



FINAL EXAMINATION

COURSE : ISLAMIC FINANCIAL PLANNING

COURSE CODE : PIF2023

DURATION : 2 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, PART B and 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
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

The question paper consists of 10 printed pages

MAR2024/D/PIF2023

PART A: TRUE/FALSE

1. **(1 point)**
The principle of Islamic investment is to prohibit speculative activities.
2. **(1 point)**
Diversifying risk to maximize losses by investing in different areas that would react differently to the same event.
3. **(1 point)**
Modern Portfolio Theory (MPT) is an investing model.
4. **(1 point)**
The benefit of risk diversification is to increase the risk-adjusted returns of a portfolio.
5. **(1 point)**
Operational risk is attributed to the inadequacy of failed processes, people and systems.
6. **(1 point)**
Credit risk is covered by receivables and leases (*Ijarah, Musawamah, and Tawarruq*).
7. **(1 point)**
Islamic investments prohibit businesses associated with gambling, alcohol, and interest-based transactions.
8. **(1 point)**
Shareholders cannot benefit from the dividend and profit earned.
9. **(1 point)**
The uncertainty of receiving dividends is a significant risk when buying shares.
10. **(1 point)**
In a unit trust, a banker manages pooled money by investing it in various securities like shares, bonds, or other authorized securities.

11. **(1 point)**
Shariah-compliant unit trusts strictly adhere to Islamic principles, ensuring that their investment activities are in line with Shariah law.
12. **(1 point)**
Shariah-compliant unit trusts are allowed to use any type of contract, regardless of whether it is Shariah-approved or not.
13. **(1 point)**
Exchange Traded Funds (ETFs) can be bought or sold at any time during market hours, offering flexibility to investors.
14. **(1 point)**
Futures and Options are common types of derivatives that are mostly traded on exchanges rather than over the counter.
15. **(1 point)**
REITs pool money from investors to invest in and manage various types of real estate assets.
16. **(1 point)**
Unit holders in REIT receive dividends as well as potential capital gains from holding the real estate assets over the investment period.
17. **(1 point)**
The Inland Revenue Board of Malaysia (IRBM) is one of the main revenue-collecting agencies of the Ministry of Finance.
18. **(1 point)**
Residents are taxed based on their income, ranging from 10% to 50%.
19. **(1 point)**
Manufacturers are needed to be licensed under the Sales Tax Act 1984.
20. **(1 point)**
An individual is considered a tax resident if they are in Malaysia for at least 182 days in a calendar year.

PART B: MULTIPLE CHOICE

1. (1 point)

Which of the following refers to liquidity risk situations?

- i. credit risk exposures
- ii. capital risk exposures
- iii. operational risk exposures
- iv. changing market risk exposures

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

2. (1 point)

Covers all equity instruments (*Mudharabah* and *Musharakah*).

Statement 1

Which of the following refers to Statement 1?

- A. legal risk
- B. credit risk
- C. equity risk
- D. market risk

3. (1 point)

Which of the following are non-permissible activities in Islamic investment?

- i. bribery
- ii. interest
- iii. gambling
- iv. profit sharing

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

4. (1 point)

Which of the following are the contracts in working capital financing of credit risk?

- i. *salam*
- ii. *istisna*
- iii. *musharakah*
- iv. *mudharabah*

- 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 refers to the changes in the account holder's expectations of the return on investments?

- A. legal risk
- B. equity risk
- C. liquidity risk
- D. rate of return risk

6. (1 point)

Which of the following are the disadvantages of Modern Portfolio Theory?

- i. criticized by different persons
- ii. securities of any of sizes can be bought and sold
- iii. normal distribution of the return on an assets within a class of assets
- iv. the past performance of the company under consideration is taken

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

7. (1 point)

Which Shariah-compliant investment instrument represents ownership in a company and provides investors with dividends and voting rights?

- A. unit trust
- B. sukuk
- C. shares
- D. derivatives

8. (1 point)

How often is the list of Shariah-compliant companies on Bursa Malaysia published?

