

Diploma in Islamic Banking Examination, May-2022

PART-II

203: Ethics in Banking & Legal Environment

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) "Shari'ah based banking does not necessarily prohibit percentage of profit on investment". Explain. 6
b) Why ethics is so important in banking industry? 4
c) State briefly the concept of "Corporate Governance" and "Good Governance". What are the methods of ensuring good governance in a bank? 10
2. a) Mention the different types of charges and methods for creation of charge with the RJSC & Firms under the Company Act-1994. 10
b) Artha Rin Adalat Ain is a special law for safeguarding the investment of financial institutions. –Explain. 10
3. a) "All contracts are agreements but all agreements are not contract"-explain in the light of Contract Act-1872. 10
b) Who is an Authorized Dealer as per Foreign Exchange Regulations Act-1947? 5
c) What are the differences between certificates issued by Artha Rin Adalat Ain under section 33(5) and 33(7) of Artha Rin Adalat Ain-2003? 5
4. a) Distinguish between "Bill of Exchange & Promissory Note". 5
b) What do you mean by "Irrevocable General Power of Attorney"? 5
c) What are the procedures of filing CR case under the Negotiable Instruments Act-1881? 10
5. a) What is "Holder in due course" and "Payment in due course"? When STR is required? 6
b) What is e-KYC? Why EDD and SCDD are required? 4
c) Under what circumstances, payment of a cheque may be stopped even if the fund is sufficient? 10
6. a) What is Lien? Define with example 'Mortgage', 'Mortgagor', 'Mortgagee' and 'Mortgage Deed'. 10
b) Why 'Code of Conduct' is necessary in a bank? 5
c) Distinguish between 'Public Limited Company' and 'Private Limited Company'? 5
7. a) What is an "Execution Case" under Artha Rin Adalat Ain-2003? When and how it is filed? 10
b) What do you mean by "Solenamah or Compromise Agreement"? What are the scopes and procedures of executing solenamah under Artha Rin Adalat Ain-2003. 10
8. Write short notes on any 5 (Five) of the following: 5x4=20
a) ICRRS b) Material Alteration c) Residual Risk
d) Artha Jari Suit e) Virtual Banking f) Pari-passu charge
g) One Person Company (OPC) h) BFIU

The End