



FINAL EXAMINATION

COURSE : INTRODUCTION TO ISLAMIC ECONOMICS

COURSE CODE : PIF1023

DURATION : 02 HOURS

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3) PARTS:**
PART A (20 questions)
PART B (20 questions)
PART C (03 questions)
2. Answer ALL questions from PART A, PART B and PART C.
 - i. Answer PART A in the True or 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. A True/False Answer Sheet
 - iv. An Objective Answer Sheet
 - v. Graph Paper
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

2024/A/PIF1023

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PART A: TRUE OR FALSE

State whether the following statements are TRUE or FALSE.

1. **(1 point)**
Something that is useful but cannot be owned is also considered as *al-mal*.
2. **(1 point)**
Complete ownership occurs when the owner legally owns the property together with its usufruct.
3. **(1 point)**
Labours will take the leading effort to coordinate the factors of production in producing goods and services.
4. **(1 point)**
The freedom in the concept of distribution in Islam is based on the values of self-interest and justice.
5. **(1 point)**
As a Muslim, we are advised to spend our money according to our income and ability.
6. **(1 point)**
The entrepreneurs will gain benefits and rewards not only in this worldly affair but also in the hereafter.
7. **(1 point)**
Muslim entrepreneurs are not responsible to pay business tax or zakat to the needy.
8. **(1 point)**
The term “ethics” is related to an Arabic term of “*akhlaq*” or “*khuluq*”.
9. **(1 point)**
Without ethics, people would be able to trust the finance professionals to act with integrity.
10. **(1 point)**
Technically, *aqad* refers to a legally binding agreement between two people that has consequences for the subject of the contract.

11. **(1 point)**
Under *shirkah al-milk*, each partner's ownership is mutually exclusive.
12. **(1 point)**
An increase in supplier results in an increase in supply.
13. **(1 point)**
A shift of the demand curve to the left represents a decrease in demand.
14. **(1 point)**
Complementary goods are goods that are used in conjunction with another product.
15. **(1 point)**
Equilibrium price is the price at which quantity demanded is not equal to quantity supplied.
16. **(1 point)**
If there is increase in supply, the supply curve will shift to the left.
17. **(1 point)**
Microeconomics analyzes the specific economic units in details.
18. **(1 point)**
Subsidies have a tendency to shift the supply curve to the right.
19. **(1 point)**
The demand curve must slope upward due to the positively relationship between price and quantity.
20. **(1 point)**
The law of demand states that the higher the price of the product, the lower the quantity demanded of that product.

PART B: MULTIPLE CHOICE

Answer **ALL** questions.

1. (1 point)

- Intellectual property
- Incomplete property
- Buyer just get the benefit of the property

Statement 1

Based on the above statement, it refers to _____.

- A. *istihlaky*
- B. *mutaqawwim*
- C. intangible property
- D. tangible property

2. (1 point)

- Fendi has the right to use the main road.
- Diana has the right to pass through the corridor of next-door neighbours at the apartment.

Statement 2

The above statement refers to ownership over _____ in the concept of property.

- A. usufruct
- B. property
- C. someone
- D. rights

3. (1 point)

Which of the following is the most important according to the principle of priority in consumption?

- A. A person's close friend who is in need
- B. A person's cousin who needs to do a medical surgery
- C. Charities and zakah funds
- D. All are of equal importance

4. (1 point)

- Basic food
- Shelter

Statement 3

The above information refers to _____ in hierarchy of needs.

- A. *awlawiyyat*
- B. *tahsiniyyat*
- C. *hajiyyat*
- D. *dharuriyyat*

5. (1 point)

The practices of Islamic entrepreneurship are _____.

- i. sell only permissible products or services
- ii. the products or services must be good in quality
- iii. the business based on usury
- iv. the advertising activities should be free from fraud

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

6. (1 point)

_____ ethics refers to the standards of behavior of the leaders of the company and standards of behavior that they expect from another employee.

- A. Personal
- B. Cultural
- C. Corporate
- D. Religious

7. (1 point)

The best practices of good corporate governance in financial sector include _____.

- i. disclosure and transparency
- ii. good board practice
- iii. misconduct conflict of interest
- iv. maintaining shareholders rights

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

8. (1 point)

Which of the following is the condition of offer and acceptance in a contract?

