

## Diploma in Islamic Banking Examination, April-2024

### Part : I

#### 101: Alternative Financial System

Full Marks: 100; Pass Marks: 45

Time: 3 Hours

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

1. a) 'Alternative Financial System' is a value driven financial system.' Explain. 4  
b) How Shari'ah based banking system can contribute towards better growth and development in an economy? Justify your answer. 8  
c) Explain the scope and challenges of Islamic banks in Bangladesh. 8
2. a) Narrate the historical overview of Islamic banking exploring the evolution and impact of Islamic banking on the global economic landscape. 8  
b) Explain Maqasid al-Shari'ah. How Maqasid al-Shari'ah can be reflected in the day to day activities of an Islamic bank? Discuss. 6  
c) What do you know about Shari'ah Supervisory Committee of an Islamic bank? Discuss the role and functions of Shari'ah Supervisory Committee. 6
3. a) What does Shari'ah mean? "Shari'ah forms the fundamental basis of Islamic finance"- Explain the statement. 7  
b) Differentiate between Riba Nasiyah and Riba Fadl with suitable example. 6  
c) How Shari'ah non-compliance may occur in Bai-Murabaha and HPSM modes of investment. 7
4. a) Identify the unique risks encountered by an Islamic bank. 5  
b) Differentiate between Takaful and Conventional Insurance. 7  
c) Define Gharar and Maisir in Islamic finance. Discuss the types of Gharar with examples to illustrate each type. 8
5. a) Define the term Sukuk. 3  
b) What are the barriers you think prevailing in the context of Bangladesh market for the expansion of Sukuk market? 7  
c) Draw a suitable flow-chart for structuring a sukuk based on fixed/floating return to investors with naming the related parties. 10
6. a) What modes/mechanisms can be practiced for working capital finance in Islamic banking? 6  
b) What is Liquidity Management within the context of banking? "Liquidity is the lifeblood of banks"- Explain. 7  
c) What are the functions of Money Market? Describe the needs for an Islamic money market. 7
7. a) Define Capital Market. 3  
b) What are the basic features of an Islamic Capital Market? Name some of the products of Islamic Capital Market. 7  
c) Explain the Islamic Money Market instruments available in the context of Bangladesh market. 10
8. Write short notes on any **5 (Five)** of the following: 5x4=20
  - i) Alternative Delivery Channel (ADC)
  - ii) Bai Salam and Bai Istisna
  - iii) Bancassurance
  - iv) AAOIFI & IFSB
  - v) Digital Banking
  - vi) Wakalah
  - vii) Mudaraba Financing
  - viii) HPSM

**The End**

**Diploma in Islamic Banking Examination, April-2024**

**Part : I**

**102:Principles of Economics: Conventional & Islamic**

**Full Marks: 100; Pass Marks: 45**

**Time : 3 Hours**

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

1. a) What is Economics? 4
- b) Define Microeconomics and Macroeconomics. What are the major indicators of Macroeconomics of a country? 8
- c) Discuss the main features of Capitalistic, Socialistic and Islamic economics. 8
2. a) What is Market in economy? 4
- b) What is Perfect Competition? Discuss its main features. 8
- c) How price is determined by a firm under Perfect Competition? Explain with a diagram. 8
3. a) What is Money? 3
- b) What are the functions of money in Economics? 7
- c) Define Monetary Policy. How does Bangladesh Bank control the money supply through Monetary Policy? 10
4. a) What is Money Market? 4
- b) Why Islamic Money Market is essential for Islamic banks and financial institutions? 8
- c) What are the major instruments of money market and capital market? 8
5. a) What do you mean by inflation and deflation in an economy? 5
- b) Discuss the causes of inflation. 4
- c) What are the major tools of controlling inflation? 4
- d) What is Real Income? How real income is affected by inflation? 7
6. a) What are the differences between Profit and Interest? 5
- b) Discuss the socio economic impact of interest (Riba). 8
- c) How markup profit is generated in Islamic banking system? 7
7. a) Distinguish between Economic Growth and Economic Development. 6
- b) Describe the main obstacles of economic development of Bangladesh. 7
- c) What are the main sources of revenue of the Government of Bangladesh? 7
8. Write short notes on any **5 (Five)** of the following: 5x4=20
  - a. Financial Inclusion
  - b. CRR & SLR
  - c. Smart Economy
  - d. Zakat and Income Tax
  - e. Impact of NPI in Banking sector
  - f. GDP and GNP
  - g. Balance of Trade and Balance of Payment
  - h. Offshore Banking

