

Diploma in Islamic Banking Examination, October-2021

PART-I

101: Alternative Financial System

Time: 3 hours

Full Marks: 100

Pass Marks: 45

(N.B.: Answer **any 5 (five)** of the questions given below.

The figures in the right margin indicate full marks.)

1. a) What do you understand by Alternative Financial System? Write down the features and objectives of the system. 10
- b) What are the challenges faced by Alternative Financial System in Bangladesh and their remedies? 10
2. a) Describe the prohibited elements in Islamic Financial transactions. 10
- b) What are the modes and mechanisms through which Islamic banks ensure banning of interest in their transactions? 10
3. a) The origin of Islamic Finance dates back to the dawn of Islam, 1400 years ago- do you agree? Explain. 6
- b) How Islamic finance evolved and developed to reach its current status around the globe? 7
- c) Narrate the steps taken at the Government, Regulatory and Non-Government levels that led to the establishment of Islamic Banking in Bangladesh. 7
4. a) What is an Islamic Money Market and Capital Market? Describe two Islamic money market and capital market products that are available in Bangladesh. 10
- b) Compare and contrast the Islamic Money Market and Capital Market with those of the conventional system. 10
5. a) Define Investment Sukuk and describe its origin. 5
- b) What are the differences between asset-backed and asset-based sukuk? 5
- c) Describe the chronological steps to be followed for issuing an "Ijarah Sukuk" to build a new airport in Bangladesh. 10
6. a) Discuss the concept of Takaful as an alternative to conventional insurance. 5
- b) Describe the Islamic concept of Risk Management. 5
- c) What are the risks associated with different modes of Islamic Finance? How can we mitigate them? 10
7. a) Discuss the importance of Shariah compliance in Islamic Finance. 7
- b) What are the functions of a Shariah Supervisory Committee in an Islamic Bank? 6
- c) Describe the major Shariah compliance issues in general banking and investment operation of an Islamic bank. 7
8. Write short notes on **any 5 (Five)** of the following: 5x4=20
 - i) Islamic Bank
 - ii) Maqasid-e-Shariah
 - iii) Riba and its Prohibitions
 - iv) Bai-as-Salam, Bai-al-Istisna
 - v) Takaful, Sukuk
 - vi) Mudarabah, Musharakah
 - vii) AAOIFI Shariah Standards
 - viii) Risk Management in Alternative Finance

The End