

Diploma in Islamic Banking Examination, November-2022

101: Alternative Financial System

Part : I Full Marks: 100

Time: 3 Hours Pass Marks: 45

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

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|----|---|---|------------|
| 1. | a) | What do you understand by Alternative Financial System? Are Alternative Delivery Channel and Alternative Financial System same? Give your opinion. | 6 |
| | b) | Enumerate the features and objectives of Islamic Banking. | 8 |
| | c) | Do you think that the alternative financial system is more resilient than the conventional banking system? Explain. | 6 |
| 2. | a) | What do you mean by “Commitment to the principles of Islamic shariah”? Can maqasid-e-shariah be achieved through Islamic Banking? | 8 |
| | b) | Define shariah non-compliance in Islamic Banks. What are some major and minor shariah non-compliances in banking operations? | 6 |
| | c) | Suggest measures to overcome the challenges in shariah compliance in Islamic banks of Bangladesh. | 6 |
| 3. | a) | Is there any prohibition of Riba in the Quranic text and Hadith? Mention 1 (One) verse from the Quran and 1 (One) Hadith of Prophet Muhammad (SWSM). | 6 |
| | b) | Define Riba al-fadl and Riba an-naseeah with example. | 6 |
| | c) | Discuss why Riba is prohibited. What are the positive impacts of profit sharing on socio-economic activities and development? | 8 |
| 4. | a) | Is it permissible to deal with Conventional Insurance Companies? Explain the issue from shariah point of view. Mention the reasons behind non-permissibility of conventional insurance. | 6 |
| | b) | Can an Insurance company run Islamically? How? Explain a model of Islamic Insurance. | 8 |
| | c) | How takaful got introduced in Bangladesh and what are its prospects? | 6 |
| 5. | a) | Discuss the concept of Risk Management in Islamic Shariah. | 6 |
| | b) | What is meant by shariah non-compliance Risk in Islamic Banks? | 6 |
| | c) | Describe the process of shariah non-compliance risk rating introduced by Bangladesh Bank. | 8 |
| 6. | a) | What is Call Money Market? | 6 |
| | b) | Do Islamic Banks participate in call money market? What are the Islamic money market products available in Bangladesh? | 6 |
| | c) | Discuss the problems and prospects of Islamic money market in Bangladesh. | 8 |
| 7. | a) | Define Investment Sukuk. | 6 |
| | b) | What are the differences between Investment Sukuk and Conventional Bonds? | 6 |
| | c) | How Sukuk can contribute to infrastructural development of Bangladesh? Explain with an example of Ijara Sukuk to implement a mega project. | 8 |
| 8. | Write short notes on any 5 (Five) of the following | | 4 × 5 = 20 |
| | a. | ADC Products | |
| | b. | Maisir, Rishwah | |
| | c. | CIBAFI, IsDB | |
| | d. | Qard | |
| | e. | Bai Muajjal and Bai- Salam | |
| | f. | Musharakah | |
| | g. | Islamic Bank | |
| | h. | Bai-as-sarf | |

The End

Diploma in Islamic Banking Examination, November-2022

102: Principles of Economics: Conventional & Islamic

Part : I Full Marks: 100

Time : 3 Hours Pass Marks: 45

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

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|-------|--|--------|
| 1. a) | Define the Economics. Discuss the main features of Capitalistic, Socialistic & Islamic economics. | 8 |
| b) | “Islamic Economic System ensures social justice and equitable distribution of wealth more ethically” Explain. | 7 |
| c) | Explain “Equitable justice is better than Equality”. | 5 |
| 2. a) | Explain Law of Demand and Law of Supply with graphical presentation. | 5 |
| b) | What is shift in demand curve in economics? Explain with graphical presentation. | 5 |
| c) | What is Elasticity of Demand? What is the implication of measuring Price Elasticity, Income Elasticity and Cross Elasticity of demand? | 10 |
| 3. a) | In what sense Cardinal Utility and Ordinal Utility are different from Marginal Utility? Explain. | 8 |
| b) | State the implication of “Law of Diminishing Marginal Utility” explain with example. | 7 |
| c) | What is Market? What do you understand by “Invisible Hand” in the market economy? | 5 |
| 4. a) | Define and distinguish among i) Fixed Cost ii) Variable Cost iii) Average Cost and iv) Marginal Cost with graphical presentation. | 8 |
| b) | Distinguish between Economies and Diseconomies of Scale. | 5 |
| c) | Define GDP, GNP, NNP and Per Capita Income. | 7 |
| 5. a) | Define Money. Distinguish between Narrow Money and Broad Money. | 6 |
| b) | Distinguish between Monetary Policy and Fiscal Policy mentioning the major tools of monetary policy and fiscal policy. | 8 |
| c) | Discuss the Quantity Theory of Money and describe limitations of it. | 6 |
| 6. a) | What is Money Market? Why Islamic money market is essential for Islamic banks and financial institutions? | 6 |
| b) | Define Targeted Inflation. Discuss the ways of controlling inflation in conventional economy and Islamic economic system. | 7 |
| c) | Differentiate between Money Market and Capital Market with mentioning the major money market instruments. | 7 |
| 7. a) | What is Real Income? How real income is affected by inflation? | 6 |
| b) | Discuss the ways of controlling inflationary pressure stating the major tools of controlling inflation in the economy. | 8 |
| c) | What are the differences between Currency Board and Dollarization? | 6 |
| 8. | Write short notes on any 5 (five) of the following: | 5x4=20 |
| i) | Indifference Curve | |
| ii) | Growth and Development | |
| iii) | Foreign Direct Investment (FDI) | |
| iv) | Inclusive Growth | |
| v) | Consumer Surplus vs. Producer Surplus | |
| vi) | Open Market Operation | |
| vii) | Surplus Budget and Deficit Budget | |
| viii) | Expansionary vs. Contractionary Monetary Policy | |

