From the following information, determine the “Cost of Goods Sold” and Value of Ending Inventory under (i) FIFO Method and (ii) LIFO Method following perpetual inventory system: 12
- July 1, 2018: Beginning Inventory 450 unit @ Tk. 69 per unit.  
July 8, 2018: Sales 300 units.  
July 10, 2018: Purchase 800 units @ Tk. 70 per unit.  
July 15, 2018: Sales 700 units.  
July 22, 2018: Purchase 400 units @ Tk. 75 per unit.  
July 25, 2018: Sales 500 units.  
July 30, 2018: Purchase 600 units @ Tk. 73 per unit.  
July 31, 2018: Sales 100 units.

**Page 1 of 5**

3. a) State the role of AAOIFI in preparation of financial statements of Islamic banks. 5  
b) What are the objectives of preparing bank reconciliation statement? 5  
c) The bank statement for “Mars Trading” showed a balance of Tk. 15,907 on June 30, 2018. On the day, the balance of cash per book was Tk. 11,589 with following reconciling items:
- i. A deposit of Tk. 2,201 on June 30, 2018 was received by the bank on July 1, 2018.
  - ii. 3 (three) checks amounting Tk. 3,000: Tk. 1,402; and Tk. 1,502 were issued but not paid by the bank.
  - iii. The company wrote a check for Tk. 1,226 and the bank correctly paid that amount. But the amount was written in the company’s book as Tk. 1,262.
  - iv. A check for Tk. 426, deposited for collection, was bounced due to insufficient fund.
  - v. Bank charges for printing company check book Tk.30.
  - vi. Collection of bill received for Tk. 1,000 plus profit earned Tk. 50, less bank collection fee Tk. 15.

**Required:**

- Prepare a bank reconciliation statement using both balance correction method. 10

4. a) What are the principal factors to be considered to compute depreciation? 4  
 b) What are the differences between straight-line and diminishing balance methods of depreciation? 4  
 c) A firm purchased a new machine at a cost of Tk. 2,000,000 in January 2014. It has an estimated economic life of 4 (four) years and salvage value of Tk. 400,000. During its economic life, the machine is expected to be run 170,000 hours and actual running is-

Year	Run (hour)
2014	50,000
2015	45,000
2016	40,000
2017	35,000

Your are required to determine annual depreciation cost for 4 years under: 12

- i. Straight-line Method ;
  - ii. Machine-hour Rate Method ; and
  - iii. Double-declining Balance Method
5. (a) What is Cash Book? Why is a Petty Cash Book prepared? 5  
 (b) What is ethics? Why is it important for accounting profession? 5  
 (c) What is double entry system of book keeping? How does it differ from single entry system? 5  
 (d) What is Accounting Cycle? Draw an Accounting Cycle mentioning all important steps. 5

**Page 2 of 5**

6. The following Trial Balance was extracted from the books of accounting of M/S ABC co. Ltd. as on December 31, 2017.

**M/S ABC Co. Ltd.**  
**Trial Balance**  
**As on December 31, 2017**

Particulars	Debit (Tk.)	Credit (Tk.)
Share Capital		600,000
Land & Building	1,000,000	
Machinery	350,000	
Investment from Bank		1,000,000
Inventory	290,000	
Account Receivable	100,000	
Account Payables		63,000
Sales		596,000
Purchase	100,000	
Carriage Inward	8,000	
Return Outward		4,500
Vat on sales	2,500	
Carriage Outward	4,000	

Wages	3,500	
Other Manufacturing Cost	2,000	
Office Supplies	3,000	
Salary	75,000	
Return Inward	2,000	
Furniture	194,000	
Provision for Bad Debts	3,000	
Bad Debts	1,500	
Cash in Hand	10,000	
Cash at Bank	55,000	
Prepaid Rent	60,000	
<b>Total</b>	<b>2,263,500</b>	<b>2,263,500</b>

**Additional Information:**

- a) Inventory in hand Tk. 300,000.
- b) Office supplies worth Tk. 500 were unused.
- c) Depreciation on Machinery 10% per annum.
- d) Provision for Bad Debts Tk. 3,000.

