

**Diploma in Islamic Banking Examination, October-2021**

**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 right margin indicate full marks.)

1. a) What do you understand by Alternative Financial System? Write down the features and objectives of the system. 10
- b) What are the challenges faced by Alternative Financial System in Bangladesh and their remedies? 10
2. a) Describe the prohibited elements in Islamic Financial transactions. 10
- b) What are the modes and mechanisms through which Islamic banks ensure banning of interest in their transactions? 10
3. a) The origin of Islamic Finance dates back to the dawn of Islam, 1400 years ago- do you agree? Explain. 6
- b) How Islamic finance evolved and developed to reach its current status around the globe? 7
- c) Narrate the steps taken at the Government, Regulatory and Non-Government levels that led to the establishment of Islamic Banking in Bangladesh. 7
4. a) What is an Islamic Money Market and Capital Market? Describe two Islamic money market and capital market products that are available in Bangladesh. 10
- b) Compare and contrast the Islamic Money Market and Capital Market with those of the conventional system. 10
5. a) Define Investment Sukuk and describe its origin. 5
- b) What are the differences between asset-backed and asset-based sukuk? 5
- c) Describe the chronological steps to be followed for issuing an "Ijarah Sukuk" to build a new airport in Bangladesh. 10
6. a) Discuss the concept of Takaful as an alternative to conventional insurance. 5
- b) Describe the Islamic concept of Risk Management. 5
- c) What are the risks associated with different modes of Islamic Finance? How can we mitigate them? 10
7. a) Discuss the importance of Shariah compliance in Islamic Finance. 7
- b) What are the functions of a Shariah Supervisory Committee in an Islamic Bank? 6
- c) Describe the major Shariah compliance issues in general banking and investment operation of an Islamic bank. 7
8. Write short notes on **any 5 (Five)** of the following: 5x4=20
  - i) Islamic Bank
  - ii) Maqasid-e-Shariah
  - iii) Riba and its Prohibitions
  - iv) Bai-as-Salam, Bai-al-Istisna
  - v) Takaful, Sukuk
  - vi) Mudarabah, Musharakah
  - vii) AAOIFI Shariah Standards
  - viii) Risk Management in Alternative Finance

**The End**

**Diploma in Islamic Banking Examination, October-2021**

**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 right margin indicate full marks.)

1. a) Define Islamic Economics and Conventional Economics. 5  
b) What are the basic Philosophy, Goals and Objectives of Islamic Economic System? 7  
c) Describe the Normative and Positive Economics. Which one is more supportive to Islamic Economics? Explain why? 8
2. a) Define “Demand” and “Desire”. 5  
b) Describe Marginal Utility of Demand. How it is useful in Islamic Economy? 5  
c) Distinguish among “Free Goods”, “Economic Goods”, “Public Goods” and “Private Goods”. 5  
d) “Resources are limited but wants are unlimited”- Explain both traditional and practical point of view. 5
3. a) What are the differences between monopoly and oligopoly? 5  
b) Describe the mechanism of price determination in Free Market Economy. 7  
c) What is the Law of Demand? Define Utility, Marginal Utility and Demand. How does a consumer maximize his utility? 8
4. a) What is the role of Money in an economy? 5  
b) Define Narrow Money and Broad Money. 5  
c) What is Monetary Policy? How the Monetary Policy is applied in Conventional Economics and Islamic Economics? 10
5. a) What is GDP? How GDP of a country is determined? 5  
b) How a firm’s output level determine through Marginal Cost and Marginal Revenue? Discuss with a graphical presentation. 10  
c) Discuss the importance of Shariah based micro finance in increasing GDP growth like Bangladesh. 5
6. a) What are the differences between interest & profit? 5  
b) What is concentration of wealth? Describe its impact on economy. 5  
c) What are the different types of mechanisms use for poverty alleviation in Shariah based economy? How it is superior to traditional approach of poverty alleviation? 10
7. a) What is the meaning of National Income? 5  
b) What are the role of savings and investment to increase national income? 5  
c) What is Fiscal Policy? Describe the instruments and goals of fiscal policy. How the policy is justified in Shariah based economy? 10
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - i) Indifference Curve
  - ii) Money Market & Capital Market
  - iii) Velocity of Money
  - iv) Reserve of Foreign Currency
  - v) Inclusive Growth
  - vi) Monetary Management and Supervision
  - vii) Disguised Employment and Under Employment
  - viii) Neo Normal Economy and Stimulus Fund

**The End**

**Diploma in Islamic Banking Examination, October-2021**

**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) What is Accounting Information? Who are the users of Accounting Information? 6
- b) State the scopes of accounting. 7
- c) Describe the differences between Book-keeping and Accounting. 7
2. a) What do you mean by the term 'Transaction'? Discuss the nature of business transaction with example. 6
- b) What is Trail Balance? Distinguish between Trial Balance and Balance Sheet. 6
- c) Explain the different types of errors that usually arise in accounting process. What steps would you take to discover each types of error in case of disagreement of a trial balance? 8

- 3 Mr. Ahmad Abdullah started his consultancy firm on August 1, 2021 with cash investment of Tk.300,000. Following events and transactions occurred during the month.

