



FINAL EXAMINATION

COURSE	: ISLAMIC BANKING PRODUCT AND SERVICE
COURSE CODE	: PIB1013
DURATION	: 02 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **THREE (3)** parts
: PART A (25 questions)
: PART B (20 questions)
: PART C (01 question)
2. Answer ALL questions from PART A, PART B and PART C.
 - i. Answer PART A in the TRUE/FALSE Answer Sheet
 - ii. Answer PART B in the Objective Answer Sheet
 - iii. Answer PART C in the Answer Booklet
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. An Objective Answer Sheet
 - iv. A True/False Answer Sheet
4. Do not bring any material into the examination hall unless permission is given by the invigilator.
5. Please write your answer using a ball-point pen.

MYKAD NO. : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 10 printed pages

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PART A: TRUE/FALSE

Indicate whether the statement is true or false.

1. **(1 point)**
Drawer is a person who issue and sign the cheque.
2. **(1 point)**
Dishonored cheque is a cheque which is not cashed or honored by the bank.
3. **(1 point)**
Open cheque is a refund money at the counter.
4. **(1 point)**
There are four types of cheque.
5. **(1 point)**
An instrument drawn on a bank instructing it to pay a certain amount of money to another party are the definition of cheque.
6. **(1 point)**
Payee is the person who received the cheque.
7. **(1 point)**
One of the steps to write down the cheque is to fill in the actual date.
8. **(1 point)**
RENTAS was a system that was implemented in July 2001.
9. **(1 point)**
There are three types of transactions handled by RENTAS.
10. **(1 point)**
Collecting banker is holder of a cheque that presents the cheque for the credit of its account.
11. **(1 point)**
The Interbank Funds Transfer System (IFTS) is a transaction system under RENTAS.

12. **(1 point)**
The two payment systems used in Malaysia are Large Value Payment Systems and Retail Payment Systems.
13. **(1 point)**
Bank Negara Malaysia had implemented the National Electronic Cheque Information Clearing System (eSPICK) in 2007.
14. **(1 point)**
Local cheques mean the cheque that is drawn and deposited at different branches.
15. **(1 point)**
A cheque can be altered on the amount of money.
16. **(1 point)**
The balance sheet provides a snapshot of an organization's financial position at a specific moment.
17. **(1 point)**
Equity on a bank's balance sheet includes common and preferred shares.
18. **(1 point)**
The balance sheet helps assess a company's efficiency by measuring how well it generates returns.
19. **(1 point)**
The balance sheet must be prepared in a way that it is easy to understand by shareholders.
20. **(1 point)**
Comparability of financial statements is not important for monitoring a company's performance over time.
21. **(1 point)**
Profitability, liquidity, and financial stability are key indicators provided by financial statements.
22. **(1 point)**
Assets-Liability Management (ALM) aims to maximize profitability without considering safety and liquidity.

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23. **(1 point)**
The main objective of ALM is to achieve liquidity needs and arrange the maturity pattern of assets and liabilities.
24. **(1 point)**
Spread management in ALM refers to managing the difference between interest earned on deployment and interest paid on acquiring financial resources.
25. **(1 point)**
Gap management in ALM involves analyzing the impact of interest rate changes on a bank's spread/margin and overall earnings.

PART B: MULTIPLE CHOICE

Answer all questions.

1. **(1 point)**
Which of the following is **NOT** a key element of a cheque?
 - A. Date
 - B. Amount in words
 - C. Amount in figures
 - D. Reference number

2. **(1 point)**
How many parties are involved in a cheque transaction?
 - A. One
 - B. Two
 - C. Three
 - D. Four

3. **(1 point)**
How long is a cheque considered valid before it becomes stale?
 - A. 4 months
 - B. 5 months
 - C. 6 months
 - D. 7 months

4. **(1 point)**
Which of the following are types of open cheque?
 - A. The bearer and order cheque
 - B. The bearer and crossed cheque
 - C. The order and post dated cheque
 - D. The ante dated and the bearer cheque

5. **(1 point)**

Which of the followings are the reasons dishonored of a cheque?