20

**Required:**

- i) Prepare an Income Statement for the year 2017 and
- ii) Prepare a Balance Sheet as on December 31, 2017

**Page 3 of 5**

7. 'Next Generation Islami Bank Ltd.' has provided following Trial Balance and additional information as on December 31, 2017. Prepare a Profit and Loss Account for the year 2017 and a Balance Sheet as on December 31, 2017 of the bank observing the Bangladesh Bank guidelines in this regard.

20

**Next Generation Islami Bank Ltd.  
Trial Balance as on December 31, 2017**

Particulars	Debit (Tk.)	Credit (Tk)
Paid-up Capital (80,000 shares valuing Tk. 10 each)		800,000
Al- Wadeeah Current Deposit		1,000,000
Mudarabah Savings Deposits		3,200,000
Mudarabah Term Deposits		3,000,000
Other Deposits		800,000
General Investment	6,400,000	
Investment in Securities	950,000	
Fixed Assets	320,000	
Profit Paid on Deposits	350,000	

Dividend Payable		30,000
Zakat Payable		20,000
Investment Income		545,000
MD's Salary & Allowance	60,000	
SSC Fees and Expenses	15,000	
Gain on Brokerage		10,000
Balance with Bangladesh Bank	880,000	
Balance with other Banks	150,000	
Bills Purchased	200,000	
Salaries and Allowance	150,000	
Cash in Hand	50,000	
Income from ADC		51,000
Commission and Exchange income		12,000
Balance of Profit and Loss A/C		60,000
Legal Expense	3,500	
Printing & Stationery	2,500	
Postage & Telecommunication	2,000	
Reserve Fund		50,000
Directors' Fees	50,000	
Other Assets	15,000	
Other Liabilities		20,000
<b>Total</b>	<b>9,598,000</b>	<b>9,598,000</b>

**Additional Information:**

Provision for Tax Tk. 5,000; NPI Tk. 7,000; and Others Tk. 3,000.

**Page 4 of 5**

8. Write short notes on **any 5 (Five)** of the following: 5×4  
=20
- a) Intangible Asset
  - b) IFRS and IAS
  - c) Adjusting Entry and Closing Entry
  - d) Accounting Equation
  - e) Accrual Basis Accounting System
  - f) Depreciation and Amortization
  - g) Islamic Accounting System for Banks
  - h) Users and Uses of Accounting Information

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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) What are the principles of Management proposed by Henri Fayol? 7  
b) Distinguish between Islamic management and conventional management. 6  
c) Mention the principles of scientific management. 'Scientific management is a mental revolution' – comment. 7
2. a) What is meant by 'Business ethics'? 6  
b) What ethical guidelines should a bank manager follow? 8  
c) Give some codes of ethics to be formulated for an Islamic bank manager. 6
3. a) How can you define planning? Explain the nature and importance of planning. 7  
b) Distinguish between single use plan and standing plan. 5  
c) Discuss different types of plan. Which type of plan is formulated at the corporate offices of Islamic banks? Why? 8
4. a) Briefly discuss different styles of leadership. 6  
b) Distinguish between transactional and transformational leadership. 6  
c) What are the essential qualities required for the effective managers of Islamic banks? 8
5. a) Explain in short the 'Basic Needs True Model of Motivation' with diagram. 8  
b) Why is this model known as a universal approach? 4  
c) How can you increase the motivation level of executives of Islamic organizations in Bangladesh? 8
6. a) What do you mean by span of management? 4  
b) Explain the factors influencing an effective span of management in an organization. 8  
c) What is matrix organization structure? Draw the structure of matrix organization. Which type of organization can use matrix structure? 8
7. a) Define recentralization of authority. 5  
b) Suppose you are a branch manager of an Islamic bank. Currently you are over stressed. With a view to reducing stress, you have identified Delegation of Authority (DoA) as the best way to do. Now, explain the art of Delegation of Authority in this branch. 8  
c) Differentiate between team and group. Give an example of each in the Islamic banking perspective. 7
8. Write short notes on **any 5 (five)** of the following: 5×4 =20  
a) Management Culture  
b) Change Management  
c) MBO  
d) Consultative Direction  
e) Bounded Rationality  
f) TOWS Analysis  
g) Functional Foremanship  
h) Budgetary Control



