



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/C/PIF1023

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PART A: TRUE OR FALSE

State whether the following statements are TRUE or FALSE.

1. **(1 point)**
The owner of a property automatically becomes the owner of all new properties that are derived from it.
2. **(1 point)**
Intangible property also known as intellectual property.
3. **(1 point)**
The human contribution as labour in the production refers to physical activities only.
4. **(1 point)**
Islam does not pay attention to the fair and even distribution for all individuals.
5. **(1 point)**
The main purpose of consumption in Islam is to achieve self-satisfaction.
6. **(1 point)**
In *mudharabah*, the loss must be borne by the *mudarib* if the loss is caused by a breach of certain conditions of the contract by the *mudarib*.
7. **(1 point)**
Musharakah capital must be identified, readily available and accessible in the form of cash or kind (measurable value),
8. **(1 point)**
Under *shirkah al-milk*, the conduct of one partner in the ordinary course of business represents the partnership.
9. **(1 point)**
Ethics within business and financial institutions can be achieved with good corporate governance.
10. **(1 point)**
Every formally recognized and established profession has a code of ethics published by its professional society.

11. **(1 point)**
One practice in Islamic entrepreneurship involves the sale of non-permissible products or services.
12. **(1 point)**
A decrease in the expected future price of a good results in a reduction in current supply.
13. **(1 point)**
Demand is the the ability and willingness to buy specific quantity of goods in a given period of time.
14. **(1 point)**
If there is a decrease in supply, the supply curve will shift to the left.
15. **(1 point)**
Market disequilibrium occurs when quantity demanded equal to quantity supplied.
16. **(1 point)**
Substitute goods are goods that are used in conjunction with another product.
17. **(1 point)**
The law of supply states that the higher the price of the product, the lower the quantity supplied of that product.
18. **(1 point)**
The quantity of a commodity demanded by a consumer is influenced by the number of consumers in the market.
19. **(1 point)**
There is an inverse relationship between the quantity demanded of a commodity and its price.
20. **(1 point)**
If an increase in the price of one commodity leads to an increase in demand for a second commodity, then the two commodities are complements.

PART B: MULTIPLE CHOICE

Answer **ALL** questions.

1. **(1 point)**

Which of the following activities is **NOT** related to original acquisition of property?

- A. Hunting
- B. Bribing
- C. Collecting
- D. Searching

2. **(1 point)**

What is the principle that reflects on how producers conduct their production activities for the sake of their submission to Allah and highlights Allah as the Creator and the Owner of this world?

- A. Unity
- B. Justice
- C. Humanity
- D. Goodness

3. **(1 point)**

- Prohibition of assets that only circulate in certain groups.
- Implementation of fair distribution of wealth.

Statement 1

The above information refers to _____ in principles of Islamic distribution.

- A. *tawhid*
- B. *justice*
- C. *maslahah*
- D. *awlawiyyat*

4. **(1 point)**

- Medium cost apartment
- Comfortable cloth

Statement 2

The above information refers to _____ in hierarchy of needs.

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

5. **(1 point)**

The practices of Islamic entrepreneurship are _____.

- i. the advertising activities that should be free from fraud
- ii. selling only permissible products or services
- iii. the products or services must be good in quality
- iv. the price must include elements of riba

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

6. **(1 point)**

The general standards of right and wrong that are developed within a society or a group of people refers to _____ ethics.

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

7. **(1 point)**

Which of the following is the condition of the subject matter of the contract?

- A. Trustworthy.
- B. Exist.
- C. Shortage.
- D. Expensive.

8. **(1 point)**

An unjustifiable failure by one party to a lawful contract to implement any of the duties incumbent on him under the contract.

Statement 3

The above statement refers to the termination of contract by _____.

- A. express agreement
- B. impossibility of performance
- C. mutual agreement
- D. breach of contract

9. (1 point)

The following are the partnership contracts **EXCEPT**

- A. *Al-Rahn*
- B. *Muzaraah*
- C. *Mudharabah*
- D. *Musharakah*

10. (1 point)

- Venture into business activities to generate profit
- A partner is an agent for other partners

Statement 4

Statement 4 refers to _____.