**The End**

**Diploma in Islamic Banking Examination, April-2024**

**Part : I**

**103: Principles of Accounting**

**Full Marks: 100; Pass Marks: 45**

**Time: 3 Hours**

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

1. a) What is Accounting Equation? How the impacts of transactions can be shown in accounting equation? 8
- b) What are the steps of Accounting Cycle? Discuss each step briefly. 8
- c) Distinguish between Trial Balance and Balance Sheet. 4
2. a) Why is AAOIFI established? State the role of AAOIFI in preparation of Financial Statements of Islamic Financial Institutions. 8
- b) What is Accounting Information? Discuss the qualitative characteristics of accounting information. 8
- c) Discuss the major components of Financial Statements. 4
3. a) What do you mean by Event? What are the features of a Transaction? 4
- b) Is there any difference between Book Keeping and Accounting? If any, mention in brief. 4
- c) 'X' company purchased a factory machine of Tk.21,00,000 on January 1, 2019. The machine is expected to have a salvage value of Tk.75,000 at the end of its 5 years useful life. Prepare schedule of depreciation on the basis of following methods: 4x3=12
  - i) Straight Line Method
  - ii) Diminishing Balance Method; and
  - iii) Sum of Year-Digit Method
4. a) What are the differences between Periodic and Perpetual Inventory Systems? 4
- b) From the following information, determine the Cost of Goods Sold, Value of Ending Inventory, and Gross Profit under i) FIFO Method and ii) Weighted Average Method under Perpetual Inventory System: 8+8=16
  - i) December 01, 2023: Beginning inventory 950 units @ Tk.48 per unit.
  - ii) December 08, 2023: Sales 350 units @ Tk.70 per unit.
  - iii) December 10, 2023: Sales 400 units @ Tk.72 per unit.
  - iv) December 15, 2023: Purchase 500 units @ Tk.52 per unit.
  - v) December 20, 2023: Sales 450 units @ Tk.65 per unit.
  - vi) December 22, 2023: Purchase 300 units @ Tk.55 per unit.
  - vii) December 25, 2023: Sales 350 units @ Tk.75 per unit.
5. a) What do you mean by Bank Reconciliation Statement? What are the objectives of preparing a bank reconciliation statement? 8
- b) Based on the data given below of XYZ Company for January 2024, prepare a Bank Reconciliation statement: 12
  - i) Balance as per bank statement as on 31.01.2024 is Tk.86,179
  - ii) Deposit in transit is Tk.44,700
  - iii) Outstanding cheque is Tk.1,27,500
  - iv) Deposit understated by bank is Tk12,000
  - v) NSF cheque from the customer is Tk.2,500
  - vi) Bank service charge is Tk.85
  - vii) Errors in depositor's book (cheque to creditor Tk.300 but recorded as Tk.30)
  - viii) Bank balance as per book as on 31.01.2024 Tk.18,234

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

5x4=20

- i) Notes to the Financial Statement
- ii) Annual Financial Report
- iii) Adjusting Entry
- iv) Sukuk
- v) Forensic Accounting
- vi) IFRS
- vii) Statutory Reserve of Banks
- viii) Recording tools of Accounting

7. The Trial Balance of M/s Chaity Manufacturing for the year ended on December 31, 2023 is given below:

Trial Balance  
December 31,2023

Particulars	Debit	Particulars	Credit
Opening stock	65,000	Sales	11,58,700
Purchase	596,000	Accounts Payable	16,500
Salary	175,300	Returns	13,500
Rent (Factory)	80,100	Bills Payable	22,500
Electricity	18,300	Salary Due	17,020
Office Rent	25,000	Other Income	8,500
Supervision Salary	13,300	Income Tax Provision	19,000
Stationary	9,100	Retained Earnings	62,680
Administrative Exp.	10,200	Capital	250,000
Cash in Hand	113,000		
Business Development Exp.	42,200		
Accounts Receivable	169,000		
Drawing	55,000		
Legal Exp.	24,500		
Furniture and Equipment	109,500		
Returns	62,900		
<b>Total</b>	<b>15,68,400</b>	<b>Total</b>	<b>15,68,400</b>

The following adjustments are necessary:

- i) Closing Stock Tk.96,000.
- ii) Income Tax 30% on profit.

