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UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	EBB30603
COURSE TITLE	:	ISLAMIC INTERNATIONAL TRADE FINANCING
PROGRAMME NAME	:	BACHELOR IN ISLAMIC FINANCE WITH HONOURS
DATE	:	29 JUNE 2026
TIME	:	2:00PM - 5:00PM
DURATION	:	3 HOURS

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. This question paper consist of ONE sections.
4. Section A consist of five questions. Answer FOUR (4) questions only.
5. Please write your answer on the answer booklet provided.
6. Please answer all questions in English only.
7. Refer to the attached Formula/ Appendies. ☐ *Tick if applicable*

THERE ARE 8 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 100 marks)

Answer FOUR (4) questions.

Please use the answer booklet provided.

Question 1

Answer the following questions:

(a) Compare **THREE (3)** Shariah-compliant models used in a Letter of Credit-i (LC-i) in terms of:

i. Bank's role.

(3 marks)

ii. Source of income.

(3 marks)

iii. Financing provided.

(3 marks)

(b) A Malaysian importer purchases electronic components worth USD 80,000 from a supplier in South Korea. The Islamic bank issues an LC-i under a Murabahah structure with the following terms:

LC-i Amount (Cost Price)	USD 80,000
Murabahah Profit Rate	5.5% per annum
Tenor	120 days
LC-i Issuance Commission	0.20% per quarter
Exchange Rate	USD 1 = MYR 4.60

Based on the information given, calculate:

i. Murabahah profit.

(3 marks)

ii. LC-i issuance commission.

(3 marks)

iii. Total amount payable by the importer in USD.

(3 marks)

iv. Total amount payable in MYR.

(3 marks)

(c) Explain the effects of early settlement (ibra') and late payment (ta'widh) in a Murabahah Trust Receipt (MTR) facility.

(4 marks)

Question 2

Answer the following questions:

(a) Compare **THREE (3)** aspects of Islamic Accepted Bills for Imports (IAB–Purchases) and Islamic Accepted Bills for Exports (IAB–Sales) in terms of:

i. Purpose.

(3 marks)

ii. Shariah basis.

(3 marks)

iii. Mechanism.

(3 marks)

(b) A Malaysian exporter ships halal food products worth RM 400,000 to a buyer in Saudi Arabia with 90-day payment terms. The exporter needs immediate cash and presents the bill to the Islamic bank for discounting. Given the information as follows:

Face Value of Bill	RM 400,000
Discount Rate	4.5% per annum
Tenor	90 days

Based on the information given, calculate:

i. Discount amount.

(4 marks)

ii. Proceeds received by the exporter.

(2 marks)

iii. Bank's profit.

(1 marks)

iv. Effective yield to the bank (per annum).

(5 marks)

(c) Explain **TWO (2)** reasons Export Credit Refinancing-i (ECR-i) is more cost-effective for exporters compared to direct Islamic bank financing.

(4 marks)

Question 3

Answer the following questions:

(a) A manufacturing company needs RM 600,000 in working capital. The Islamic bank provides a Commodity Murabahah (Tawarruq) WCF-i using crude palm oil on Bursa Suq Al-Sila'. Given the information as follows:

Commodity Value (Cost)	RM 600,000
Profit Rate	5% per annum
Tenor	180 days

Based on the information given, calculate:

i. Murabahah profit.

(3 marks)

ii. Murabahah selling price.

(3 marks)

iii. Approximate cash received by the customer.

(1 marks)

iv. Effective cost rate (per annum).

(3 marks)

v. Ibra' (rebate) and settlement amount if the customer settles early on Day 90.

(5 marks)

(b) Discuss the Shariah debate on Commodity Murabahah (Tawarruq) by explaining:

i. **TWO (2)** reasons it is considered controversial.

(4 marks)

ii. **THREE (3)** conditions for its permissibility in Malaysia.

(6 marks)

Question 4

Answer the following questions:

(a) Explain the concept of Bay' al-Dayn (sale of debt) using **ONE (1)** example.

(4 marks)

(b) Compare **THREE (3)** aspects of Bay' al-Dayn Bills Purchased (BBP) and Bay' al-Dayn Bills Negotiated (BBN).

(9 marks)

(c) Discuss the Shariah issues surrounding Bay' al-Dayn by explaining:

i. **ONE (1)** key issue.

(3 marks)

ii. Differences between the majority (Middle East) and Malaysian scholarly positions.

(6 marks)

iii. **THREE (3)** conditions for its permissibility under Malaysian Shariah law.

(3 marks)

Question 5

Answer the following questions:

(a) Explain the concept of Kafalah and the permissibility of fee charging by an Islamic bank.

(4 marks)

(b) Briefly explain the roles of **THREE (3)** parties involved in Kafalah.

(6 marks)

(c) Explain the following types of bank guarantee-i:

i. Bid Bond.

(3 marks)

ii. Performance Bond.

(3 marks)

iii. Advance Payment Guarantee.

(3 marks)

iv. Shipping Guarantee-i.
For Shipping Guarantee-i, explain the issue or problem that the product is designed to address. (6 marks)

END OF EXAMINATION PAPER