## The End

### Diploma in Islamic Banking Examination, October 2018

#### PART-I

#### 105: Business Communication

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 Communication and Business Communication.  | 4   |
|    | b) | Describe the objectives and strategies of business communication.   | 8   |
|    | c) | Explain how can communication increase the efficiency of bank management?   | 8   |
| 2. | a) | 'Communication is the key to success in business and career' – Explain.   | 6   |
|    | b) | Describe the ways to improve one's communication skill.   | 6   |
|    | c) | What means of communication would you adopt to communicate with your customers both internal and external, and why?                 | 8   |
| 3. | a) | What are the different forms of written communication?  | 7   |
|    | b) | How would you make your communication effective?  | 6   |
|    | c) | Draft an office order advising your teams to engage their efforts to mobilize deposit for achieving branch target.                  | 7   |
| 4. | a) | What is Communication Feedback?   | 2   |
|    | b) | What is the importance of feedback? Explain the consequences of delayed feedback from your experience.                              | 8   |
|    | c) | Explain the importance of communication for providing better customer services.   | 10  |
| 5. | a) | What is business letter? How do you classify business letters?  | 7   |
|    | b) | Write a letter to a resource person requesting him to chair a business session of a seminar arranged by your bank.                  | 7   |
|    | c) | Write a reply to a customer who has complained about unsatisfactory services of the front desk of your branch.                      | 6   |
| 6. | a) | Define Circular Letter. Describe the importance of Circular Letter in your bank.  | 6   |
|    | b) | Distinguish between a circular letter and an advertisement.   | 6   |
|    | c) | As a Head of the Development Wing, draft a circular letter to be issued to the local people announcing the opening of a new branch. | 8   |
| 7. | a) | 'The quality of assets depends on the quality of communication' - Explain.  | 7   |
|    | b) | Write a letter to your investment client to keep the accounts regular.  | 7   |
|    | c) | Draft an office order creating teams for ensuring asset quality of your branch.   | 6   |
| 8. |    | Write short notes on <b>any 5 (five)</b> of the following:  | 5×4 |
|    | a) | Agenda and Minutes  | =20 |
|    | b) | Memo  |     |

- c) Professional Networking
- e) Management Information System
- g) Non-verbal Communication
- d) Interpersonal Communication
- f) Informal Communication
- h) Extraordinary General Meeting

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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) | Define 'Islamic Bank' as defined by OIC.  | 2  |
|    | b) | What are the basic differences between a Bank and a Non-bank Financial Institution?   | 6  |
|    | c) | Describe the Profit and Loss Distribution System under Mudaraba Principle.  | 6  |
|    | d) | Is the operating system of Islamic banking more efficient than conventional one? If so, justify.  | 6  |
| 2. | a) | What is Green Banking?  | 2  |
|    | b) | Define Virtual Banking. Describe advantages and disadvantages of Virtual Banking.   | 6  |
|    | c) | Differentiate between Unit Banking and Branch Banking.  | 4  |
|    | d) | Differentiate between Retail Banking and Corporate Banking. Which of the above two systems is more beneficial for our society? - Explain.                                 | 8  |
| 3. | a) | Define Central Bank. Describe the role and functions of a Central Bank.   | 8  |
|    | b) | What are On-sight and Off-sight Supervision?  | 2  |
|    | c) | Describe the role of Statutory Auditors for good governance in banking industry.  | 8  |
|    | d) | What is Bank Rate?  | 2  |
| 4. | a) | Describe the duties and responsibilities of an introducer of account.   | 4  |
|    | b) | What are the duties and responsibilities of a Paying Banker and a Collecting Banker?  | 8  |
|    | c) | What is Deposit Mix? Describe the importance of Deposit Mix for sustainable liquidity management.   | 8  |
| 5. | a) | What is Holder in Due Course and Payment in Due Course?   | 4  |
|    | b) | Discuss the rights and privileges of a Holder in Due Course.  | 4  |
|    | c) | What is Crossed Cheque? Discuss characteristics of a cheque which is crossed as 'A/c Payee only'.   | 5  |
|    | d) | What is Banker-Customer Relationship? Describe the importance of Banker-Customer Relationship in raising profitability of a bank as well as quality of customer services. | 7  |
| 6. | a) | Define Asset-Liability Management.  | 2  |
|    | b) | What is Residual Risk? How can it be mitigated?   | 4  |
|    | c) | What is Off-Balance Sheet Exposure? Give examples.  | 4  |
|    | d) | Describe the Core Risks to be maintained under BASEL framework.   | 10 |