August-2	: Hired a secretary at salary of Tk.20,000 per month.
August-3	: Purchased supplies of Tk.12,000 on account.
August-8	: Paid office rent of Tk.25,000 cash for the month.
August-11	: Completed a tax assignment and billed the client Tk.15,000 for the services provided.
August-12	: Received Tk.12,000 advance as management consulting engagement.
August-17	: Received Tk.5000 cash for the service provided on August 11, 2021.
August-31	: Paid secretary Tk.20,000 as salary for the month.
August-31	: Paid 50% of the due for purchasing of supplies on August 3, 2021.

**Required:**

- i) Journalize the transactions; 7
  - ii) Post to the ledger accounts and 7
  - iii) Prepare a trial balance as of August 31,2021. 6
4. a) Distinguish between Cash Basis Accounting and Accrual Basis Accounting. 3
- b) Describe principles of accounting for intangible assets. 3
- c) State different methods of computing depreciation. 5
- d) A transport company purchased 03(Three) buses details of which are summarized as under : 9

Bus	Date of acquisition	Cost (Tk.)	Useful life	Salvage Value (Tk.)	Depreciation Method (Applied)
1	01.01.2015	73,00,000	5 Years	300,000	Straight line
2	01.01.2016	62,00,000	4 Years	200,000	Double Declining Balance
3	01.01.2016	70,50,000	5 Years	50,000	Unit of activity

For bus 3, total kilometers were expected to be 120,000. Actual kilometers of use were 24,000 in 2016; 34,000 in 2017; 30,000 in 2018; 20,000 in 2019 and 12,000 in 2020.

**Requirement: Prepare depreciation schedule for each of the buses.**

5. Write short notes on any **5 (Five)** of the following 5x4=20
- i) Forensic Accounting
  - ii) Capital Expense and Revenue Expense
  - iii) Ethics in Accounting
  - iv) Statutory Reverse
  - v) Sukuk
  - vi) IFRS & IAS
  - vii) Preference Share
  - viii) Non-Banking Assets of Banks

6. a) What is Inventory Valuation? 4  
 b) Why FIFO method is better for inventory management? 4  
 c) From the following information, compute the cost of goods sold and the value of ending inventory under : i) FIFO ii) LIFO iii) Weighted Average Cost Method: 12

June 01, 2021	: Beginning inventory of 100 units @ Tk.10
June 15, 2021	: Purchase 200 units @ Tk.11
June 24, 2021	: Purchase 300 units @ Tk.12
June 26, 2021	: Sales 550 units @ Tk.18
June 30, 2021	: Purchase 440 units @ Tk.13

7. The Trail balance of M/S. Chemical Engineering Co. Ltd. as on June 30, 2021 is stated below:

**M/S. Chemical Engineering Co. Ltd.**  
**Trail Balance**  
**As on June 30, 2021**

Particulars	Debit (Tk.)	Credit (Tk.)
Paid up capital		10,00,000
Investment from banks		50,00,000
Cash in hand	20,000	
Cash at bank	1,10,000	
Land and building	38,00,000	
Machinery	17,00,000	
Inventory (Raw material-Tk.100,000, Work in Progress-Tk.200,000, Finished goods- Tk.280,000)	580,000	
Sales		16,00,000
Purchases	200,000	
Account receivable	200,000	
Carriage inward	16,000	
Account payable		126,000
Returns outward		9,000
Banks profit and charges	500,000	
VAT on sales	5,000	
Carriage outward	8,000	
Wages	7,000	
Other manufacturing cost	4,000	
Office supplies	6,000	
Salary	150,000	
Returns inward	4,000	
Furniture	302,000	
Bad debts	3,000	
Prepaid expenses	1,20,000	
<b>Total</b>	<b>77,35,000</b>	<b>77,35,000</b>

**Adjustments:**

- a) Opening inventory: Raw materials Tk. 300,000; Work in Progress Tk. 100,000; and Finished goods Tk.200,000.  
 b) Office supplies worth Tk.1000 was unused.  
 c) Depreciation on Machinery 20% per annum.  
 d) Provision for bad debts Tk.5000.

**Required :**

- a) Prepare an Income Statement for the year 2020-2021.  
 b) Prepare the Balance Sheet as on June 30, 2021.

