



**UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL**

---

**FINAL EXAMINATION  
JANUARY 2016 SEMESTER**

---

<b>COURSE CODE</b>	<b>:</b>	<b>EBB 20803</b>
<b>COURSE NAME</b>	<b>:</b>	<b>ISLAMIC FINANCE</b>
<b>LEVEL</b>	<b>:</b>	<b>BACHELOR</b>
<b>TIME</b>	<b>:</b>	<b>9.00 AM - 12.00 P.M</b>
<b>DURATION</b>	<b>:</b>	<b>3 HOURS</b>
<b>DATE</b>	<b>:</b>	<b>27th MAY 2016</b>

---

**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 consists of SIX (6) questions. Answer FIVE (5) questions ONLY.
  4. Please write your answers on the answer booklet provided.
  5. Answer all questions in English ONLY (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.**

---

**INSTRUCTION: Answer ONLY FIVE (5) questions.**

**Please use the answer booklet provided.**

**Question 1**

You have been selected by the UniKL Business School to represent the university at the Global Varsities Short Essay competition in London, UK. As you are an Islamic Finance student at UNIKL, you decide to explain about the development of the Islamic finance industry in Malaysia.

- (a) Provide the history and background of Islamic finance in Malaysia. (5 marks)
- (b) How does Malaysia Islamic finance industry compared in performance to other countries like UAE, Indonesia and Brunei? (5 marks)
- (c) What are the main benefits of adopting Islamic finance in business? (10 marks)

**[Total: 20 Marks]**

**Question 2**

- (a) List and describe **FIVE (5)** types of Islamic Money Market Instruments (10 marks).
- (b) Compare and contrast **FIVE (5)** differences between conventional Money Market and Islamic Money Market (10 marks)

**[Total: 20 Marks]**

**Question 3**

You are working as the Vice President Corporate Banking at a leading Islamic Financial Institution (IFI) in Malaysia. Your officers have alerted you this morning that your client XYZ Company is in the news today for a joint venture to develop a new Casino at Macau. It is further confirmed by your officers that your IFI has fully disbursed the term loan to XYZ Company last week.

Suspecting the client has diverted your funds for the new venture at Macau, discuss what are the steps that you will need to take to ensure compliance with Shariah, under section 28 of the Islamic Financial Services Act 2013.

**[Total: 20 Marks]**

**Question 4**

Explore at least **FIVE (5)** views of Islamic jurist regarding legal status of Waad with regard to the liability imposed to the parties of the promise and give an example of its application in the modern era.

**[Total: 20 Marks]**

**Question 5**

Hafiz intends to get a house for his small family of four, and he comes to you as an independent Islamic finance consultant for an advice about the pros and cons of the various Islamic finance facilities normally employed in the market to help the public to get their houses for personal accommodation.

Use **TWO (2)** Islamic contracts/transactions as a point of reference, advise him accordingly.

**[Total: 20 Marks]**

**Question 6**

- (a) Compare and contrast at least **FIVE (5)** differences between Sukuk and conventional Bond. (10 marks)
- (b) The criteria and procedures to determine whether an institution is a Shariah – compliant investment is through Shariah Stock Screening. Explain the procedures in regards of quantitative and qualitative methods. (10 marks)

(10 marks)

**[Total: 20 Marks]**

**END OF QUESTION PAPER**