UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2024 SEMESTER

COURSE CODE	:	EGB30603
COURSE NAME	:	ISLAMIC FINANCIAL SYSTEM
PROGRAMME NAME	:	BACHELOR OF SCIENCE (HONS) IN ANALYTICAL ECONOMICS
DATE	:	29 JUNE 2024
TIME	:	9.00 AM – 12.00 PM
DURATION	:	3 HOURS

INSTRUCTIONS TO CANDIDATES

1. **Please CAREFULLY read the instructions given in the question paper.**
2. **This question paper has information printed on both sides of the paper.**
3. This question paper consists of **TWO (2)** sections; **Section A** and **Section B.**
4. Answer **ALL** questions from **Section A** and **Section B.**
5. Please write your answers on 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: 40 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 1

(a) State TWO (2) examples of foreign banks and TWO (2) examples of investment banks in Malaysia.

(4 marks)

(b) Describe THREE (3) roles of commercial banks.

(6 marks)

Question 2

(a) Describe THREE (3) types of underlying contracts for retail financing in Islamic banks in Malaysia.

(6 marks)

(b) Briefly explain TWO (2) types of partnership contracts.

(4 marks)

(c) State FOUR (4) types of Sukuk based on the underlying Shariah contracts.

(4 marks)

Question 3

(a) State THREE (3) differences between the Money market and the Capital market.

(6 marks)

(b) Describes TWO (2) comparisons between Bond and Sukuk.

(4 marks)

(c) Justify THREE (3) types of risks faced by Islamic financial institutions.

(6 marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer ALL questions.
Please use the answer booklet provided.

Question 4

Islamic bank is operating under the Shariah principles. With the aid of a diagram, explain an instrument used in Islamic banks for 'sources of funds' and 'uses of funds'.

(20 marks)

Question 5

Takaful is an alternative to insurance which reflects a reciprocal relationship and agreement of mutual help among members in a particular group. With the aid of a diagram, explain TWO (2) types of takaful and the underlying contract used.

(20 marks)

Question 6

Central banks play an important role in promoting an inclusive Financial System. Explain FOUR (4) roles of central banks and TWO (2) initiatives that foster sustainability of the Islamic Financial System.

(20 marks)

END OF THE EXAMINATION PAPER