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8. The Baraka Islamic Bank Ltd. has provided the following Trail balance and additional information as at December 31,2020:

**The Baraka Islamic Bank Ltd.**  
**Trial Balance**  
**As at December 31, 2020**

Particulars	Debit (Tk.)	Credit(Tk.)
Al Wadeah Current Deposit and Others		21,420
Auditors fee	9,000	
Balance of Profit and Loss account		8,500
Balance with Bangladesh Bank	54,000	
Balance with other Bank	83,000	
Bills payable		43,230
Bills purchased & discounted	7500	
Cash in hand	23,350	
Charges on Investment Losses	150	
CEO's salary & fees	15,000	
Commission, Exchange & Brokerage		30,300
Director's fees and expenses	6200	
General Investment	4,05000	
Income from Investment in Securities		47,000
Investment in Government Securities	155,000	
Investment income		101,000
Legal expenses	1140	
Placement with bank and other Financial Institutions (Money at call and short notice)	31,000	
Mudaraba Savings Deposit		32,950
Mudaraba Term Deposit		85,900
Non-banking assets	7,000	
Other assets	44,750	
Other expenses	7,000	
Other Mudaraba Deposit		25,200
Other operating income		14,840
Paid up capital (5,000 Shares @Tk.100)		5,00,000
Postage, Stamps and Telecommunication	6,250	
Premises and fixed assets	105,000	
Profit paid to depositors	29,950	
Rent, Taxes, Insurance & Electricity	10,000	
Repair to bank assets	3,250	
Salaries & allowances	52,000	
Share premium account		90,000
Shariah Supervisory Committee fees and expenses	2,500	
Stationary, Printing & Advertisement	9,000	
Statutory reserve		71,700
Zakat expenses	5,000	
<b>Total</b>	<b>10,72,040</b>	<b>10,72,040</b>

**Additional Information:**

- i) Provision for investment Tk.1320 and provision for other asset Tk.840.
- ii) Provide depreciation to bank's fixed assets Tk.10,500.
- iii) Provision for taxes is estimated at Tk.14,000.

**Required:**

- a) Prepare a Profit and Loss Account for the year ended December 31, 2020; and
- b) Prepare a Balance Sheet as at December 31, 2020.

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**Diploma in Islamic Banking Examination, October-2021**

**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 right margin indicate full marks.)

1. a) How the Islamic Management differ from Conventional Management? 7
- b) How the principles of scientific management support to attain a successful management? 7
- c) Discuss the core functions of management. 6
2. a) Planning is a unique and universal function of all managers irrespective of size and nature of business- explain the pervasiveness of planning from the perspective of management. 7
- b) “Motivation is the product of attitude and situation” Explain how employee attitude and situation are linked with motivation from the perspective of Islamic Banking and Traditional Banking. 6
- c) Explain the equity-theory of motivation. How the outcome of equity-theory of motivation creates under, over and status-quo motivation among the employees in banks? 7
3. a) How do you define and feel of an organization? 4
- b) Discuss the importance of organization. 4
- c) Briefly explain the principles of organizing which are to be followed in banks in Bangladesh. 7
- d) Do you think that line and staff type of organization structure can help in implementing the financial strategies? 5
4. a) Explain the sources of occupational stress. How do you manage this occupational stress in your profession? 7
- b) Describe inter-personal conflict and intra-personal conflict in an organization with suitable examples. 7
- c) How does Executive Support System (ESS) facilitate the decision making of top executives in your organization? Explain. 6
5. a) Explain the fundamental concept of Organizational Behavior (OB) that combines the nature of people and nature of organization. 7
- b) Discuss the ‘Matrix Structure’ with example and draw the diagram. 6
- c) What is Corporate Social Responsibility (CSR)? “Green Banking is a component of CSR.” Do you agree with this statement? Show your argument. 7
6. a) What is meant by business ethics? What are its elements? 4
- b) Discuss some ethical guidelines which should a bank manager follow? 5
- c) Point out the conditions of successful team building. 5
- d) Discuss the life cycle of team building process with appropriate diagram. 6
7. a) “Before controlling your subordinates/jobs, you must know your ability to control them, otherwise you will be controlled”. Explain the statement. 7
- b) Explain feed forward, concurrent and feedback control mechanism in an organization. 6
- c) Differentiate between controlling through Taqwa and controlling through traditional management system. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - a) Management by Objectives (MBO)
  - b) TOWS Analysis
  - c) Time Management
  - d) e-commerce and e-business
  - e) Process Re-engineering
  - f) Blue Ocean Strategy
  - g) Milestone Budgeting
  - h) Succession Plan