**Required:**

- i) Prepare Income Statement for the year December 31, 2023 10
- ii) Prepare Financial Position as on December 31, 2023 10

8. The following Trial Balance was extracted from the books of accounts of ABC Islamic Bank PLC as of December 31, 2023:

Trial Balance  
December 31,2023

Particulars	Taka	Particulars	Taka
Cash in Hand	98,000	AWCA Deposit	195,000
Balance with Bangladesh Bank	120,000	Mudaraba Term Deposit	35,000
Balance with Other Bank	75,000	Mudaraba Saving Deposit	55,000
Bank Premises and Fixed Asset	62,000	Bills Payable	35,000
Profit Paid on Deposit	152,000	Paid-up Capital	400,000
Salary and Allowances	42,000	Share Premium	120,000
Rent, Insurance etc.	4,000	Statutory Reserve	40,000
Postage Bill	3,000	Income from Investment	310,000
Printing & Stationary	5,000	Income from Share Investment	60,000
MD's Salary	20,000	Locker Rent	20,000
Legal Exp.	4,000	Other Operating Income	5,000
Auditor's Fee	4,200	Retained Earing	20,000
General Investment	600,000	Dividend Payable	15,000
Investment in Share and Securities	133,800	Zakat Payable	8,000
		Branch Adjustment A/C	5,000
<b>Total</b>	<b>13,23,000</b>	<b>Total</b>	<b>13,23,000</b>

**Additional Information:**

- i) Depreciation expense Tk.8,000
- ii) Provision for doubtful investment Tk.10,000
- iii) Provision for tax Tk.12,000

**Required:**

- i) Prepare Profit and Loss Account for the year December 31,2023
- ii) Prepare Balance Sheet as on December 31, 2023

10  
10

**The End**

**Diploma in Islamic Banking Examination, April-2024**

**Part: I**

**104: Principles of Management  
Full Marks: 100; Pass Marks: 45  
Time: 3 Hours**

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

1. a) “Management means problem solving and decision making”- explain with example. 6  
b) ‘A successful manager is a good leader’- do you think so? Put arguments for your answer. 7  
c) What are the responsibilities of a manager in an Islamic bank? 7
2. a) How ‘Islamic Management Philosophy’ is superior to ‘Traditional Management Philosophy’- explain. 6  
b) How Sharia’h governance is applicable in an Islamic financial institution? 7  
c) What type of leadership do you follow in your organization and why? 7
3. a) Explain how planning reduces creativity? 6  
b) ‘Planning is done for achieving the organizational goal/s’- do you agree? Give reasons in support of your answer. 7  
c) State any three points of importance of planning function of management. 7
4. a) Discuss the art of delegation of authority. 6  
b) “Recentralization of authority is explained as the balance of decentralization”-briefly explain the statement. 6  
c) Describe ‘Organic’ and ‘Matrix’ organization structure. Give example of each. 8
5. a) Diagrammatically explain Hierarchy of Needs Theory of motivation given by A.H. Maslow. 5  
b) Differentiate among Need Theory, Two Factor Theory and ERG Theory of motivation. 8  
c) Mention the means of motivation of Islamic banks in Bangladesh. 7
6. a) What are the principles of supervision in management? 5  
b) Discuss the process of controlling the subordinates in Islamic management point of view. 7  
c) Define Span of Management. How does a manager determine the applicability of span of management to ensure effective and efficient supervision of employees? 8
7. a) What is employee recruitment? How do you perform employee recruitment in your bank? 6  
b) Explain the process of selection in private as well as state owned commercial banks in Bangladesh. 7  
c) Distinguish between organization development and career development in a tabular form. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - a) Critical Path Method (CPM)
  - b) Globalization
  - c) Succession Planning
  - d) Digital Banking
  - e) 360° Performance Appraisal
  - f) Network Leadership
  - g) Pareto Analysis for Time Management
  - h) Six Sigma for Quality Control

