



FINAL EXAMINATION

COURSE	: ISLAMIC CAPITAL MARKET
COURSE CODE	: PIF2013
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 (02 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 10 printed pages

MAR2024/C/PIF2013

PART A: True/False

1. **(1 point)**
Debentures is one of the securities components issued in Malaysia.
2. **(1 point)**
Ownership is the number of shares a person owns multiplied by the number of shares outstanding.
3. **(1 point)**
Bonds have the option of converting the financing into common stock.
4. **(1 point)**
Shariah-compliant securities in Malaysia are under the supervision of Securities Commissions.
5. **(1 point)**
Preferred share carries no voting rights.
6. **(1 point)**
MENA refers to the Middle East and North Asia.
7. **(1 point)**
The “rabb al-mal” refers to entrepreneurs.
8. **(1 point)**
Common shares are also known as ordinary shares.
9. **(1 point)**
The non-Shariah equity does not need to ensure their activities follow the Shariah requirements.
10. **(1 point)**
The benefit of being Shariah-compliant securities is it attracts only local investors.
11. **(1 point)**
Shareholders become agents in Wakalah contracts.
12. **(1 point)**
The Securities Commission Act (SCA) was implemented in 1993.
13. **(1 point)**
Investment activities that are not permissible by Shariah can have a good impact on Shariah compliance securities.

14. **(1 point)**
Islamic fund managers can invest in companies that are involved in the sale of tobacco products.
15. **(1 point)**
Islamic funds are more flexible compared to conventional funds as their returns are generally less volatile.
16. **(1 point)**
Money market funds are long-term market instruments.
17. **(1 point)**
Venture capital is a subset of private equity.
18. **(1 point)**
Private equity is a long-term investment consisting of equity stakes in high-growth companies that are listed on a stock exchange.
19. **(1 point)**
Types of investment in private equity consist of capital investment and acquisition of an operating company.
20. **(1 point)**
Private equity and venture capital are forms of equity-based investment.

PART B: MULTIPLE CHOICE

1. (1 point)

Which of the following is the first step of the Shariah-compliant review process?

- A. Compare with Shariah financial benchmark.
- B. Tabulate the result to SAC for the final decision.
- C. Compile the result and issue a list of Shariah-compliant securities.
- D. Extraction of relevant financial information from audited financial reports.

2. (1 point)

Which of the following is **NOT** the Shariah contract in Islamic equity securities?

- A. Wakalah
- B. Murabahah
- C. Mudharabah
- D. Sharikah Milkiyyah

3. (1 point)

Which of the following is **TRUE** about conventional equities?

- i. Do not conform to Shariah requirements.
- ii. Conform to Shariah requirements.
- iii. Based on rules and regulations set by the government.
- iv. Strict adherence to Shariah requirements.

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

4. (1 point)

Which of the following are the advantages of Shariah-compliant securities?

- i. Opportunities to attract investors from ethical investors.
- ii. Opportunities to get profit from non-Shariah compliant activities.
- iii. Exposure to institutional investors that only can invest in Shariah-compliant investments.
- iv. Linkage to MENA investors who are looking for Shariah-compliant investment.

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

5. (1 point)

Which of the following is **NOT** the activities regulated by the Capital Market and Service Act 2007?

- A. Fund management
- B. Investment advice
- C. Trading in futures contract
- D. Financing facilities

6. (1 point)

Which of the following is **NOT** the type of securities offered by Securities Commissions in Malaysia?

- A. Common shares
- B. Preferred shares
- C. Non-cumulative preferred shares
- D. Selective professional preferred shares

7. (1 point)

Which of the following are the institutional investors?

- i. Ar - Rahnu
- ii. Tabung Haji
- iii. Takaful companies
- iv. Employee Provident Fund

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

8. (1 point)

What is the concept that shareholders can sell interest in the company to a third party without the co-owner's permission?

- A. Musharakah
- B. Murabahah
- C. Wakalah
- D. Sharikah Milkiyyah

9. (1 point)

How many steps are in reviewing the securities as Shariah compliance by the Securities Commission?

- A. Six
- B. Four
- C. Five
- D. Seven

10. (1 point)

Which of the following acts are involved in regulating the framework for Shariah compliance securities?

- i. Central Bank Act 2001
- ii. Securities Commissions Act 1993
- iii. Capital Market and Service Act 2007
- iv. Development Financial Institution Act 2002

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

11. (1 point)

Provide steady income and capital growth over the medium to long-term periods from investment in Islamic money market instruments and equities.

Statement 1

Which of the following **BEST** describes Statement 1?

- A. Equity fund
- B. Sukuk fund
- C. Balanced fund
- D. Islamic principles

12. (1 point)

Which of the following are the Islamic fund management companies that are categorized as local status?

- i. Saturna Sendirian Berhad
- ii. i-Vcap Management Sendirian Berhad
- iii. BIMB Investment Management Berhad
- iv. Amundi Islamic Malaysia Sendirian Berhad

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

13. (1 point)

Which of the following are **NOT** the investment criteria for Islamic funds?

- i. Listed Equity
- ii. Money equity
- iii. Money market
- iv. Private placement

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

14. (1 point)

Which of the following are the criteria for Islamic funds?

- i. Investment criteria
- ii. Operational elements
- iii. Mixed asset allocations
- iv. Contractual Relationship

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

15. (1 point)

Which of the following are the Shariah-compliant stocks that are traded in Bursa Malaysia?

- i. MESDAQ
- ii. Main board
- iii. Primary board
- iv. Second board

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

16. (1 point)

When private equity and venture capital exit from the joint venture after securing their profit on the investment normally it is known as _____.

- A. seed stage
- B. growth stage
- C. expansion stage
- D. harvesting stage

17. (1 point)

Which of the following is the type of specific agency contracts?

- A. Wakalah Ammas
- B. Wakalah Ammah
- C. Wakalah Khassah
- D. Wakalah Khussah

18. (1 point)

Which of the following is **NOT** the characteristic of venture capital?

- A. Investment in an early stage of companies.
- B. Acquire a minority or less 50% equity stake.
- C. Focus on new sectors such as biotechnology.
- D. It involves a bigger investment in the target company.

19. (1 point)

Which of the following are the processes involved in the origination stage for private equity investment?

- i. Post-acquisition monitoring
- ii. Screening the target companies
- iii. Evaluate the investment proposal
- iv. Conducting site visits to the target companies

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

20. (1 point)

Which of the following are the exit strategies in private equity investment?

- i. Share trade
- ii. Initial public offering
- iii. Leverage adjustment
- iv. Diversification of portfolio

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

PART C: STRUCTURE

1. (10 points)

Alam Wakaka is a new investor and is likely to invest in the unit trust fund that is listed and traded on a stock exchange. He wants to know better about the Islamic Exchange Traded Fund (IETF). As a Fund Manager, explain to him the **FIVE (5)** benefits of an Islamic Exchange Traded Fund (IETF).

2. (10 points)

a. Equity firms typically acquire companies using a combination of investor capital and borrowed funds, often aiming for a controlling stake. Therefore, explain **THREE (3)** investment strategies that are being used in private equity to make venture investments in target companies. (6 points)

b. Islamic private equity and venture capital become important elements for socially responsible or an ethical form of investment. Elaborate the differences between Islamic and conventional approaches in venture capital and private equity. (4 points)

END OF QUESTION PAPER