

International Islamic University Chittagong

Department of Economics & Banking

Mid-Term Examination, Spring-2023

Program: BSS (Hons) in Economics & Banking

Course Code: BNKG-4808

Course Title: Islamic Banking and Takaful

Time: 1 hour 30 minutes

Full Marks: 30

[Answer all of the following questions. Figures in the right margin indicate full marks.]

| QN | Description of Questions | Marks | CLOs & PLOs | Cognitive learning |
|-----------|--|-------|---------------|--------------------|
| 1(a). | “Islamic Banks offer contemporary financial services in conformity with Islamic Shariah”- Interpret | 2.5 | CLO 2 & PLO 2 | Understanding |
| 1(b). | “The activities of IBBL are different from the functions of Brac Bank”- Evaluate the key features. | 3 | | Evaluating |
| 1(c). | “City Bank makes loan on fixed interest rate”- Should SJIBL practice this? Give your arguments based on the specification of riba. | 2 | | Applying |
| 1(d). | MR. Nasir has received some unintentional amount of interest from EBL because of having deposit account with bank. Suggest MR. Nasir according to the instructions of Islamic scholars in this regard. | 2.5 | | Creating |
| OR | | | | |
| (a) | MR. Nabila has approached IBBL to open an account for transacting without any restrictions in withdrawals and savings. Suggest specific deposit mode that should be applied by the bank with key features. | 2.5 | | Applying |
| (b) | Interest-based banks receive different kinds of term deposits from the depositors. Design a deposit mode of ten years under Islamic shariah for Exim Bank. | 2.5 | | Creating |
| (c) | Is there any contradiction between savings account of City Bank and SJIBL? Point out your arguments strongly. | 2.5 | | Analyzing |
| (d) | “Islamic Banks can raise funds through primary sources”- Evaluate. | 2.5 | | Evaluating |
| 2(a). | Draw a table to show major risks faced by the products of Islamic banks. | 2 | CLO 2 & PLO 2 | Creating |
| 2(b). | Do Islamic banks face interest rate risk? Point out the arguments in favor of your answers by specifying the similar risk faced by Islamic banks. | 3 | | Analyzing |
| 2(c) | How do Islamic banks mitigate counterparty risks in murabaha contracts? | 2 | | Evaluating |
| 2(d) | “Islamic banks are used to Swaps for transferring foreign exchange risks”- Judge | 3 | | Evaluating |

| | | | | |
|-------|--|-----|------------------|------------|
| 3(a). | Design a chart to show different investment modes of Islamic banks. | 1 | CLO 2 & PLO 2 | Creating |
| 3(b). | FSIBL made an investment contract with Mr. Rahi based on sharing of capital and profit-loss. From the net income, the bank will receive principal amount from the partner and gradually full ownership of the project will go to the hands of customers after certain period. Specify the investment mode and explain distinguishing features. | 2 | | Analyzing |
| 3(c). | IBBL received an order to buy a car from Mr. Nasif and bank has fulfilled the order accordingly. Specify the investment mode and evaluate the steps involved in making the agreement with customer. | 2.5 | | Evaluating |
| 3(d). | Mr. Rafique has approached SIBL to finance in buying a building based on future fixed payments under Islamic shariah. Suggest SIBL to specify the financing mode and interpret the features of the contract. | 2.5 | | Evaluating |
| 3(e). | Park View Hospital has asked SJIBL to finance in MRI machine for 50 years under fixed rent basis monthly. Should SJIBL finance under shariah? Point out your arguments based on specific mode. | 2 | | Analyzing |