



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

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FINAL EXAMINATION

JANUARY 2016 SEMESTER

SUBJECT CODE : EBB 30403
SUBJECT TITLE : SHARIAH AUDIT
LEVEL : BACHELOR
TIME / DURATION : 2.00 PM - 5.00 PM / 3 HOURS
DATE : 24th MAY 2016

INSTRUCTIONS TO CANDIDATES

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1. Please read the instructions given in the question paper carefully.
 2. This question paper is printed on both sides of the paper.
 3. Answer ALL Questions.
 4. Please write your answers in the answer booklet provided.
 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.
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THERE ARE TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

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INSTRUCTIONS: ANSWER ALL QUESTIONS.

Please use the answer booklet provided.

Question 1

Discuss the Shariah governance of Bank Negara (BNM), Islamic Financial Service Board (IFSB) and Accounting and Auditing of Organization for Islamic Finance Institutions (AAOIFI) based on the following criteria:

- a. Describe the office location, main business background and establishment of BNM, IFSB and AAOIFI.

(15 marks)

- b. Differentiate between the key elements of the THREE (3) organizations with regard to Shariah Audit.

(10 marks)

[TOTAL: 25 MARKS]

Question 2

You are currently working in the Shariah Audit Department of an Islamic Bank in Malaysia. Two members of the staff have reported that one of the major clients of the bank has used your financing to acquire the shareholding of a Casino in Macau. The client has responded by stating this is only a temporary investment to make quick profits as the Casino preparing for the initial public listing (IPO).

- a. Evaluate this situation according to Section 28 of the Islamic Financial Services Act (IFSA) 2013 and how you (as Shariah auditor) should deal with this case.

(15 marks)

- b. Analyze and explain the cases -according to IFSA- that Shariah committee member shall not be liable for a breach of a duty of confidentiality of the IFI?

(10 marks)

[TOTAL: 25 MARKS]

Question 3

Below are the THREE (3) important phases in implementing a Shariah Audit exercise. Analyse and examine the key processes and essential steps in each phase:

a. Planning Stage

(9 marks)

b. Examination Stage

(7 marks)

c. Reporting Stage

(9 marks)

[TOTAL: 25 MARKS]

Question 4

The Shariah Committee is a legitimate control body consisting of a number of members chosen from jurists and its members are responsible and accountable for all its decisions, views and opinions related to Shariah matters.

a. Explain the duties and responsibilities of Shariah Committee.

(10 marks)

b. Discuss the competence and confidentiality aspects that shall be observed in appointment of Shariah Board members.

(5 marks)

c. Summarize the main benefits of the Shariah Audit?

(10 marks)

[TOTAL: 25 MARKS]

END OF QUESTION PAPER