The End

Diploma in Islamic Banking Examination, November-2022

103: Principles of Accounting

Part : I

Full Marks: 100

Time: 3 Hours

Pass Marks: 45

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

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|----|--|--------|
| 1. | a) What is Accounting Information? Who are the users of accounting information and why do they need it? | 7 |
| | b) What are the steps of Accounting Cycle? Discuss each step briefly? | 7 |
| | c) What are the various types of Accounts? How debit and credit of Personal, Real and Nominal Accounts are identified? | 6 |
| 2. | a) Briefly explain the following accounting concepts and principles:
i. Going Concern Principle ii. Conservatism Principle iii. Matching Principle
iv. Business Entity Concept v. Cost Concept. | 5x2=10 |
| | b) Journalize the adjusting entry needed on 30 June 2021 the end of the current accounting period for each of the following independent cases affecting ABC Constructing Company:
i. The company pays its workers each Thursday their weekly wages. The amount of the wages is Tk.5200/- for a five day week and the daily wages amounts are equal. The current accounting period ends on Wednesday (June 30, 2021)
ii. The company has invested some money, during the current year, the company has earned accrued profit revenue for Tk.1,500/- that will be received next year.
iii. The company received Tk.62,000/-cash from a client, which was recorded as Unearned Service Revenue. The accounts of the company estimates that the business has earned one quarter of the total amount during current year.
iv. Depreciation on Office furniture for the current year is Tk.2,100/-
v. The beginning balance of supplies was Tk.3,800/- . During the year the company purchased supplies costing Tk.8,500/- and at June 30, 2021 the inventory of supplies on hand is Tk.2,700/- | 10 |
| 3 | a) Explain the Accounting Equations and effects of transactions on accounting equations. | 4 |
| | b) What is Inventory Management? | 2 |
| | c) Mr. Latif has recently opened shop at Newmarket, Dhaka. He sells books and magazines as well as some stationery. He also sells foods and drinks. Can you categorize the following purchases for him as Capital or Revenue Expenditure?
i. Purchase of magazine and books.
ii. Purchase of shop fittings.
iii. Purchase of a cash register.
iv. Purchase of stationery.
v. Purchase of a refrigerator. | 5 |
| | d) Mr. Arif is an owner of a grocery shop at Kawran Bazar, Dhaka. He prepares his own accounts and then sent his accountant to check. He calculates the profit for the month of September 2022 is Tk.80,000/-. Mr. Arif confused some accounting treatment needs advice about how to treat the following transactions:
i. Mr. Arif paid his son school tuition fee Tk.6,000/- and residential electricity bill of Tk.3,000/- and consider its as business expenses.
ii. Mr. Arif is certain one of his regular customer will buy some grocery items from him for Tk.20,000/- next month. He has included the sale revenue for the month of September-2022. He considers Cost of sale 90% of sale revenue. | 3
3 |

- iii. Mr. Arif chose to value some of his inventory at net realizable value of Tk.25,500/-. The cost of the inventory is only Tk.20,600/-. 3

Consider the above information calculate profit for the month of September 2022

4. a) What is Triple/Three Column Cash Book. 3
 b) What are the advantages and disadvantages of cash book? 5
 c) From the following particulars, prepare a three column cash book of M/s Habib Traders: 12

