



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE	: EBB20503
COURSE NAME	: ISLAMIC FINANCIAL PRODUCTS AND SERVICES
PROGRAMME NAME	: BACHELOR OF BUSINESS ADMINISTRATION (HONS) IN ISLAMIC FINANCE
DATE	: 7 FEBRUARY 2025
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 **FOUR (4)** Questions.
4. Answer **ALL** questions.
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 TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

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

Question 1

- (a) Explain the features of working capital financing under business financing for products and services. (10 marks)
- (b) Discuss the structure on the hybrid Istisna' contract as part of financing facilities under business operation. (15 marks)

Question 2

- (a) Discuss the conditions under Murabahah Working Capital Financing as part of the import facility. (15 marks)
- (b) Outline the features related to bridging financing-I under the Tawaruq contract. (10 marks)

Question 3

- (a) Describe the risk management process to reduce the risk in Islamic financial institutions. (15 marks)
- (b) Define the following types of risks the Islamic bank faces in Malaysia.
 - (i) credit risk (3 marks)
 - (ii) market risk (3 marks)
 - (iii) Shariah non-compliance risk (4 marks)

Question 4

- (a) An importer applies for a letter of credit from an Islamic Financial Institution (IFI) as a credit line with a revolving facility. Due to the various types of goods to be financed, the customer prefers that the financing not be specific to the transaction. Explain the suitable letter of credit facility for the customer. (10 marks)
- (b) Trade finance is one of the most important services offered by Islamic banks, especially to address the needs of businesses involving cross-border transactions. Trade finance can be categorised into domestic and international trade. Explain the structure of Islamic letter of credit for financing. (15 marks)

[Total :100 marks]**END OF EXAMINATION PAPER**