



FINAL EXAMINATION

COURSE	: ISLAMIC BANKING OPERATIONS
COURSE CODE	: PIB2023
DURATION	: 2 HOURS

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3)** parts : PART A (20 questions)
: PART B (10 questions)
: PART C (03 questions)
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 provided.
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 07 printed pages

OCT2023/A/PIB2023

PART A: TRUE/FALSE

State whether these statements are TRUE or FALSE

1. **(1 point)**
Al-Quran is the primary source of Islamic banking philosophy.
2. **(1 point)**
The Islamic Financial Services Act was introduced in 2015.
3. **(1 point)**
Riba is allowed in the Islamic banking system practice.
4. **(1 point)**
The Islamic Banking Act was implemented in 1983.
5. **(1 point)**
Every Islamic financial institution should appoint Shariah Advisory Board.
6. **(1 point)**
The Takaful Act 1983 is an act that was repealed by the Islamic Financial Services Act 2013.
7. **(1 point)**
Conventional banks are compulsory to pay zakat.
8. **(1 point)**
Al-Quran refers to the consensus of the ulama.
9. **(1 point)**
Islamic banking promotes interest in loan transactions.
10. **(1 point)**
Islamic banking operations operate based on secular principles.

11. **(1 point)**
There is no grace period for bills of exchange.
12. **(1 point)**
Remittance refers to money that is sent or transferred to other parties.
13. **(1 point)**
There are no differences between bills of exchange and cheque.
14. **(1 point)**
DuitNow is a way of sending funds from one bank account to another via mobile.
15. **(1 point)**
A charge card is a type of electronic payment card that charges interest.
16. **(1 point)**
The purpose of a trust receipt facility is for working capital to finance purchases or importation of goods as required by the client for its business operations.
17. **(1 point)**
In the Letter of Credit under the facilities of Musharakah, a bank acts as a partner of a customer.
18. **(1 point)**
There are two types of settlement methods for Islamic banks which are savings accounts and cash in advance.
19. **(1 point)**
Letter of Credit facilities that share profit between the banker and the customer based on profit sharing agreement is known as Letter of Credit (Al-Wakalah).
20. **(1 point)**
One of the benefits of using INCOTERMS is to prevent disputes over the payee.

PART B: MULTIPLE CHOICE QUESTIONS

1. (1 point)

Which type of card needs to pay in full for the purchases that have been made up to their credit limits?

- A. Debit card
- B. Credit card
- C. Charge card
- D. Supplementary card

2. (1 point)

Electronic data interchange (EDI) is the electronic interchange of business information using a standardized format that allows one company to send information to another company electronically rather than with paper. Which of the following consider the objective of using EDI?

- A. Reduce error
- B. Reduce efficiency
- C. Time consuming
- D. Support negative customer experience

3. (1 point)

Which of the following is **NOT** electronic banking for inter-bank?

- A. Electronic Data Interchange (EDI)
- B. Fully Automated System for Tendering (FAST)
- C. Real-time electronic transfer of funds and securities (RENTAS)
- D. Society for Worldwide Interbank Financial Telecommunications (SWIFT)

4. (1 point)

Which of the following are the reasons enhancement of Electronic Data Interchange (EDI)?

- i. Banks are required to operate 24 hours.
- ii. It was not Y2K compliant.
- iii. No interfacing between the EDI system and the bank's back-office system.
- iv. Slow payment executions.

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

5. (1 point)

_____ is defined as the use of electronic means to transfer funds directly from one account to another.

- A. Electronic banking
- B. Cash Deposit Machine
- C. Cheque Deposit Machine
- D. Automated Teller Machine

6. (1 point)

_____ is an electronic computerized telecommunications device that allows a customer to directly use a secure method of communication to access their bank accounts or make cash withdrawals without the need for a human bank teller.

- A. Fund transfer
- B. Internet banking
- C. Telephone banking
- D. Automated Teller Machine

7. (1 point)

Charge cards are offered by a limited number of issuers such as _____.

- A. Maybank
- B. CIMB Bank
- C. Bank Rakyat
- D. American Express (AMEX)

8. (1 point)

What is the service provided by the financial institution that enables customers to perform a financial transaction through an interactive voice response system?

- A. Fund transfer
- B. Internet banking
- C. Telephone banking
- D. Automated Teller Machine

9. (1 point)

Which type of card will be deducted from your savings account after the transaction has been made?

- A. Debit card
- B. Credit card
- C. Charge card
- D. Supplementary card

10. (1 point)

Which of the following are **NOT** the consumer products that have been provided by the banks?

- A. Automated Teller Machine
- B. Electronic Data Interchange
- C. Electronic funds transfer at point of sales
- D. Credit card

PART C: ESSAY

1. (8 points)

Najeehah is a businesswoman. She needs to decide whether to use a demand draft or a cheque in her daily business transactions. She went to Bank Islam to get advice from the banker. As a banker, briefly advise her the distinguish between the demand draft and the cheque provided by the bank.

2. (12 points)

a. Electronic banking is known as electronic funds transfer (EFT). It can be defined as the use of electronic means to transfer funds directly from one account to another. One of the electronic banking products parts is Internet banking. As a bank manager, you need to classify **THREE (3)** services that are available for Internet banking. (6 points)

b. Cashless has become a trend nowadays. One of the payment options is using cards. As a consumer, you need to demonstrate **THREE (3)** cards available for payment. (6 points)

3. (10 points)

a. INCOTERMS provide a set of terms of trade clause that essentially three things that are cost, risk, and responsibility for the maintenance task. Classify **TWO (2)** categories of INCOTERMS. (4 points)

b. Islamic trade finance consists of providing Shariah-compliant export and import financing tools. These are financial solutions and guarantees which facilitate transactions between buyers and sellers of goods and services. Explain **TWO (2)** methods of trade settlement by Islamic banks in international trade. (6 points)

END OF QUESTION PAPER