

Diploma in Islamic Banking Examination, October-2021
PART-I
106: Theory and Practice of Banking: Islamic and Conventional
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) Explain how Islamic banking is superior to Conventional banking system? 5
b) Describe in brief the procedure to distribute profit to the Mudaraba depositors in an Islamic Bank. 4
c) Differentiate the features of AWCA of Islamic banks with Current Account of conventional banks. 3
d) Describe the challenges faced by Islamic banking in Bangladesh in its growth and development. 8
2. a) Explain the differences between : i. Hypothecation and Bai-Muazzal ii. Bai-Murabaha and Pledge. 5
b) What is Agent Banking? Describe its prospect for future banking in Bangladesh. 7
c) What is the role of Shariah Supervisory Committee in an Islamic bank? 5
d) What factors are considered while allowing rebate to an investment client? 3
3. a) Discuss in brief the history of banking industry. 5
b) What do you mean by Virtual Banking and E-Banking? 5
c) What do you mean by Specialized Banking? Mention the names of some specialized banks operating in Bangladesh. Discuss in brief regarding its roles and functions. 6
d) Describe the importance of E-banking in the prevailing socio economic scenario. 4
4. a) Discuss in brief the function of ALCO. 5
b) How can a commercial bank minimize its cost of fund? 4
c) Describe the core risks under BASEL-III framework. 5
d) What is the source of fund of an Islamic bank? How do the Islamic banks meet its urgent requirement of fund? 6
5. a) Define 'Money Market' and 'Capital Market'. 5
b) What are the main features of monetary policy? 5
c) What is the difference between Islamic and conventional money market? 5
d) Discuss in brief regarding the instruments of money market. 5
6. a) Describe in brief the role of Central Bank in controlling the inflation of the country. 8
b) What is the SLR for Islamic banks and conventional banks? Explain the reasons for the difference. 6
c) 'The Central Bank is the lender of last resort' why and how? Discuss. 6
7. a) What are the duties and responsibilities of the collecting and paying banker? When will the banks not get any legal protection? 6
b) Define 'Cheque' as per NI act 1881. What is crossing? Can crossed cheque be paid over the counter? If yes, how? 7
c) What is Deposit Mix? What is an Ideal Deposit Mix? How does the ideal deposit mix help the bank to increase its profitability? Explain. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
a) Holder in due course
b) CRR & SLR
c) Eligible Security
d) CTR & STR
e) Gharar & Maisir
f) AAOIFI
g) Off-balance Sheet Items
h) Sukuk

The End