

**Diploma in Islamic Banking Examination, October-2021**

**PART-I**

**102: Principles of Economics: Conventional & Islamic**

**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)    | Define Islamic Economics and Conventional Economics.  | 5      |
|    | b)    | What are the basic Philosophy, Goals and Objectives of Islamic Economic System?   | 7      |
|    | c)    | Describe the Normative and Positive Economics. Which one is more supportive to Islamic Economics? Explain why?  | 8      |
| 2. | a)    | Define "Demand" and "Desire".   | 5      |
|    | b)    | Describe Marginal Utility of Demand. How it is useful in Islamic Economy?   | 5      |
|    | c)    | Distinguish among "Free Goods", "Economic Goods", "Public Goods" and "Private Goods".   | 5      |
|    | d)    | "Resources are limited but wants are unlimited"- Explain both traditional and practical point of view.  | 5      |
| 3. | a)    | What are the differences between monopoly and oligopoly?  | 5      |
|    | b)    | Describe the mechanism of price determination in Free Market Economy.   | 7      |
|    | c)    | What is the Law of Demand? Define Utility, Marginal Utility and Demand. How does a consumer maximize his utility?   | 8      |
| 4. | a)    | What is the role of Money in an economy?  | 5      |
|    | b)    | Define Narrow Money and Broad Money.  | 5      |
|    | c)    | What is Monetary Policy? How the Monetary Policy is applied in Conventional Economics and Islamic Economics?  | 10     |
| 5. | a)    | What is GDP? How GDP of a country is determined?  | 5      |
|    | b)    | How a firm's output level determine through Marginal Cost and Marginal Revenue? Discuss with a graphical presentation.  | 10     |
|    | c)    | Discuss the importance of Shariah based micro finance in increasing GDP growth like Bangladesh.   | 5      |
| 6. | a)    | What are the differences between interest & profit?   | 5      |
|    | b)    | What is concentration of wealth? Describe its impact on economy.  | 5      |
|    | c)    | What are the different types of mechanisms use for poverty alleviation in Shariah based economy? How it is superior to traditional approach of poverty alleviation? | 10     |
| 7. | a)    | What is the meaning of National Income?   | 5      |
|    | b)    | What are the role of savings and investment to increase national income?  | 5      |
|    | c)    | What is Fiscal Policy? Describe the instruments and goals of fiscal policy. How the policy is justified in Shariah based economy?                                   | 10     |
| 8. |       | Write short notes on <b>any 5 (five)</b> of the following:  | 5x4=20 |
|    | i)    | Indifference Curve  |        |
|    | ii)   | Money Market & Capital Market   |        |
|    | iii)  | Velocity of Money   |        |
|    | iv)   | Reserve of Foreign Currency   |        |
|    | v)    | Inclusive Growth  |        |
|    | vi)   | Monetary Management and Supervision   |        |
|    | vii)  | Disguised Employment and Under Employment   |        |
|    | viii) | Neo Normal Economy and Stimulus Fund  |        |

**The End**