



## FINAL EXAMINATION

<b>COURSE</b>	<b>:</b>	<b>ISLAMIC BANKING OPERATIONS</b>
<b>COURSE CODE</b>	<b>:</b>	<b>PIB2023</b>
<b>DURATION</b>	<b>:</b>	<b>2 HOURS</b>

### 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 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. The Objective 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** : \_\_\_\_\_

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**DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO**

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*The question paper consists of 07 printed pages*

**OCT2024/A/PIB2023**

**PART A: TRUE OR FALSE**

*Indicate whether these statements are TRUE or FALSE*

1. **(1 point)**  
Islamic financial institutions are regulated and supervised by the Financial Services Act 2013.
2. **(1 point)**  
The function of the Islamic Financial Service Act 2013 is to promote financial stability and ensure financial institution compliance with the Shariah.
3. **(1 point)**  
Commercial banking needs to appoint a Shariah Supervisory board to ensure business activities align with Shariah requirements.
4. **(1 point)**  
It is mandatory for Islamic banking to pay zakat.
5. **(1 point)**  
Ijma refers to the consensus of the ulama.
6. **(1 point)**  
The Islamic banking system operates with secular principles.
7. **(1 point)**  
The Islamic Financial Services Act 2013 are to focus on Shariah compliance and governance in the Islamic financial sector.
8. **(1 point)**  
The secondary sources of Shariah law in banking consist of Ijma, Qiyas, and hadith.
9. **(1 point)**  
The financing in Islamic banking systems is interest-oriented.
10. **(1 point)**  
Islamic bank is allowed to participate in any economic activities that are Shariah-compliant.
11. **(1 point)**  
A bill of exchange must be signed by both the drawer and the drawee.

12. **(1 point)**  
A foreign bill of exchange can be used for payment within the same country.
13. **(1 point)**  
A cheque must contain an order to pay a certain sum of money to a specific person.
14. **(1 point)**  
Automated Teller Machines (ATMs) are only accessible during regular banking hours.
15. **(1 point)**  
Electronic Fund Transfer at Point of Sale (EFTPOS) allows customers to pay for purchases using debit or credit cards.
16. **(1 point)**  
Islamic trade finance provides Shariah-compliant solutions and guarantees to facilitate transactions between buyers and sellers.
17. **(1 point)**  
In the open account method of trade settlement, goods are shipped to the buyer before payment is made.
18. **(1 point)**  
Bank will act as a financier for any customer's purchases with the assistant of Al Wakalah letter of credit.
19. **(1 point)**  
Incoterms provide protection and security for international business transactions.
20. **(1 point)**  
Trust receipts help businesses finance the purchase of raw materials for their working capital needs.

**PART B: MULTIPLE CHOICE QUESTIONS**

Answer *ALL* questions

**1. (1 point)**

Which of the following payment cards are used in electronic funds payment systems?

- i. Debit card
- ii. Credit card
- iii. Prepaid card
- iv. Bonus link card

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

**2. (1 point)**

Which of the followings is **NOT** the advantages of an automated teller machine?

- A. It operates 24 hours operation.
- B. It is convenient for the customers.
- C. Cost savings in banking operations.
- D. Maximum usage of staff for large routine transactions.

**3. (1 point)**

What type of system is used in telebanking numbers by the customers to access their accounts?

- A. Active voice response system.
- B. Active sensor response system.
- C. Interactive voice response system.
- D. Interactive sensor response system.

**4. (1 point)**

Which of the followings is the advantage of electronic funds transfer at the point of sale?

- A. Increase in bad debts.
- B. Lower speed in transactions.
- C. Reduce transactions for cost processing.
- D. Higher transaction costs charged by the bank to the retailer.

5. **(1 point)**

Which of the followings is the business information that can be sent by one company to another company electronically using a standardized format?

- A. Electronic fund transfer
- B. Electronic cash transfer
- C. Electronic data interchange
- D. Electronic data outer change

6. **(1 point)**

Which of the followings is **NOT** the disadvantage of the SPEEDS system?

- A. Using real-time therefore can control risk.
- B. Lacked rules to govern defaults by banks.
- C. Lack of a sound legal basis for multilateral netting.
- D. Not able to cater to increase in volume and value of securities.

7. **(1 point)**

What type of multipurpose card (MPC) structure is used for national ID and driving licenses?

- A. Payment MPC
- B. Government MPC
- C. MEPS Cash e-purse
- D. My Sejahtera MPC

8. **(1 point)**

What type of system is used to automate the primary market auction process for government securities?

- A. Multimedia Super Corridor System
- B. Fully Automated System for Tendering
- C. Bonds Information Dissemination System
- D. Nationwide Payment and Clearing System

9. **(1 point)**

Which of the following cards allow the holder to purchase various kinds of transactions but it is limited to the credit limits imposed by the banks?

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

**10. (1 point)**

Which of the following cards require the holder to pay their balance in full upon receipt of the statement in a short period?

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

**PART C: ESSAY**

Answer *ALL* questions

**1. (8 points)**

Mr. Ahmed needs to make a payment to a supplier in a different city. He is considering either to use a cheque or a demand draft. However, he is concerned about the security and certainty of the payment being honoured. Mr. Ahmed needs to find out the differentiation between demand draft and cheque.

Discuss **FOUR (4)** differences between a demand draft and a cheque to assist him making the decision.

**2. (12 points)**

John needs to pay his monthly utility bills but doesn't have time to visit the bank during business hours. He decides to use a banking service that allows him to pay bills electronically from home.

Suggest service for John to use and the benefits of this service for him.

**3. (10 points)**

- a. International Commercial Terms (INCOTERMS) provide a set of terms of trade clause that are cost, risk, and responsibility.

Explain the **TWO (2)** benefits of using INCOTERM in business. (4 points)

- b. Letter of credit is an instrument of documentary collection used in international trade. It is to facilitate trade or working capital requirements for customers.

Differentiate the followings Letters of Credit:

- i. Letter of Credit (Al-Wakalah)
- ii. Letter of Credit (Al-Musharakah)
- iii. Letter of Credit (Al-Murabahah)

(6 points)

**END OF QUESTION PAPER**