

**Diploma in Islamic Banking Examination, May-2022**

**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 Economics. Discuss the main features of Capitalistic & Islamic economics. 7
- b) Define Micro Economics and Macro Economics. What are the major indicators of macro economics of a country? 8
- c) What are the basic features of Islamic economics? 5
2. a) What is Elasticity of Demand? 5
- b) Distinguish among (i) Price Elasticity (ii) Income Elasticity (iii) Cross Elasticity. 8
- c) How does price elasticity affect supply? 7
3. a) Define Utility Theory. Describe Total, Average and Marginal utility with the help of graphical presentation. 10
- b) How is price determined by a firm under perfect competition? Explain with a diagram. 10
4. a) What is Money? If there is no money in the economy what will happen? Explain. 7
- b) What is Monetary Policy? Define Narrow Money and Broad Money. 8
- c) Define Wages, Rent, Interest and Profit in the light of Islamic perspective. 5
5. a) What are the differences between GNP and GDP? What are the tools of measuring GNP and GDP? 10
- b) What do you mean by Quantity Theory of Money? 5
- c) Distinguish between Monetary Policy and Fiscal Policy. 5
6. a) What do you mean by inflation and deflation in the economy? 5
- b) What are the major tools of controlling inflation? 5
- c) What is the Tax Policy in Islam? Discuss the implication of linking the tax system with Zakat. 10
7. a) What is Foreign Direct Investment (FDI)? How FDI can help to boost up the economy of a country? 10
- b) Briefly discuss "Financial Inclusion". What are the ultimate impacts of financial inclusion in the national economy? 10
8. Write short notes on **any 5 (five)** of the following: 5x4=20
  - i) Impact of NPL/NPI on economy
  - ii) Velocity of Money
  - iii) Balance of Trade and Balance of Payment
  - iv) Nominal Income vs. Real Income
  - v) Profitability vs. Liquidity
  - vi) Growth vs. Sustainable Growth
  - vii) Cannibalization
  - viii) Trade War

**The End**