- A. *shirkah al-milk*
- B. *shirkah al-rabh*
- C. *shirkah al-naqs*
- D. *shirkah al-'aqd*

11. (1 point)

The followings are the contracts in relation to *Musharakah Mutanaqisah*, **EXCEPT**

- A. *Musharakah*
- B. *Ijarah*
- C. *Mudharabah*
- D. *Istisna'*

12. (1 point)

In application of *mudharabah* for Investment Account-*i*, Bank is known as *mudarib* and customer is called as _____.

- A. *rabbul mal*
- B. *ra'sul mal*
- C. *mudarib*
- D. manager

13. (1 point)

Which of the following is a product that rises in demand when income increases?

- A. Inferior
- B. Luxury
- C. Normal
- D. Essential

14. **(1 point)**
Which of the following will **NOT** influence demand?
- A. an increase in consumer 's preference of good
 - B. a reduction of the good price
 - C. Increase in income
 - D. Decrease in price of complementary goods
15. **(1 point)**
When price reduces towards the equilibrium price, the problem of _____ will be resolved.
- A. surplus
 - B. shortage
 - C. excess demand
 - D. unstable price
16. **(1 point)**
What will happen if there is an increase in the number of buyers in the market?
- A. Increase in supply
 - B. Decrease in demand
 - C. Supply curve shift to the left
 - D. Demand curve shift to the right
17. **(1 point)**
A sales tax on cigarettes imposed by the government will make the supply curve shift _____ and the price to _____.
- A. rightwards; increase
 - B. rightwards; decrease
 - C. leftwards; increase
 - D. leftwards; decrease
18. **(1 point)**
A severe flood caused serious damages to onion crops. This will result in the _____.
- A. demand for onions to drop
 - B. supply for onions to drop
 - C. demand for onions to rise
 - D. supply for onions to rise

19. **(1 point)**

What would be the effect if the government reduces the subsidy given to farmers?

- A. Supply of agriculture produce will increase
- B. Demand of agriculture produce will increase
- C. Supply of agriculture produce will decrease
- D. Demand of agriculture produce will decrease

20. **(1 point)**

The shortage of football match tickets will cause the price of tickets _____.

- A. rise
- B. fall
- C. not change
- D. unstable

PART C: STRUCTURED

Answer **ALL** questions.

1. **(10 points)**

- a. One of the primary *Maqasid al-Shari'ah* is the preservation and protection of human life. Classify **THREE (3)** levels of human needs within the framework of *Maqasid al-Shari'ah*.
(6 points)
- b. The factors of production are the resources or inputs used in the production of goods and services in an economy. Describe any **TWO (2)** factors of production.
(4 points)

2. **(10 points)**

The bank and the customer enter into a *mudharabah* contract whereby the Bank will provide 100% capital to be invested by the Customer into a crunchy mushroom project. Profit generated from the project will be shared according to Profit Sharing Ratio (PSR) 20:80, which are 20% to the Bank and 80% to 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 RM50,000, calculate the return for both parties.
(4 points)

3. **(10 points)**

Answer the following questions based on the table below.

Table 1: Market demand and supply schedules for petrol in Malaysia.

Price (RM/Litre)	Quantity Demanded (Litre)	Quantity Supplied (Litre)
1.50	2000	1000
2.00	1700	1250
2.50	1500	1500
3.00	1300	2000
3.50	1100	2500
4.00	900	3000

- a. Plot the demand and supply curve for petrol using a graph paper. (4 points)
- b. State the equilibrium price and quantity for petrol. (2 points)
- c. If the market price is RM3.50 per litre:
 - i. Determine the problem that might arise in the market. (1 point)
 - ii. Based on c (i), What will happen to the price of petrol in the market. (1 point)
 - iii. Calculate the amount of surplus or shortage. (2 points)

END OF QUESTION PAPER