- A. Exist
- B. Clear terms
- C. Legal
- D. Binding

9. (1 point)

A contract will be terminated by _____.

- i. performance
- ii. breach of contract
- iii. death of third parties
- iv. extension of the contract period

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

10. (1 point)

Which of the following is **TRUE** about *musharakah* contract?

- A. Also known as *qirad* or *muqaradhah*
- B. All partners have rights in management
- C. Financial losses are borne by the capital provider
- D. A contract between capital provider and entrepreneur

11. (1 point)

- Types of business
 - List of suppliers

Statement 4

The above statement refers to the examples of _____ in *mudharabah muqayyadah*.

- A. advice
- B. restrictions
- C. power
- D. changes

12. (1 point)

The following are the essential elements of *mudharabah*, **EXCEPT** _____.

- i. profit and loss
- ii. *mudharib* and *baitul mal*
- iii. partners
- iv. capital

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

13. (1 point)

Brand Q is a substitute good to brand P. If the price of Q decreases, the demand for P will be _____.

- A. increase
- B. decrease
- C. static
- D. outdated

14. (1 point)

- Ability to sell
 - Willingness to sell

Statement 5

Based on Statement 5, it refers to _____.

- A. demand
- B. supply
- C. law of demand
- D. law of supply

15. (1 point)

Which of the following leads to a supply curve shift to the left?

- i. The cost of production decreases
- ii. The number of sellers decreased
- iii. Advanced in technology
- iv. Government subsidies decrease

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

16. **(1 point)**
What will happen to the price of product Y if there is a shortage?
- A. The price of Y will rise
 - B. The price of Y will decline
 - C. More resources will be allocated to the production of Y
 - D. The demand curve will be fluctuated
17. **(1 point)**
Which of the following pairs are complementary?
- A. Orange and grape
 - B. Colgate and Darlie
 - C. House and laptop
 - D. DVD and DVD player
18. **(1 point)**
Which of the following will happen to the equilibrium price in the market, if the quantity supplied exceed quantity demanded?
- A. Fluctuate
 - B. Tend to fall
 - C. Tend to rise
 - D. No tendency to change
19. **(1 point)**
What type of goods if a decrease in income results in an increase in the demand for the good?
- A. Complementary
 - B. Substitute
 - C. Inferior
 - D. Normal
20. **(1 point)**
As the price of coconut milk increases, Fara's production of nasi lemak _____.
- A. increase in supply
 - B. decrease in supply
 - C. increase in quantity supplied
 - D. decrease in quantity supplied

PART C: STRUCTURED

Answer **ALL** questions.

1. **(10 points)**

- a. The primary goal of production in Islamic economics is to balance the benefits of individuals and society. Discover **THREE (3)** production principles in Islam. (6 points)
- b. Property is crucial in human life since it is almost impossible to survive without the use of a material thing that is the subject of property. Relate *waqf* and *wassiyah* as methods of acquiring property in Islam. (4 points)

2. **(10 points)**

Bank Meriah Berhad (BMB) and Puan Izara enter into a *musharakah* contract whereby the capital ratio is 60:40 and the amount of capital is RM2 million. The capital will be invested in a hygiene care project. The bank will inject RM1.2 million, while the customer will inject RM0.8 million. Profit generated from the project will be shared according to PSR 40:60, which is 40% for the bank and 60% for the customer.

Answer the following questions based on the above situation:

- a. Sketch an appropriate diagram related to the above application. (6 points)
- b. If the project results in a profit of RM750,000, calculate how much the return is for both parties. (4 points)

3. **(10 points)**

Table 1: Market demand and supply schedule for fish

Price (RM/kg)	Quantity Demanded (kg)		Market Demand (kg)	Quantity Supplied (kg)		Market Supply (kg)
	Diana	Zahra		Firm A	Firm B	
5	15	20		5	8	
10	14	18		8	10	
15	12	15		10	12	
20	8	14		14	18	
25	4	8		20	26	

Answer the following questions based on the table 1 above:

- a. Determine the market demand and supply of fish for every price level. (2 points)
- b. By using a graph paper, plot the market demand and supply curves for fish. (3 points)
- c. Determine the equilibrium price and quantity of fish. (2 points)
- d. If the market price is RM20.00 per kg, what is the problem that might arise in the market and how much is the quantity? (3 points)

END OF QUESTION PAPER