



The Institute of Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks: 100

Date: June 21, 2023

**Islamic Finance
JAIBP (Specialization)**

Roll No:

Instructions:

- Attempt ALL questions;
- Answers must be neat, relevant and brief;
- In checking the answers, the examiner takes into account clarity of exposition, logic of arguments, presentation and language;
- Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- DO NOT write your Name, Access No or Roll No. etc. anywhere inside the answer script(s);
- Candidates are advised not to mark any of the objective answer on the Question Paper, otherwise their paper will be cancelled;
- Question Paper must be returned to invigilator before leaving the examination hall.
- Ensure that you shade your choice on the Optical Mark Reader sheet correctly. Only **ONE** circle must be shaded as shown below:

Correct way A B C D (Choice B is selected)

Incorrect ways A B C D

SECTION B: SUBJECTIVE

Attempt ALL Questions.

(55 Marks)

- Q2.** a) All aspects of individual and collective life of human being can be divided into different categories and the shariah provides a pathway to be followed in all these categories.
Name the categories as discussed above. **(05 Marks)**
- b) State four differences between Istisna and Salam. **(04 Marks)**
- Q3.** a) Explain following modes of Islamic Finance along with example: **(06 Marks)**
I. Rental Based Modes
II. Participation Based Modes
III. Sale Based Modes
- b) What are the basic features of Waqf ? **(03 Marks)**
- Q4.** a) Discuss why conventional insurance is impermissible. **(04 Marks)**
- b) Explain Murabaha and its four variants. **(05 Marks)**



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- Q5.** a) What is the difference between Murabaha and Bai Muajjal? **(02 Marks)**
- b) Explain the following terms: **(06 Marks)**
- I. Riba
 - II. Riba An Nasiyah
 - III. Riba al Fadl
 - IV. Amwal e Ribawiyah
- Q6.** M/s Premier Cotton wants to buy machinery from local supplier for expanding its Weaving Unit. The cost of machine is 50 million. M/s Premier Cotton want to avail financing facility for 50 % of total cost of machine. Tenor of financing is 5 years. **(10 Marks)**
- a) As Relationship manager at Islamic Bank, suggest best suitable mode of finance to fulfill client requirement.
 - b) Proposed detail transaction agreements and documentation required from disbursement till settlement.
- Q7.** State and explain how the Ijarah mode of financing works? **(10 Marks)**

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