- |    |    |  |     |
|----|----|--|-----|
| 7. | a) | Define Money Market and Capital Market.                    | 4   |
|    | b) | What are the characteristics of a developed money market?  | 6   |
|    | c) | What are the main causes of volatility in capital market?  | 6   |
|    | d) | Differentiate between Broad Money and Narrow Money.        | 4   |
| 8. |    | Write short notes on <b>any 5 (five)</b> of the following: | 5×4 |
|    | a) | Agent Banking  | =20 |
|    | b) | IFSB   |     |
|    | c) | Syndicate Financing  |     |
|    | d) | Alternate Delivery Channel                                 |     |
|    | e) | Maqasid-al-Shari'ah  |     |
|    | f) | Call Money Market  |     |
|    | g) | CRAR   |     |
|    | h) | Banker's Right of Set-off                                  |     |

**The End**

## Diploma in Islamic Banking Examination, October 2018

### 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 to be done to comply shari'ah in Bai, Share and Ijara mechanisms   | 8 |
|    | b) | Briefly discuss the Islamic financial instruments.   | 7 |
|    | c) | Differentiate between bank finance and factoring finance.  | 5 |
| 2. | a) | What is the importance of investment schemes of Islamic banks in economic development of the Bangladesh?                     | 8 |
|    | b) | Describe the importance of IRG in sanctioning new investment facility and discuss the risk components of IRG.                | 8 |
|    | c) | Write on different investment schemes of your bank that facilitate consumer finance.   | 4 |
| 3. | a) | What do you mean by investment risk management? What is its impact on Bank's liquidity, profitability and productivity?      | 8 |
|    | b) | Why risk management is necessary for client selection, valuation of securities, documentation and investment administration? | 8 |
|    | c) | How the investment policy of Islamic banks can ensure the mission and vision of Islamic banking industry?                    | 4 |
| 4. | a) | How many ECAIs are operating in Bangladesh? Mention their names.   | 4 |
|    | b) | What is the importance of investment client's rating? What is its impact on CRAR?  | 6 |
|    | c) | Define 5 (five) Cs and 5 (five) Rs regarding selection of new investment client.   | 4 |
|    | d) | What is ERM? How can you make project finance into Green finance?  | 6 |
| 5. | a) | Distinguish between Gross Working Capital and Net Working Capital  | 4 |

of a firm.

- b) Following is the cost statement of Universal Corporation:

16

Raw Material Cost	Tk. 5,00,000.00
Direct labour cost	Tk. 1,00,000.00
Overhead cost	Tk. 1,00,000.00
<b>Total cost</b>	<b>Tk. 7,00,000.00</b>
Profit	Tk. 1,00,000.00
Selling price	Tk. 8,00,000.00

Page 1 of 2

The following additional information is also available:

Raw material conversion period	: 20 days
Work in process conversion period	: 20 days
Average age of stock of finished goods	: 30 days
Credit allowed to debtors	: 60 days
Credit allowed by suppliers	: 45 days
Time lag in payment of wages	: 15 days
Time lag in payment of overhead	: 30 days
Expected cash balance	: Tk. 2,50,000.00

Sales are 20% on cash and 80% on credit.

Prepare a statement showing the working capital requirement of Universal Corporation.

