

Diploma in Islamic Banking Examination, May-2023

Part : I Subject Code: 106
Subject Name: Theory and Practice of Banking: Islamic and Conventional

Full Marks: 100 Pass Marks: 45

Time: 3 Hours

(N.B.: Answer **any 5 (five)** of the questions given below. The figures in the right margin indicate full marks.)

1. a) 'Unit Banking and Branch Banking have their own advantages and disadvantages'-explain. 6
b) What is a Commercial Bank? Write a note on the 'Evolution of Banking'. 7
c) Differentiate between 'Banks' and 'NBFIs' conceptually, in terms of their functional areas in Bangladesh. 7
2. a) 'Islamic banks are different from conventional banks in term of their welfare goals'-How? 6
b) What are the key functional areas of AAOIFI? What are the roles of a Central Sharia'h Board in an Islamic banking system? 7
c) What are the key principles of Islamic banking? What are the conceptual differences of 'Interest' and 'Riba'? 7
3. a) Elaborate the role of Central Bank as the monetary policy authority and financial sector regulator. 7
b) Explain the role of Central Bank within an Islamic banking framework. 6
c) 'Prudential Regulation and Supervisions are crucial for financial stability'-explain. 7
4. a) Elaborate uses, handling and methods of collection of cheques. What are the major investment products of Islamic banks? Explain the key features of the investment products of Islamic banks in Bangladesh? 6
b) Explain 'Banker-Customer Relationship' in the context of Islamic banking. 8
c) Explain 'Banker-Customer Relationship' in the context of Islamic banking. 6
5. a) What is Internal Control? What are the necessities of internal control in a bank? 6
b) What is a Compliance Risk? Explain the role of compliance in ensuring sound banking system. 7
c) What is Statutory Audit? Write a note on 'Preparation and Handling of audit report for a bank'. 7
6. a) What are purposes of CRR and SLR? Why liquidity management is important for a bank? 6
b) What is Basel-III? Explain key features of Capital Adequacy Requirement under Basel-III framework. 7
c) Explain Asset and Liability Management (ALM) in the context of Islamic banking with special reference to Bangladesh. 7
7. a) 'All money market instruments are also financial instruments'-explain. 6
b) What is Call Money Market? How Islamic Bonds and Mutual Funds Market might benefit investors? 7
c) Explain ancillary services by Islamic banks with special reference to Bangladesh. 7
8. Write short notes on **any 5 (five)** of the following: 5x4=20
 - a) Repo
 - b) Reverse Repo
 - c) Promissory Note
 - d) Cash Management
 - e) CAMELS Rating
 - f) Musharaka
 - g) Asymmetric Information
 - h) Sharia'h Supervisory Committee