**The End**

**Diploma in Islamic Banking Examination, April-2024**

**Part : I**

**105: Business Communication**

**Full Marks: 100; Pass Marks: 45**

**Time: 3 Hours**

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

**Answers must be written in English.**

1. a) Define and differentiate between “Communication and Business Communication”. 6  
b) Describe the importance of effective communication in banking. 7  
c) Briefly discuss the special features of communication style of Prophet Hazrat Muhammad (SW). 7
2. a) Briefly describe the common barriers to effective communication and how these barriers may be overcome. 8  
b) Explain the advantages and disadvantages of “Virtual Communication”. 6  
c) Describe the common forms of written communication. 6
3. a) What are the 7-Cs of effective letter writing? Briefly explain them. 8  
b) What are “Office Memos”? Why are they written? What are the elements of an office memo? 7  
c) Define email and discuss its merits and demerits. 5
4. a) Briefly describe the relative merits and demerits of formal and informal communication. 8  
b) What is Non-Verbal Communication? What role it plays in making communication successful? 6  
c) What do you mean by the direct approach to business communication and when do you apply the same? 6
5. a) Evaluate the impact of digitalization in communication. 6  
b) Which digital mode would you opt for in advertising your products and why? 6  
c) Write a post in a social media advertising a new deposit product of your bank. 8
6. a) What are “bad news” letters? What approach would you adopt in writing a bad newsletter? 4  
b) Suppose that you are the Branch Manager of an Islamic Bank. Write a reply letter to a customer who has complained about unsatisfactory services from an official of your branch. 8  
c) Write an invitation letter to a local Government representative to attend a program at your branch in connection with the celebration of the independence Day as Chief Guest. 8
7. a) How can you classify business reports? Explain briefly. 6  
b) Narrate the principles you should follow in writing a formal business report. 6  
c) Write a short report to be sent to the Managing Director and CEO of your bank on your participation as a delegate from your bank in an AML & CFT conference held in a foreign country. 8

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

5x4=20

- a) 4IR
- b) Press Release
- c) Inquiry Report
- d) Executive Summary
- e) Mass Communication
- f) Minutes
- g) Graphic Aids
- h) Cyber Security

**The End**



**Diploma in Islamic Banking Examination, April-2024**  
**Part : I**  
**106: Theory and Practice of Banking: Islamic and Conventional**  
**Full Marks: 100 ; Pass Marks: 45**  
**Time: 3 Hours**

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

1. a) What are the investment modes of Islamic banking practiced in Bangladesh? 4  
b) Which mode dominates investment portfolio of Islamic banking in Bangladesh? Why the same structure is continuing for long four decades? 8  
c) What is the rule for provisioning against regular and classified investment? Why it is maintained? 8
2. a) What do you mean by Policy Rate? What is SMART rate? How it is fixed? 7  
b) The Central Bank is “The lender of last resort”. Explain why and how? 7  
c) Discuss the “Road Map” unveiled by Bangladesh Bank to knock down NPI. 6
3. a) What are the differences between Islamic and Conventional Money Market? 4  
b) Define Call Money Market. Can Islamic banks get any benefit from call money market? How? 8  
c) How Islamic banks get liquidity support from Bangladesh Bank during crisis? Explain. 8
4. a) Pleasant banker-customer relationship ensures better customer service and higher profitability. Explain. 6  
b) Compliance first compliance must-explain. How does compliance culture improve Internal Control System in the bank? 7  
c) What is the market share of Islamic banking in Bangladesh under major five parameters viz. Deposit, Investment, Export, Import and Remittance? How it can be improved? 7
5. a) What are the components of Capital and Market disclosure under Pillar-III as per BASE-III framework? 6  
b) What support initiatives have so far been made by the Government and Regulatory Authority for promoting Islamic banking in Bangladesh? 8  
c) What are the core risks in banking? How proper auditing can minimize the risks in banks? 6
6. a) Describe the concept of ‘Agent Banking’. ‘It is an alternative delivery channel to provide banking service towards marginal community’. Explain. 8  
b) What is Merchant Bank? How does brokerage house work in Bangladesh? 6  
c) What is rebate under investment deals? How and when it is allowed? 6
7. a) What are the differences between i) Power of Attorney and Mandate ii) Simple Mortgage and Registered Mortgage iii) Lien and Assignment. 6  
b) What is the procedure for releasing money from a Deceased Account? 4  
c) Describe the digital banking services offered by Islamic banks in Bangladesh. How it can be improved? 10

8. Write short notes on **any 5 (five)** of the following: 5x4=20
- |                        |                            |
|------------------------|----------------------------|
| a) ICRRS               | b) Off Balance Sheet Items |
| c) CAR                 | d) LCR                     |
| e) Syndicate Financing | f) Green Banking           |
| g) Sukuk               | h) Sustainable Finance     |

**The End**