Date	Particulars
Jan 01, 2022	Cash in hand Tk.80,000 (debit balance), Cash at bank Tk.50,000 (debit balance)
Jan 05	Cash Deposit into bank Tk.25,000/-
Jan 10	Paid by Cash to Jamil Tk.11,750/- and discount received from him Tk.250/-
Jan 15	Cash Purchase Tk.20,000/- and credit Purchase Tk. 30,000/-
Jan 20	Cash Sale Tk.40,000/ and Credit Sale Tk.35,000/-
Jan 22	Collection through Cash from Mr. Rashed Tk.5,000/- as a full settlement of Tk.6,000/-
Jan 25	Paid by Cash Tk.2,000/- for rent and Tk.5,000/- for Salary
Jan 30	Withdraw from the Bank Tk.15,000/-

5. a) Why depreciation is important to maintain tangible assets? 4
 b) What are the essential factors to be considered for computing depreciation? 4
 c) Anik Furniture Ltd. A furniture Wholesaler, acquired a new equipment at a cost of Tk.20,00,000/- at the beginning of the year. The equipment has an estimated economic life of 04 (Four) years and estimated salvage value of Tk.2,00,000/-. The president of the company has requested for information regarding alternative depreciation method.

You are requested to determine the annual depreciation expenses and schedule for 4 years as under:

- i. Straight Line Method 4
 ii. Sum of the Years Digit Method 4
 iii. Reducing Balance Method. 4

6. Write short notes on any 5 (Five) of the following: 5x4=20

- i) Share Premium
 ii) Dividend Equalization Reserve
 iii) Fintech
 iv) Accrual vs. Cash Basis Accounting
 v) Annuity Method
 vi) Compensating Errors
 vii) Non Banking Assets
 viii) Bank Reconciliation Statement

7. The Trail Balance of M/S Zahin Enterprise on 30 June 2021

**M/S Zahin Enterprise Trail Balance
June 30, 2021**

Particulars	Debit (Tk.)	Credit (Tk.)
Cash in Hand	52,820	
Cash at Bank	1,23,000	
Purchase Account	40,765	
Sales Account		2,10,000
Wages	11,200	
Fuel & Power	8,220	
Stock in Hand (01.07.2020)	2,360	
Salaries	24,350	
Preliminary Expenses	5,600	
Building Under Construction	3,50,000	
Plant & Machinery	3,32,000	
Land	6,00,000	
Software	3,50,000	
General and Administrative Expenses	29,500	
Trade Receivable	29,600	
Paid-Up Capital		6,50,000
Share Money Deposit		9,50,000
Accumulated Profit		1,84,000
Vehicle running expenses	9,930	
Special Audit fees	40,655	
Other Income		16,000
Total	20,10,000	20,10,000

Additional Information:

- i. Stock as on 30.06.2021 Tk.4,240/-
- ii. Plant and Machinery and 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 June-2021 amounting to Tk.1850/- was unpaid.
- iv. Provision for Income Tax rate was 40%

Required:

- i. Prepare an Income Statement for the year ended June 30, 2021;
- ii. Prepare Balance Sheet as at June 30, 2021.

10

10

8. The following Trial Balance was extracted from the books of accounts of Insaf Islamic Bank Ltd. as on December 31,2021.

Insaf Islamic Bank Ltd.
Trial Balance
As on December 31, 2021

Particulars	Debit (Tk.)	Credit(Tk.)
Cash in Hand (Local Currency)	250,000	
Cash in Hand (Foreign Currency)	50,000	
Balance with Bangladesh Bank	12,00,000	
Balance with other Banks & Financial Institution	1,00,000	
General Investment	80,00,000	
Bills Purchased & Discounted	2,00,000	
Investment in Shares & Securities	3,00,000	
Paid-Up Capital (60,000 Shares @ Tk.10 each)		6,00,000
Al Wadeah Current Deposits		10,00,000
Mudaraba Saving Deposits		34,00,000
Mudaraba Term Deposits		43,00,000
Other Mudaraba Deposits		12,00,000
Bill Payable		1,00,000
Investment Income		6,00,000
Income from investments in Shares & Securities		20,000
Commission, Exchange & Brokerage Income		50,000
Other operating income		15,000
Profit paid on Mudaraba Deposits	3,50,000	
Salary & Allowances	1,00,000	
Rent, taxes, insurances, electricity etc.	12,000	
Chief Executive Officer (CEO) Salary & Fees	1,000	
Directors' fees & expenses	500	
Shari'ah Supervisory Committee's (SSC) fees & expenses	300	
Auditors' Fees	100	
Depreciation and Repair to Bank's Assets	900	
Zakat Expenses	350	
Other Expenses	50	
Statutory Reserve		1,00,000
General Reserve		60,000
Retain Earnings		40,000
Land & Building	7,00,000	
Other Assets	66,000	
Branch Adjustment	1,53,800	
Total	1,14,85,000	1,14,85,000