- A. once a year in May
- B. twice a year in May and November
- C. quarterly
- D. every three years

9. (1 point)

What is a possible consequence for investors in shares if the company goes out of business?

- A. continuous dividend payments
- B. loss of the entire investment
- C. increased market demand for shares
- D. rise in the value of shares

10. (1 point)

If a shariah compliant unit trust fails to appoint a shariah advisor, what potential consequence may arise?

- A. remains Shariah-compliant
- B. improves financial performance
- C. non-compliance with Shariah principles
- D. can use any financial contract

11. (1 point)

How are Exchange Traded Funds (ETFs) being traded?

- A. direct negotiations with fund managers
- B. specific market hours
- C. stock exchange through brokers
- D. private placements

12. (1 point)

What type of investment structure does Exchange Traded Funds (ETFs) typically represent?

- A. conservative funds
- B. hedge funds
- C. unit investment trusts
- D. close-ended funds

13. (1 point)

In *Ijarah Sukuk*, holder of *Sukuk* have the right to _____.

- A. manage the real estate
- B. receive rent
- C. own *Musyarakah* equity
- D. trade *Sukuk* in the primary market

14. (1 point)

The e-filing services are provided by Lembaga Hasil Dalam Negeri Malaysia (LHDNM), which is the Inland Revenue Board of Malaysia. The e-filing service allows both corporate and individual taxpayers to submit their tax return forms electronically via the Internet.

Statement 2

Based on the statement above, what is the last date for Malaysian individual e-filing submissions?

- A. 1st January
- B. 31st March
- C. 30th April
- D. 3rd May

15. (1 point)

Which of the following are types of employment income?

- i. benefits in Kind (BIK)
- ii. dual employment
- iii. depreciation allowance
- iv. sources of employment income

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

16. (1 point)

Which of the following is the tax-exempt Benefits in Kind in employment income?

- i. free transport
- ii. childcare facilities
- iii. medical and dental benefits
- iv. subsidized foods and drinks to employees

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

17. (1 point)

Zakat is an obligatory charitable contribution for Muslims, mandated by Islamic law and intended for the welfare of the community. It is considered a religious duty and an obligation to Allah (SWT).

Statement 3

Based on the statement above, *Zakat* is the category of _____ in income tax.

- A. tax relief
- B. tax rebate
- C. tax exemption
- D. chargeable income

18. (1 point)

If the deceased's movable assets have a gross value of less than or equal to RM2,000,000, who will administer the estate?

- A. high court
- B. district land administrator
- C. Amanah Rakyat Berhad
- D. beneficiaries

19. **(1 point)**

What is the initial step in the estate administration process?

- A. distribution of assets
- B. valuation of the estate
- C. identification of beneficiaries
- D. legal documentation review

20. **(1 point)**

What could be a potential benefit of putting property under *Waqf* in the context of estate planning?

- A. enhancing personal wealth
- B. limiting management options
- C. providing management for Muslim communities' benefit
- D. minimizing the rights of legal heirs

PART C: STRUCTURED

1. (10 points)

Mr. Faiz has been called by LHDN to investigate his tax return for Year of Assessment (YA) 2022. He is so anxious and seeks your advice as a tax advisor.

- i. Explain to him **TWO (2)** types of investigation that he might be involved in.
(6 points)
- ii. Determine to Mr. Faiz why LHDN needs to carry on the investigation.
(4 points)

2. (10 points)

Waqf, an Arabic term that refers to assets, resources, or properties that are voluntarily contributed, inherited, or acquired, and are subsequently dedicated to a perpetual trust for the purpose of supporting charitable and socially beneficial causes. This concept bears resemblance to the Western idea of an endowment, where the assets are preserved and utilized to generate sustainable benefits for the community or specified charitable endeavors.

Based on this statement, briefly explain:

- a. **TWO (2)** types of *Waqf* with example.
(5 points)
- b. **TWO (2)** characteristics of *Waqf* with example.
(5 points)

END OF QUESTION PAPER