CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
JULY 2025 SEMESTER

COURSE CODE	:	EGB30603
COURSE NAME	:	ISLAMIC FINANCIAL SYSTEM
PROGRAMME NAME	:	BACHELOR OF SCIENCE (HONOURS) IN ANALYTICAL ECONOMICS
DATE	:	17 SEPTEMBER 2025
TIME	:	2.00PM – 5.00PM
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 in **Section A** and **Section B**.
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 THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 60 marks)

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

Question 1

a) Define *Shari'ah* literally.

(2 marks)

b) Explain the fundamental difference between '*Shari'ah*-compliant products' and '*Shari'ah*-based products' with an appropriate EXAMPLE each.

(6 marks)

c) Explain how does Parallel *Istisna'* structure adhere to *Shari'ah* principles by effectively avoiding both *Riba* and *Gharar*.

(6 marks)

d) Compare and contrast *Qard* deposit and *Wadiah yad dhamanah* in terms of *Shari'ah* compliance and bank obligations.

(6 marks)

e) List SIX (6) conditions of sale and buy back (*Bay' al-Inah*).

(6 marks)

Question 2

a) Figure 1 below shows the structure of Islamic Accepted Bills (IAB).

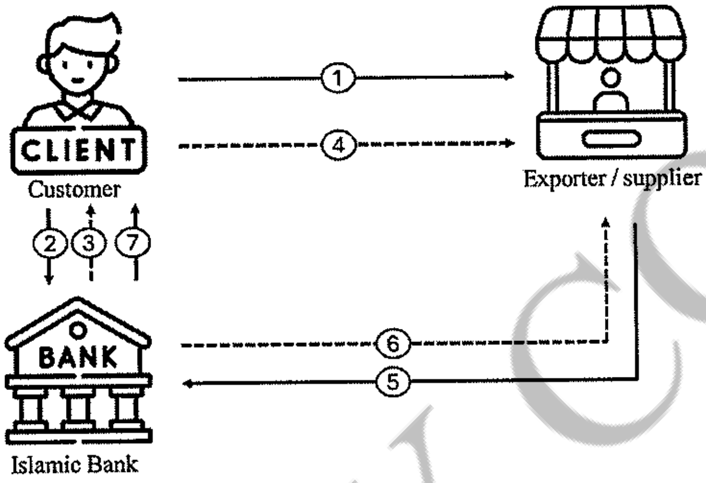

Figure 1: The structure of Islamic Accepted Bills (IAB)

i. Define Islamic acceptance bills.

(2 marks)

ii. Based on figure 1, explain what happen during the THIRD (3rd) and SIXTH (6th) sequence.

(4 marks)

iii. Based on figure 1, identify the Islamic principles / contract involved in the SEVENTH (7th) sequence. Justify your answer.

(4 marks)

iv. Explain how the use of a bill of exchange to securitize debt aligns with *Shari'ah* principles by avoiding *Riba al-Nasi'ah*. Provide TWO (2) justifications.

(4 marks)

b) Discuss TWO (2) functions of money market.

(4 marks)

Question 3

a) Explain why conventional insurance is not accepted by the *Shari'ah*. Give TWO (2) reasons with TWO (2) explanations for each reason provided.

(6 marks)

b) Define the concept of *Tabarru'* and explain its role in risk-sharing structure of *Takaful*.

(6 marks)

c) Explain TWO (2) benefits of *Retakaful* to the *Takaful* operator.

(4 marks)

SECTION B (Total: 40 marks)

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

Question 4

Examine how the Islamic financial system differs from the conventional financial system in terms of objectives, operational principles, and instruments. Support your answer with relevant examples.

(20 marks)

Question 5

Examine FIVE (5) roles of *Sukuk* in supporting economic growth and financial stability in Muslim-majority countries. Support your answer with appropriate justification.

(20 marks)

END OF EXAMINATION PAPER