**The End**



**Diploma in Islamic Banking Examination, October-2021**

**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) What is Business Communication? How does a “Business Communication” differ from a “Personal Communication”? 6
- b) State the principles of effective communication with special reference to the Hadiths of the Prophet Muhammad (SAW). 8
- c) What do you mean by Automated Communication? What is its impact on banking business? 6
2. a) Briefly describe the common forms and modes of Internal Communication. 7
- b) Discuss the factors that you would consider in choosing an appropriate medium of communication. 6
- c) What communication means would you prefer to adopt in widening the customer base of your bank. Give arguments in support of your answer. 7
3. a) Point out the challenges of using technology in business communication and possible ways of overcoming such challenges. 7
- b) How does the technology facilitate virtual banking? 6
- c) What is zoom meeting? Discuss the pros and cons of such meeting in financial organizations like banks. 7
4. a) Distinguish between a Circular Letter and an Advertisement. 4
- b) As a Public Relations Officer (PRO) of your bank, make a “press release” covering information about the opening of a new branch of your bank. 8
- c) Draft a notice of a Board Meeting of your bank mentioning some common agenda of such meetings. 8
5. a) What is a Memo? Discuss the purposes of using Memos in an organization. 4
- b) Suppose you are a Branch Manager of an Islamic bank, write a cautionary letter to an employee of your branch for absenting from office without authorization. 8
- c) Draft a reply to a customer of your bank who complained about a double debit against a single withdrawal through the ATM of your branch. 8
6. a) Explain the importance of recording Minutes in a banking organization. 4
- b) Suppose that you are the Secretary of an Islamic bank. Write the Minutes of a recently held meeting of the Asset Liability Committee (ALCO) of your bank. 8
- c) As a Manager of your bank, draft a condolence message to the family of an employee who died recently as a victim of COVID-19. 8
7. a) What is a Business Report? 2
- b) Prepare a report on the feasibility of Agent Banking Operations of your bank. 10
- c) Write a letter to a Governmental Organization requesting it to open an account with your bank for receiving/collecting utility bills. 8
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - a) 5G Communication System
  - b) SWIFT and Voice mail
  - c) Hacking
  - d) BEFTN & RTGS
  - e) Goodwill Letters
  - f) Non Verbal Communication
  - g) MIS
  - h) Group Discussion

**The End**



**Diploma in Islamic Banking Examination, October-2021**

**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) Explain how Islamic banking is superior to Conventional banking system? 5  
b) Describe in brief the procedure to distribute profit to the Mudaraba depositors in an Islamic Bank. 4  
c) Differentiate the features of AWCA of Islamic banks with Current Account of conventional banks. 3  
d) Describe the challenges faced by Islamic banking in Bangladesh in its growth and development. 8
2. a) Explain the differences between : i. Hypothecation and Bai-Muazzal ii. Bai-Murabaha and Pledge. 5  
b) What is Agent Banking? Describe its prospect for future banking in Bangladesh. 7  
c) What is the role of Shariah Supervisory Committee in an Islamic bank? 5  
d) What factors are considered while allowing rebate to an investment client? 3
3. a) Discuss in brief the history of banking industry. 5  
b) What do you mean by Virtual Banking and E-Banking? 5  
c) What do you mean by Specialized Banking? Mention the names of some specialized banks operating in Bangladesh. Discuss in brief regarding its roles and functions. 6  
d) Describe the importance of E-banking in the prevailing socio economic scenario. 4
4. a) Discuss in brief the function of ALCO. 5  
b) How can a commercial bank minimize its cost of fund? 4  
c) Describe the core risks under BASEL-III framework. 5  
d) What is the source of fund of an Islamic bank? How do the Islamic banks meet its urgent requirement of fund? 6
5. a) Define 'Money Market' and 'Capital Market'. 5  
b) What are the main features of monetary policy? 5  
c) What is the difference between Islamic and conventional money market? 5  
d) Discuss in brief regarding the instruments of money market. 5
6. a) Describe in brief the role of Central Bank in controlling the inflation of the country. 8  
b) What is the SLR for Islamic banks and conventional banks? Explain the reasons for the difference. 6  
c) 'The Central Bank is the lender of last resort' why and how? Discuss. 6
7. a) What are the duties and responsibilities of the collecting and paying banker? When will the banks not get any legal protection? 6  
b) Define 'Cheque' as per NI act 1881. What is crossing? Can crossed cheque be paid over the counter? If yes, how? 7  
c) What is Deposit Mix? What is an Ideal Deposit Mix? How does the ideal deposit mix help the bank to increase its profitability? Explain. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - a) Holder in due course
  - b) CRR & SLR
  - c) Eligible Security
  - d) CTR & STR
  - e) Gharar & Maisir
  - f) AAOIFI
  - g) Off-balance Sheet Items
  - h) Sukuk

**The End**