6. a) Write about DVC, Material documents & Less material documents with example. How does documentation secure Bank's investment? Discuss. 10
- b) What is charge? Define the methods of creating charge on security? 6
- c) Distinguish between Bank Guarantee and Indemnity. 4
7. a) What do you mean by Classification and Provisioning? Explain the accounting process for profit/rent of classified investment. 6
- b) Define Past due, Special Mention Account, Substandard, Doubtful and Bad loss as a basis for investment classification as per prudential regulations for bank's issued by Bangladesh Bank. 8
- c) Mention the rates of provision for different criteria of classified investment. 6
8. Write short notes on **any 5 (five)** of the following: 5×4=20
- a) Investment Restructuring
- b) Single Borrower's Exposure
- c) Ethics in Investment Risk Management
- d) Pari passu charge
- e) Early Alert Signal
- f) Compelled situation in investment
- g) Lending caps

h) CRAR

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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 International Trade. What are the advantages and disadvantages of International Trade? 8
- b) Discuss the following International Trade Payment Methods along with its advantages and disadvantages in view of the Importer and Exporter-  
i) Advance Payment; ii) Open Account; iii) Collection iv) Letter of Credit 4×3=12
2. Define **any 5 (five)** of the following: 5×4=20
  - i) Back to Back letter of credit
  - ii) Shipping Documents
  - iii) Negotiation
  - iv) Transferable Letter of Credit
  - v) Export Development Fund
  - vi) Transshipment
  - vii) World Trade Organization (WTO)
  - viii) Authorized Dealer in Foreign Exchange
3. a) Define Letter of Credit (L/C). Discuss the parties involved in L/C along with their roles and responsibilities. 12
- b) What is 'Add Confirmation'? What are the roles and responsibilities of a Confirming Bank? 8
4. a) What is SWAP? 3
- b) Discuss 'Direct Quotation' and 'Indirect Quotation' with example. 4
- c) A customer intends to sell an export documents for USD 1, 00,000 at sight basis. Calculate applicable rate for purchasing the above documents under Bai-as-Sarf and total value to be paid to the customer under the following facts: 13
  - i) Spot Rate: USD/BDT-82.80-83.80
  - ii) Transit Period: 21 days (01 yr. 360 days)

- iii) Collection Charge: 0.20%  
 iv) Bank Profit: @ 6% pa.  
 v) Postage Charge: Tk. 0.15 per USD  
 vi) Foreign Correspondent Charge: Tk. 0.10 per USD
5. a) Discuss about the functions of 'Dealing Room' in Foreign Exchange Market. 8  
 b) Describe the activities and responsibilities of Treasury Mid Office and Treasury Back Office as per Bangladesh Bank Foreign Exchange Risk Management Guidelines. 12
- Page 1 of 2**
6. a) Define Incoterms. State all Incoterms under Incoterms-2010. 5  
 b) Why the Incoterms so important in International Trade? 5  
 c) Discuss responsibilities of both Buyer and Seller under any 5 (five) Incoterms. 10
7. Discuss about Shari'ah Compliant Products uses by Islamic Banks for Pre-shipment and Post-shipment Finance under Export. 20
8. Distinguish between the concept of **any 5 (five)** of the following: 5×4=20  
 a) Short Position and Long Position  
 b) Sight Payment and Deferred Payment  
 c) Spot Rate and Forward Rate  
 d) Independent Floating and Managed Floating  
 e) Bill of Lading and Charter Party Bill of Lading  
 f) Nostro Account and Vostro Account  
 g) Suppliers Credit and Buyers Credit  
 h) Documents against Payment (DP) and Documents against Acceptance (DA)

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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 do you mean by 'Ethics'? 4  
 b) Why is ethics in banking so important? 4  
 c) Differentiate between Morality and Law. 4  
 d) What is 'Good Governance'? How can good governance be ensured in banking business? 8

