

International Islamic University Chittagong
Department of Business Administration
Program: MBA, Final Examination, **Spring-2022**
Course Title & Code: **Islamic Financial System (FIN-5402)**

Time: 3 Hours

Full Marks: 40

Answer any Four (4) from the following questions:

Question: 01 (4+3+3) =10

- a) Illustrate the distinctive functions of capital market in Islam?
- b) What do you mean by insider trading? Is it lawful by Islamic Shariah? Why or why not?
- c) Common stock and preferred stock, which one is lawful according to the Islamic Shariah? Justify your answer.

Question: 02 (3+4+3) =10

- a) Show the differences between Sukuk and conventional bond?
- b) Briefly discuss the operational framework of Islamic Money Market.
- c) Explain the concept of Mudarabah Interbank Investment along with an example.

Question: 03 (4+3+3) = 10

- a) Briefly explain the emergence of Islamic Banking in the world including Bangladesh.
- b) Demonstrate the Mechanism of "Musharaka Letter of Credit".
- c) Illustrate the objectives of Islamic banking.

Question: 04 (3+7) =10

- a) Critically evaluate the rationale of Islamic banking with reference to the drawbacks of its conventional counterpart.
- b) M/S Rahim & Brothers has opened an L/C for US \$5.00 million to import capital Machineries from China to set up a new oil refinery plant in Bangladesh. You are requested to fix up monthly installment, loan price, and bank's profit considering the following information:

a.	Date of opening L/C	04.04.2021
b.	Date of Shipment	15.03.2022
c.	Date of Shipping Documents received	30.04.2022
d.	Date of Documents Delivery to the client	15.05.2022
e.	Date of Foreign Payment made	01.06.2022
f.	Client's equity	15%
g.	Period of project loan (excluding gestation period)	5 years
h.	Gestation period	1 year
i.	Rate of Return/ Interest rate	12%
j.	Conversion rate	USD 1 = BDT 96

Part A: Calculation has to be made as a conventional banker considering the following data.

i	Documents acceptance commission (DAC)	0.25%
ii	Documents handling commission (DHC)	0.15%
iii	Foreign correspondence commission (FCC)	0.25%
iv	Gestation period interest will be compounded with the principal	

Part B: Calculation has to be made as an Islamic banker considering the following data.

i	No DAC is applied for	
ii	DHC	0.15%
iii	FCC	0.25%
iv	Gestation period return will not be compounded with the principal	

Question: 05 (5+5) =10

- a) How does Islamic Central bank work for stabilizing the value of money?
- b) Identify and explain the sources of monetary expansion in the economy.

Question: 06 (5+5) =10

- a) Which investment mode is used in case of Takaful Business? Maintaining a distinct account is an important feature of Takaful – Explain.
- b) Distinguish between Takaful and Conventional insurance.

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