

Diploma in Islamic Banking Examination, May-2022

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) What is Banking? Define Islamic banking. 3
b) Discuss the functions of a Commercial Bank. 6
c) Discuss the problems and prospects of Islamic banking in dual banking system. 5
d) How the problems in dual banking system can be solved? What are the roles of Shari'ah Supervisory Committee in this regard? 6
2. a) What is provisioning rule against regular investment? Why it is maintained? 7
b) Which mode dominates investment portfolio of Islamic banking in Bangladesh? Why some structure is dominating till three decades? 7
c) Describe the objectives of Islamic banking under the concept of Maqasid Al Shari'ah. 6
3. a) Describe the functions of Internal Control & Compliance Department of a bank. 5
b) "Compliance is a tool for Good Governance". Discuss 5
c) What is Concentration of Risk? How it can be mitigated? 5
d) Describe the role of Statutory Auditors for good governance in banking sector. 5
4. a) Briefly discuss Islamic Money & Capital Market in Bangladesh. 5
b) What are the main problems in the operation of Islamic money and capital market in Bangladesh? How it can be solved. 7
c) Describe the capital requirement as per Basel-III for a bank. 8
5. a) What is the role of CDD and EDD in AML & CFT? 4
b) Distinguish between Power of Attorney and Mandate. 5
c) Discuss "Holder", "Holder in due course" and "Payment in due course". 6
d) HPSM is a hybrid mode of Islamic Finance. Explain. 5
6. a) Discuss the functions of Central Bank. 7
b) What is CAMELS rating? How it is used by Bangladesh Bank as an effective tool for banking supervision? 8
c) What is Repo and Reverse Repo? Discuss. 5
7. a) Discuss BACH, BEFTN and RTGS operations in Bangladesh. 6
b) What do you mean by Virtual Banking? Distinguish between virtual banking and E-banking. 7
c) Define Agent Banking. Why agent banking is important in country's economy? 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
 - a) Financial Inclusion
 - b) ICRRS
 - c) Fintech
 - d) CRAR and RWA
 - e) Banker's right of set off
 - f) Compensation
 - g) Islamic Money Market
 - h) Mutual Fund

The End