- |    |  |  |     |
|----|--|--|-----|
| 2. | a)   | What is KYC remediation in the context of AML compliance?  | 5   |
|    | b)   | What are the duties of a BAMLCO?   | 7   |
|    | c)   | What is predicate offence? Write the means of some predicate offences.   | 8   |
| 3. | a)   | What do you mean by the 'Act', 'Order' & 'Ordinance'?  | 6   |
|    | b)   | Mention the 'Acts' that are related to banking business.   | 8   |
|    | c)   | What are the main business of a Banking Company as per section 7 of the Bank Company Act-1991?                               | 6   |
| 4. | a)   | Define with example 'Mortgage', 'Mortgagor', 'Mortgagee' and 'Mortgage Deed'.  | 10  |
|    | b)   | What is the procedure of filing suit for recovery of bank's dues as per law?   | 10  |
| 5. | a)   | Who are competent to enter into a contract? What do you mean by 'Free Consent'?  | 10  |
|    | b)   | What do you mean by 'Good Faith' and 'Without Negligence'?   | 5   |
|    | c)   | Who is a 'Walk-in Customer'?   | 5   |
| 6. | a)   | Distinguish between 'Fixed Charge' and 'Floating Charge'. How can the fixed and floating charge secure the investment?       | 10  |
|    | b)   | What are the necessities of CS, SA, and RS parcha while scrutinizing documentation for mortgage?                             | 6   |
|    | c)   | Define 'Pari-Passu' charge.  | 4   |
| 7. | a)   | What is negotiable instrument? What are the liabilities of parties on negotiable instruments?                                | 8   |
|    | b)   | Discuss the statutory protections which are available for paying and collecting banker under Negotiable Instrument Act-1881. | 8   |
|    | c)   | What are the procedures of filing case for dishonour of cheque?  | 4   |
| 8. | Write short notes on <b>any 5 (five)</b> of the following: |  |     |
|    | a)   | Eligible Security  |     |
|    | b)   | Bank Note  | 5×4 |
|    | c)   | Cost of Fund   | =20 |
|    | d)   | PEPS   |     |
|    | e)   | FATCA  |     |
|    | f)   | Trade Mark   |     |
|    | g)   | Holder in Due Course   |     |
|    | h)   | Capital Charge   |     |

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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) 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) How does management accounting help in planning, controlling and decision of a bank? 7
- b) Distinguish between financial accounting and cost accounting with their implications in banking business. 8
- c) How do technological developments help the bankers in analyzing and interpreting the financial statements? 5
2. a) Discuss the advantages and disadvantages of 'Break Even Analysis'. 5
- b) The cost structure of Eastern Ltd. for its products is as under :
- Material per unit                      Tk. 100
- Labor per unit                              Tk. 160
- Variable overhead per unit 75% of labor cost.
- Selling price per unit                      Tk. 500
- Total fixed overhead                      Tk. 480,000
- Find out :** 15
- i. BEP sales in amount of taka and in units.
- ii. What would be the amount in taka and in units of sales, if products are sold to make a profit of Tk. 250,000?
- iii. What would be the margin of safety when profit is Tk. 150,000?
- iv. What would be the profit or loss when sales is Tk. 2,500,000?
- v. If selling price per unit is reduced by Tk. 50, what would be BEP sales in amount of Taka and in units?
3. a) Distinguish between a static budget and a flexible budget. 4
- b) You have been assigned with the responsibility to prepare a cash budget for ABC Company to evaluate the cash requirements.

**The following data are available:**

Month	Sales	Materials	Wages	Overheads
October, 2017	80,000	40,000	10,000	20,800
November, 2017	60,000	30,000	9,000	19,300
December, 2017	40,000	20,000	8,000	18,000
January, 2018	50,000	40,000	9,000	19,700
February, 2018	60,000	50,000	10,000	21,000
March, 2018	80,000	60,000	11,000	21,900



**Credit Terms:**

- i) Period of credit allowed by creditors: 2 months
- ii) Period of credit allowed to debtor: 3 months
- iii) Lag in payment of overheads: 1 month
- iv) Lag in payment of wages: 1/8 month

**Other Information:**

- Plant to be installed in March at a cost of Tk. 50,000 to be paid monthly @ Tk.10,000 from March 2018. Extensions to research department at a cost of Tk. 10,000 will be completed in January 2018 and payment to be made in February 2018.
- Cash sales of Tk. 5,000 per month is expected. 10% commission of credit sales to be paid within the month following the actual sales.
- Payment of Tk. 5,000 is to be made under a hire purchase contract throughout the budgeted period.
- Dividend of Tk. 50,000 is expected to receive in February 2018 from previous investment.
- Tax of Tk. 100,000 is due on 31 March 2018.
- Cash Balance on 01 January 2018 is Tk. 100,000

**Requirement:**

Prepare a month-wise cash budget for the quarter ended March, 2018.

