



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION  
JANUARY 2016 SEMESTER

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SUBJECT CODE : EBB 20503  
SUBJECT TITLE : ISLAMIC FINANCIAL PRODUCTS AND SERVICES  
LEVEL : BACHELOR  
TIME / DURATION : 9.00 AM - 12.00 P.M / 3 HOURS  
DATE : 23rd MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on one side of the paper.
3. This question paper consists of TWO (2) sections: Section A and Section B.
4. Answer ALL questions in Section A and answer TWO (2) questions in Section B.
5. Please write your answers in the answer booklet provided.
6. All questions must be answered in English (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

**SECTION A (TOTAL: 50 MARKS)**

**INSTRUCTIONS: ANSWER ALL QUESTIONS**

**Please use the answer booklet provided.**

**Question 1:**

- a) BNM (Bank Negara Malaysia) as with other central banks have adopted the Basel Committee on Banking Regulations and Supervisory Practices' "Know Your Customer Policy" to help prevent money laundering within the financial system. How the KYC could help in preventing the money laundering.

**(8 Marks)**

- b) Briefly describe ALL stages of money laundering process. Please provide example for each stage.

**(12 Marks)**

**Total: 20 Marks**

**Question 2:**

Wan Danial has a 9 years car financing of RM 92,000 at 2.8% profit charge. He wants to settle the financing after 18 months. Assuming the bank uses the "Rule of 78" to calculate the profit charge rebate, with 10% penalty on rebate for early repayment.

Calculate the profit charge rebate according to Rule of 78 and total financing redemption.

**Total: 15 Marks**

**Question 3:**

- a) "Al-ghorm bil ghom / reward must be accompanied with risk". How you relate this concept in Islamic deposit?

**(3 Marks)**

- b) Explain two types of contract used in saving product in the market and please provide example for each type of contract

**(12 Marks)**

**Total: 15 Marks**

**SECTION B (TOTAL: 50 MARKS)**

**INSTRUCTIONS: ANSWER ONLY TWO (2) QUESTIONS**

**Please use the answer booklet provided.**

**Question 1:**

- a) Explain with diagram the application of BBA in vehicle financing between a bank, a customer and a car dealer where in this situation the customer becomes the purchasing agent for the bank.

**(15 Marks)**

- b) Musharakah Mutanaqisah Partnership (MMP) is a form of partnership which involving a promise of one of partners to buy the equity share of other partner gradually until the title of the equity is completely transferred to him.

Explain all types of contract involved in MMP.

**(10 Marks)**

**Total: 25 Marks**

**Question 2:**

Al rahnu is a scheme that provides a source of immediate financing to assist individuals in overcoming cash flow needs.

- a) List all the pillars of rahn

**(5 Marks)**

- b) Briefly explain FOUR (4) Islamic principles used for Al Rahnu

**(12 Marks)**

- c) Elaborate the role of ar rahnu in socio-economic development

**(8 Marks)**

**Total: 25 Marks**

**Question 3:**

- a) One reason for the failure of many small businesses is that they undercapitalize their business. Therefore, it is important that you know how much money you will actually need to start and to run your business until you reach your break-even point—the point when your sales revenue equals your total expenses.

What documents you required from customer for business financing?

**(2 Marks)**

- b) As a banker, you are responsible to ensure all risks associated with financing are under control. How you managed the risk of non-repayment before you provide the financing to your customer?

**(10 Marks)**

- c) The objective of Islamic Accepted Bill (AB-i) is to encourage and promote domestic and international trade. Explain two types of AB-i

**(13 Marks)**

**Total: 25 Marks**

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**END OF QUESTION PAPER**

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