

Diploma in Islamic Banking Examination, May-2022

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) Define Alternative Financial System. 5
b) How alternative finance operates in a conventional environment to remain Shari'ah compliant. 7
c) Describe how the alternative financial system is different from conventional system. 8
2. a) Define Islamic Shari'ah. 5
b) Discuss the sources of Islamic Shari'ah. 8
c) Narrate the role of Ijtihad and Mujtahid in Islamic banking and finance. 7
3. a) Do you think a separate regulatory framework is essential for Islamic financial system to flourish as an alternative to the conventional financial system? Explain why? 10
b) Describe the current status of the alternative financial system in Bangladesh along with your suggestions for its faster growth. 10
4. a) What is Riba? 5
b) Describe the classifications of Riba. 5
c) Explain how the deposit mechanism of Islamic banking is free from Riba. 10
5. a) What do you mean by Shari'ah Compliance? 2
b) Discuss the role of the Shari'ah Supervisory Committee in an Islamic bank. 8
c) How can Shari'ah principles be violated in different modes of investment in Islamic finance? 10
6. a) Define the Money Market and Capital Market. 5
b) What types of instruments or mechanisms do you suggest for Islamic money market operations? Explain. 7
c) Mention the prospect of Sukuk in Bangladesh as a capital market product and how it can be popularized. 8
7. a) What is meant by Risk Management in finance? 5
b) Describe the risk management principles in alternative finance. 7
c) What are the mechanisms followed for risk management in the alternative financial system? 8
8. Write short notes on **any 5 (Five)** of the following: 5x4=20
 - i) Shari'ah Compliance
 - ii) Gharar
 - iii) Bai-as-sarf
 - iv) Bai Murabaha & BaiMuajjal
 - v) Riba An-nasiah
 - vi) Fintech
 - vii) HPSM
 - viii) AAOIFI, IFSB, IRTI

The End