Additional Information:

- i. Proposed dividend Tk.12,000/-
- ii. Provision for General Investment Tk.15,000/- Provision Investment in Shares & Securities Tk.500/-
- iii. Provision for Income Tax Tk.50,000/-

Required:

- a) Prepare a Profit and Loss Account for the year ended December 31, 2021 and 10
- b) Prepare a Balance Sheet as on December 31, 2021. 10

Your answer must be in accordance with the guideline of First Schedule (Section-38) of the Bank Companies Act-1991 as amended and BRPD circular No.15 of November 2009, otherwise the answer will be considered disqualified for getting marks

The End

104: Principles of Management

Part: I Full Marks: 100

Time: 3 Hours Pass Marks: 45

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

1. a) What is Management Cycle? 4
- b) Explain the scope and application of Islamic principles of management in developing effective management system. 8
- c) What are the core responsibilities of a manager in an Islamic organization relating to financial activities? Describe with special reference to the Prophetic style of management. 8
2. a) Explain Servant Leadership concept from Islamic perspective. 6
- b) Who is called Informal Leader in an organization setting? What roles an informal leader plays in banks? Explain in brief. 6
- c) Blake and Mouton's Managerial Grid theory of leadership includes Country Club, Impoverished, Produce or Perish, Middle of the road and Team style. Explain this five styles of leadership with example. Which leadership style is more suitable for the banking operation of Bangladesh? Explain why? 8
3. a) "The ultimate result of motivation is job satisfaction"-Explain. 6
- b) Discuss the "Maslow's Hierarchy Theory of Needs". What are the limitations of this theory? 7
- c) As an Islamic banker, do you agree with the proposition that, there are some additional motivational factors among the employees of Islamic banks than those of conventional one? 7
4. a) How does Personnel Management differ from Human Resources Management in banks? 6
- b) In your opinion, how can human resource retrenchment strategy be applied for human resource planning in banks? 7
- c) What is Job Evaluation? Distinguish between job evaluation and performance evaluation. 7
5. a) Define Work Ethics. Briefly explain the required work ethics of an employee working in an Islamic bank in Bangladesh. 6
- b) Describe Corporate Social Responsibility (CSR) as a pyramid structure from the perspective of Islam. 7
- c) As a strategic manager of ABC Islami Bank limited, what strategies and policies you should formulate to adopt the changes in the external environmental factors in the banking industry? 7
6. a) What is MIS? How does MIS help management in decision making? 8
- b) Discuss the core components of Management Information Systems. 5
- c) In recent years, which major technological changes you witnessed in your bank that help your bank to be more dynamic? 7
7. a) "Before controlling your subordinates, you must know your ability to control them- otherwise you will be controlled"- explain how can you assess your ability? 6
- b) What is Feed Forward Controlling? How budget can be used as a controlling mechanism for organization? 5
- c) How does Islamic control system differ from the traditional control system? 5
- d) What is Span of Control? What kind of span of control is applicable for banking system of Bangladesh? 4
8. Write short notes on **any 5 (five)** of the following: 5x4=20
 - a) Quality of Work Life
 - b) Balanced Scorecard
 - c) Strategic Business Unit(SBU)
 - d) Basic Needs Tree Theory
 - e) Green Banking
 - f) E-governance
 - g) Whistle Blowing
 - h) TOWS Analysis