16

4. a) How do time series and cross sectional analyses of financial ratios help in evaluating the performance of a firm? 4
- b) The following information taken from the Profit & Loss Account of Alif Ltd. for the year ended 31 December 2017:

	Tk.
Turnover	6,400,000
Gross profit	3,900,500
Net profit	940,000
Dividend	110,000

The following information taken from Balance Sheet of Alif Ltd. as at 31 December 2017:

	Tk.
Fixed assets	8,400,000
Current assets	3,250,000
Current liabilities-Creditors	<u>2,600,000</u>
Net current assets	<u>650,000</u>
Total capital employed	<u>9,050,000</u>

**Financed By:**

Debentures	2,000,000
Ordinary shares of Tk. 1 each	5,000,000
Reserves	2,050,000
	<u>9,050,000</u>

**Additional information:**

- a) The value of closing stock as at 31 December 2017 was Tk. 98,000
- b) The market price of an ordinary share on 31 December 2017 was Tk. 1.12.

**From the above information, calculate the following :**

16

- i) Gross Profit Margin Ratio
- ii) Net Profit Margin ratio
- iii) Return on Capital Employed Ratio
- iv) Acid Test Ratio
- v) Current Ratio
- vi) Dividend Yield Ratio
- vii) Price-Earnings Ratio
- viii) Gearing Ratio

**Section-II : Financial Management**

- 5. a) “Finance is the science and art of managing money” – Explain. 5
- b) Define annuity. How can the future value of an annuity be determined? 5
- c) Mr. Khabir Uddin plans to purchase a house costing Tk. 12,000,000. He makes a down payment of Tk. 2,000,000 and avails investment facilities under HPSM mode for the rest 5 years with a fixed rate of rent. The payments are made in quarterly basis installments with the first payment due at t=1. The rate of return is 12% per annum compounded quarterly. Calculate the installment of the quarterly payment. 10
- 6. a) What are the limitations of Capital Budgeting? 4
- b) Moontex Limited has to select any one of the following two projects. Both projects have a life of 7 years and will be depreciated on a straight-line basis. The firm’s cost of capital is 12% and the tax rate is 30%. Both of each project require an initial cash outlay of Tk. 805,000. The estimated earnings from the projects are as follows:

Year Project	1	2	3	4	5	6	7
A	180,000	210,000	230,000	260,000	290,000	260,000	300,000
B	250,000	260,000	270,000	290,000	310,000	190,000	120,000

**Determine the following:**

16

- i) Payback Period;
- ii) Net Present Value;
- iii) Profitability Index; and
- iv) Internal Rate of Return.

Which project should the company accept based on above methods of capital-budgeting?

- 7. a) Define capital structure. Explain the concept of optimum capital structure of a firm. 6
- b) What is Weighted Average Cost of Capital (WACC)? How does it differ from marginal cost of capital? 4
- c) XYZ Company has the following capital structure:

Source of capital	Amount (TK)
-------------------	-------------

9% Long Term Debt	200,000
12% Preferred Stock	100,000
Common Stock	<u>300,000</u>
Total	<u>600,000</u>

Currently the company's common stock is selling at Tk. 110 per share and paid current dividend of Tk. 5 per share. The company's dividend is expected to grow at a constant rate of 2%. The company can sell its preferred stock at Tk.95 which has a face value of Tk.100. The firm is in 37.5% tax bracket.

**Requirement:**

10

Calculate the Weighted Average Cost of Capital (WACC) of the firm.

