



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION

JANUARY 2016 SEMESTER

SUBJECT CODE : EBB10103/ EBB20903

SUBJECT TITLE : SHARIAH RULES IN BUSINESS AND FINANCE /FIQH MUAMALAT

LEVEL : BACHELOR

TIME / DURATION : 9:00 AM – 12:00 AM (3 HOURS)

DATE : 25 MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. Answer **FIVE (5)** questions in two sections: A & B.
4. Please write your answers in the answer booklet provided.
5. All questions must be answered in **English** (any other language is not allowed).
6. This question paper must not be removed from the examination hall.

THERE ARE FOUR(4) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A: 50 MARKS

QUESTION 1

A. Explain the concept of property (*al-mal*) in our contemporary era and mention the main criterion that prevents certain thing from being considered as a property.

(4 marks)

B. One of classification of private property (*al-mal*) is homogenous (*mithli*) and non-homogenous (*qimi*). Describe homogenous and non-homogenous property and mention their consequences by giving examples.

(6 marks)

C. In Islamic financial law (*fiqh al-muamalat*), a person has right to own a property, however, right of ownership is not absolute. Discuss this right of ownership and mention certain people who are not eligible to exercise their right of ownership.

(6 marks)

D. Elaborate the concept of money in Islamic commercial transactions by mentioning its class of property.

(4 marks)

[20 marks]

QUESTION 2

A. In Islamic commercial law, according to majority of *fiqh* school, one of pillars of contract is the subject matter of the contract, briefly mention conditions of subject of matter of the contract.

(4 marks)

B. Subject matter of contract differs from transaction to transaction. Describe the subject matter of contract in the following transactions:

- i. In a sale contract
- ii. In a lease (*ijarah*) contract
- iii. In a *wakalah* (agency) contract

iv. In a partnership contract

(4 marks)

C. In Islamic commercial transaction *bay al-salam* (forward contract) and *bay al-istisna* (manufacturing contract) are two contracts in which the subject matter of the contract is not in the existence while the contract is concluding. Discuss the difference between *bay al-salam* (forward contract) and *bay al-istisna* (manufacturing contract)

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(4 marks)

D. Describe *sharikat al-inan* (unequal shares partnership) *sharikat al-mufawadah* (equal shares partnership) and characteristics of each *sharikat*

(8 marks)

[20 marks]

QUESTION 3

Ahmad bought a car from PROTON Malaysia which is going to be manufactured based on *murabahah* sale contract. However, Ahmad does not know the cost price and how much profit PROTON Malaysia gains from him. When the car delivered to Ahmad after two days, Ahmad discovered that the air condition does not work.

As a student of *fiqh muamalat*, Ahmad is seeking your advice on the following matters:

A. is this transaction *murabahah* contract?

(2 marks)

B. does Ahmad have right to claim compensation for defective air condition?

(3 marks)

C. did conditions of *murabahah* meet in this transaction?

(2 marks)

- D. highlight conditions of *murabahah* for Ahmad so that he will know conditions of *murabahah* that should be fulfilled in *murabahah* transaction.

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[10 marks]

SECTION B: 50 MARKS

QUESTION 4

- A. Siti Aishah is in need of cash money. As a *Fiqh muamalat* student which transaction are you going to advise Siti Aishah to get solution for her financial problem based on *Shariah* compliant transaction? Structure this transaction for her in order to avoid *riba* transaction

(10 marks)

- B. Faizah is seeking financing for her project, so she wants to go the bank to request financing for her project. Highlight the difference between *Tawarruq* and *Inah* for her in order to avoid unlawful financing.

(10 marks)

- C. A bank manager is seeking for an expert in business area. As a second year student in Islamic finance describe for him the difference between *Mudarabah* and *Musharakah* so that he is going to conclude a contract with the expert according to the rules and principles of Islamic law.

(10 marks)

[30 marks]

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QUESTION 5

Ali wants to buy a car based on *murabahah* to the purchase orderer. He approached to the Bank Islam Malaysia Berhad to request financing for his car. As shariah adviser in the Bank Islam Malaysia Berhad. The CEO of the bank is seeking your advice in order to make the transaction in a according with the principle of Islamic law. This is because the CEO does not like to face any loss or take any risk of transaction. Thus, there is no security that can show Ali is serious in his demand and paid the amount on due date. As shariah advisor of the bank structure the steps of the transaction for the bank and describe the relationship between the bank and Ali in this transaction in order to avoid any loss or dispute in the future.

(20 marks)

END OF QUESTION PAPER

