

**Diploma in Islamic Banking Examination, May-2023**

**Part :II      Subject Code: 203**  
**Subject Name: Ethics in Banking**  
**& Legal Environment**  
**Full Marks: 100      Pass Marks: 45**  
**Time: 3 Hours**

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

1. a) Differentiate between “Ordinance” & “Order”. Write down the significance of law & ethics in conducting business. 6
- b) Why legal & regulatory framework is essential for Islamic banking and finance? Mention the legal framework and guideline of Bangladesh Bank for operation of Islamic Banking in Bangladesh. 10
- c) Why ethics is important in banking profession & financial institutions? 4
2. a) Why the Central Bank is called the “Lender of Last Resort”. 5
- b) What is the difference between “Mandatee” and “Nominee”? Suppose Mr. A opens and maintains an MSA account with a commercial bank in which he nominated his cousin as nominee. Mr. A died keeping a balance of Tk.1.00 crore and left behind his 04(Four) sons/daughters who also claimed the balance from the bank. Now, you suggest the bank as to the next course of action to be taken in the light of relevant provision of section-103 of the Bank Companies Act-1991. 12
- c) Why “Certificate of Commencement of Business” is mandatory for Public Limited Company? 3
3. a) What is “Memorandum of Association” & “Articles of Association”? 4
- b) “Artha Rin Adalat Ain-2003 is a special law for the protection of investment of a bank”- Do you agree with the statement- Explain. 6
- c) What is meant by “Solenamah” or “Compromise Agreement”? Narrate the steps to be followed by a bank/financial institution while putting a mortgaged property on auction under section-12 of Artha Rin Adalat Ain-2003. 10
4. a) What is Enhanced Due Diligence (EDD)? When it is required? 5
- b) Who is a “Walk-in-Customer”? What pre-cautionary measures to be taken in rendering banking services to a walk-in-customer? 6
- c) What are the duties and responsibilities of a BAMLCO? Why money laundering is a burning issue nowadays? 9
5. a) Under what circumstances, payment of a cheque may be stopped even if the fund/balance is sufficient. 10
- b) What is “Holder in due course” and “Payment in due course”? When collecting bank will get legal protection under NI Act-1881? 10
6. a) Which properties are transferable and which are not as per ‘Transfer of Property Act-1882’? 7
- b) As a professional banker which pre-cautionary measures would you take for accepting any property as mortgage against bank’s investment? 8
- c) What are the elements of a valid contract? 5
7. a) Who is an ‘Authorized Dealer’ as per Foreign Exchange Regulation Act-1947? 5
- b) What are the procedures of filing CR case under the Negotiable Instrument Act-1881? 10
- c) Why ‘Code of Conduct’ is necessary in a corporate body like bank? 5
8. Write short notes on any 5 (five) of the following: 5×4= 20
  - a. Free Consent
  - b. Pari-Passu Charge
  - c. One Person Company (OPC)
  - d. BFIU
  - e. Residual Risk
  - f. Corporate Governance
  - g. Non Performing Investment (NPI)
  - h. Credit Based Money Laundering