8. Write short notes on **any 5 (five)** of the following: 5×4  
=20
- |                                |                             |
|--------------------------------|-----------------------------|
| a) Capital Rationing           | b) Earnings Per Share (EPS) |
| c) Cost of Deposit             | d) Stable Dividend Policy   |
| e) Bonus Share                 | f) Hybrid Security          |
| g) Effective Annual Rate (EAR) | e) Financial Spread Sheet   |

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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 is Operating System (OS)? Distinguish between OS and Application Softwre.   | 6   |
|    | b) Write the basic units of a Computer System & their functions.  | 7   |
|    | c) Brifly explain the role of Alternative Delivery Channel (ADC) products for ensuring financial inclusion in Bangladesh. | 7   |
| 2. | Differentiate between following terms:  | 5×4 |
|    | a) BEFTN and RTGS   | =20 |
|    | b) OTP and TPIN   |     |
|    | c) Agent Banking and Mobile Banking   |     |
|    | d) Debit Card and Credit Card   |     |
|    | e) DC and DRS   |     |

3.	a)	Describe the Desktop Policy of your bank.	6
	b)	What are the precautionary measures should be taken to protect your PC from virus?	7
	c)	What is MIS? Mention ten uses of MIS in your bank.	7
4.	a)	What are the IT policies regarding password maintainance in your bank?	6
	b)	Prepare a list of IT hardware devices that are available in your branch/division.	7
	c)	What measures are taken by your branch/division to protect and secure those valuable IT assets?	7
5.	a)	What are the ICT risks?	4
	b)	Describe the physical security process of the branch premises and data center as per IT Policy of the bank.	7
	c)	What is Self-Assessment Process for the ICT risk mitigation? Identify the risk points for Self-assessment Process of your branch/division.	9
6.	a)	What is Spam Mail?	3
	b)	Describe the Email & Internet Usage Policy of your bank.	8
	c)	Describe the advantages and disadvantages of Virtual Banking.	9
7.	a)	Describe the Risk-based Framework in AMLD system.	8
	b)	What is NID verification? Why is it needed and how is it managed?	8
	c)	What do you understand by the Sanction Screening?	4
8.		Write short notes on <b>any 5 (five)</b> of the following:	5×4
	a)	POS	=20
	b)	2 FA System	
	c)	Cyber Crime	
	d)	ISS	
	e)	NPSB	
	f)	OCR	
	g)	SMS Banking	
	h)	F-Commerce	

**The End**

**Diploma in Islamic Banking Examination, October 2018**

**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 the terms 'Microfinance' and 'Microcredit'.	6
	b)	Describe the importance of microfinance and microcredit operations in a developing country like Bangladesh.	7
	c)	What are the problems of MFIs in operating microfinance in our country? Suggest measures to be taken to solve those problems.	7
2.	a)	Describe the regular and special activities of MRA.	6
	b)	Explain the legal framework of MF operations in Bangladesh.	7

- c) What are the differences between conventional and Islamic microfinance operations? 7
3. Explain the term Hardcore Poor. ‘Microfinance is not that relevant to the hardcore poor’ –Discuss. 20
4. a) What is Risk Management? Discuss the risks involved in the operations of microcredit in Bangladesh. 10  
 b) Discuss the ways to minimize investment risks under microfinance operations by Islamic banks. 10
5. a) What is Supervised Credit? What are the essential characteristics of supervision of microcredit? 10  
 b) ‘Microfinance of Islamic banks is a finance plus approach’ – Explain. 10
6. a) Discuss the concept of graduation of MF clients. Write the limitations of MFIs while graduating the entrepreneurs from micro to small and medium. 10  
 b) What is the role of ‘Social Safety Net Programs’ of MFIs in graduation process of the clients? 10
7. Discuss in brief the role of the following: 4×5  
 a) CDF; b) BRAC; c) BRDB and d) GB =20
8. Write short notes on **any 5 (five)** of the following: 5×4  
 =20  
 a) PKSF b) Obstacles of Islamic Microfinance Operation  
 c) RDS & UPDS d) BARD  
 e) Collateral Substitutes f) Vulnerable Non-poor  
 g) Informal Credit h) Wage Employment vs. Self Employment

**The End**