- i. Alterations
- ii. Stale cheque
- iii. Frozen account
- iv. Regular signature

- A. i, ii and iii
- B. i, ii and iv
- C. i, iii and iv
- D. ii, iii and iv

6. **(1 point)**

Which technological leap in the Malaysian banking industry followed the introduction of Automated Teller Machine (ATM)?

- A. Telephone banking service
- B. Mobile banking service
- C. Online banking service
- D. Cash deposit machines

7. **(1 point)**

Which of the following is **NOT** a type of transaction involved in electronic banking?

- A. Issue cheque for payment to third party
- B. Pay bills automatically from the account
- C. Make cash withdrawals from the ATM
- D. Use prepaid smart cards instead of cash

8. **(1 point)**

Which type of system allows non-consumer transactions initiated among banks, corporations, governments, and other service firms?

- A. EFTPOS
- B. Non-customer activated system
- C. Credit card system
- D. Internet Banking

9. **(1 point)**
Which of the following is **NOT** a part of Customer Activated Electronic Banking Systems?
- A. ATMs
 - B. Credit Cards
 - C. SWIFT
 - D. EFTPOS
10. **(1 point)**
What is the main function of SMS banking?
- A. Electronic funds transfer
 - B. Online bill payment
 - C. Account balance inquiry
 - D. Cash deposit at ATMs
11. **(1 point)**
Which of the following is the **DISADVANTAGE** of e-banking?
- A. No face-to-face interaction with bank employees
 - B. Improved flexibility of business transaction
 - C. Reduced convenience for customers
 - D. Higher interest rates for loans
12. **(1 point)**
What is the major security concern related to e-banking?
- A. Unauthorized access to bank accounts
 - B. Frequent system updates causing inconvenience
 - C. Increased waiting time for transactions
 - D. Dependence on IT service providers
13. **(1 point)**
Which of the following is **NOT** a qualitative characteristic of financial statements?
- A. Understandability
 - B. Comparability
 - C. Reliability
 - D. Profitability

14. **(1 point)**

Which financial statement provides a summary of an organization's revenues and expenses over a specific period?

- A. Balance sheet
- B. Income statement
- C. Cash flow statement
- D. Statement of shareholder's equity

15. **(1 point)**

Who are the users of financial statements?

- i. Internal operation analysts
 - ii. Investors
 - iii. Government agencies
 - iv. Competitors
- A. i, ii and iii
 - B. i, ii and iv
 - C. ii, iii and iv
 - D. i, ii, iii and iv

16. **(1 point)**

What is the main objective of liquidity management?

- A. Maximize profitability
- B. Minimize debt
- C. Ensure the company has enough cash to meet its short-term obligations
- D. Increase the number of shareholders

17. **(1 point)**

What is the purpose of comparing financial statements of a company over multiple years?

- A. To determine profitability only
- B. To assess efficiency only
- C. To monitor performance over time
- D. To evaluate liquidity only

18. **(1 point)**

What does the term "spread" refer to in financial statements?

- A. The difference between total assets and total liabilities
- B. The difference between revenue and expenses
- C. The difference between interest earned and interest paid
- D. The difference between equity and debt

19. (1 point)

Which qualitative characteristic of financial statements ensures that the information is free from significant errors or misstatements?

- A. Understandability
- B. Relevance
- C. Reliability
- D. Timeliness

20. (1 point)

Which user of financial statements is concerned with the profitability and overall business strategy of a company?

- A. Investor
- B. Management
- C. Government agencies
- D. Employee

PART C: STRUCTURE

Answer ALL questions.

1. (15 points)

- a. Customer Activated Electronic Banking Systems are designed to empower personal account holders with convenient and direct access to various banking services. Discuss **FIVE (5)** Customer Activated Electronic Banking Systems. (10 marks)

- b. Automated Teller Machine (ATM) also known as ABM (Automated Banking Machine) is a banking system. This banking system allows customers or users to have access to financial transactions. These transactions can be done in a public space without any need for a clerk, cashier, or bank teller. Classify **TWO (2)** common functions of ATM machines. (5 marks)

END OF QUESTION PAPER