The End

Diploma in Islamic Banking Examination, November-2022

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

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

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|----|--|--|--------|
| 1. | a) | How does “Business Communication” differ from “Personal Communication”? | 6 |
| | b) | Define “Digital Communication” and describe its merits and demerits. | 7 |
| | c) | What lesson can we learn from communication style of Prophet Muhammad (SM), as revealed in Hadith? | 7 |
| 2. | a) | Differentiate between Internal and External communication. | 6 |
| | b) | Describe the common forms and modes of external communication. | 8 |
| | c) | What factors need to be considered in selecting an appropriate mode of communication? Explain briefly. | 6 |
| 3. | a) | Briefly describe the steps involved in the process of communication. | 8 |
| | b) | State the characteristics of a good business letter. | 6 |
| | c) | Discuss the unique features of the “Communication Culture” of an Islamic financial institution. | 6 |
| 4. | a) | Define a “Circular Letter” and explain how it differs from an “Advertisement”. | 6 |
| | b) | Draft a circular letter on controlling the use of utilities in all offices of your bank. | 8 |
| | c) | How do virtual meetings help minimize the organizational expenditure? | 6 |
| 5. | a) | Write a letter to a valued investment client requesting him/her to use the Cellfin Apps of your bank. | 10 |
| | b) | Prepare a leaflet on the benefits of school banking with a view to creating a savings culture among students during their early ages. | 10 |
| 6. | a) | Draft the notice of a typical Annual General Meeting of your bank. | 7 |
| | b) | Draft the minutes of hypothetical Board Meeting of your bank. | 7 |
| | c) | Draft a letter to one of your clients refusing his proposal for rescheduling the default investment with your branch. | 6 |
| 7. | a) | Suppose you are the Manager of a branch of an Islamic bank. You want to open an ATM booth at a prospective location closer to your branch. Write a letter to your Head Office with proper justification. | 10 |
| | b) | Draft a report to be sent to your Head Office on the status of Government declared “Stimulus Package” for the COVID-19 affected CMSME clients of your bank. | 10 |
| 8. | Write short notes on any 5 (five) of the following: | | 5x4=20 |
| | a) | Social Media | |
| | b) | Press Release | |
| | c) | Fintech | |
| | d) | SWIFT | |
| | e) | NPSB & RTGS | |
| | f) | Questionnaire | |
| | g) | Digital Currency | |
| | h) | Non Verbal Communication | |

The End

Diploma in Islamic Banking Examination, November-2022

106: Theory and Practice of Banking: Islamic and Conventional

Part : I Full Marks: 100

Time: 3 Hours Pass Marks: 45

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

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|----|--|--|--------|
| 1. | a) | What are the differences between Bank and NBFI? | 4 |
| | b) | Define the concept of Sub Branch Banking. How it will be a viable banking system for commercial banks? | 6 |
| | c) | “Sustainable growth through Fintech” a sustainable mechanism to ensure expansion of financial inclusion in Bangladesh. Explain. | 6 |
| | d) | State capital structure of a bank company. | 4 |
| 2. | a) | What are the common misconceptions regarding Islamic banking in the society? Provide adequate response regarding the expression ‘Islami banks and Conventional banks are same, as both earn the same, profit or interest’. | 8 |
| | b) | What are the regulatory requirements while allowing fund against a Deceased Account? | 4 |
| | c) | What are the liquidity management tools practiced by Islamic banks. | 4 |
| | d) | What problems and limitations are faced by Islamic banks under dual banking system? | 4 |
| 3. | a) | What are the supports provided so far by Government and Bangladesh Bank for promoting Islamic banking in Bangladesh? | 8 |
| | b) | Mention sources of Sharia’h. What are the roles and functions of Shariah’s Supervisory Committee of an Islamic bank? | 6 |
| | c) | What is the current market share of Islamic banking in the banking sector of Bangladesh under different parameters? Suggest appropriate recommendations for higher achievement. | 6 |
| 4. | a) | What is Capital Adequacy? | 3 |
| | b) | Discuss the capital requirements of Tier-I, Tier-II and Tier-III under BASEL-III. | 7 |
| | c) | Discuss the importance of cash management of a branch. | 7 |
| | d) | Discuss the characteristics of a walking customer. | 3 |
| 5. | a) | What do you mean by Customer on boarding? | 3 |
| | b) | Describe the procedure to open account by on boarding system? | 7 |
| | c) | “Better customer service earn more profit”-Explain with special focus on better customer service. | 10 |
| 6. | a) | Write down the definition of Cheque and Promissory Note as per NI Act-1881. | 6 |
| | b) | What do you mean by Endorsement? | 4 |
| | c) | Define the various types of endorsement as per NI Act-1881. | 10 |
| 7. | a) | Define Call Money Market. Can Islamic banks get any benefit from call money market? Why? | 6 |
| | b) | What is Residual Risk? How it can be mitigated? | 4 |
| | c) | ‘For ensuring good governance, compliance is must though it is costly, but non-compliance is more costly’. Explain. | 6 |
| | d) | What are the causes of liquidity crisis in a bank? | 4 |
| 8. | Write short notes on any 5 (five) of the following: | | 5x4=20 |
| | a) | CAMELS | |
| | b) | CRAR & SLR | |
| | c) | ALCO | |
| | d) | Corporate Governance | |
| | e) | IFSB | |
| | f) | Merchant Banking | |
| | g) | RTGS & NPSB | |
| | h) | Predicate Offence | |

The End