

National Institute of Banking and Finance, Pakistan

Time Allowed: 3 Hours

Maximum Marks:100

Date: December 7, 2024

**Islamic Finance
JAIBP (Specialization)**

Instructions:

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

Correct Way:     (Choice B is selected)

Incorrect Ways:    

SECTION B: SUBJECTIVE

All the questions are compulsory.

(55 Marks)

Q2

A. The Asset side of Islamic Bank reflects different products which are divided into three modes. State these three Islamic modes of financing. **(3 Marks)**

B. Discuss key challenges faced by the Islamic Banking Industry since its inception till date. **(5 Marks)**

Q3 Briefly discuss five Risks associated with Musharakah Financing.

(10 Marks)

Q4

A. Discuss the elements of Valid Sale. **(6 Marks)**

B. Discuss i) Bai Baatil –Void Sale ii) Bai Fasid – Existing Sale but void. **(4 Marks)**

Q5 State Valid or Invalid against each case scenario and Identify mistake (If any) in the following scenario and suggest remedy to make it correct. **(10 Marks)**

- I.** Mr. Najam sells 10 Liter Canola Oil to Mr. Ali, that Mr. Ali will pay the price on 5th of next month on market prevailing rate on that date.
- II.** Mr. Gayle a car dealer who own Ten Cultus car of model 2019 says to Mr. Atif “I sell one of the car to you for Rs 1,000,000/-
- III.** Najam made a spot sale of Four kg of wheat to Aslam with 2 kg of dates against future delivery after having identified their goods.
- IV.** Mr. Peter a car dealer has purchased car from Ibrahim. Ibrahim has not delivered the car to Mr. Peter yet. However Mr. Peter sells car to Mr.Najam by describing specification of car.

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- V. Rehan ask loan from Musa, however instead of providing Loan Musa sells a Mobile Phone to Rehan for 12,000 on Credit and buys back from him the same Mobile Phone on Cash 10,000.

Q6 Art and Craft is the manufacturer of Leather Clothing. To expand its production capacity Art and Craft wants to buy tanning Machine from local supplier.

The cost of a machine is 40 million. Leather art want to avail financing facility for 60 % of total cost of machine. Tenor of financing is 6 years.

As a relationship manager at Islamic Bank Suggest best suitable mode of finance to fulfill client requirement and proposed detail transaction agreement from disbursement till settlement. **(10 Marks)**

Q7

A. Explain the profit distribution mechanism as per sharia in Term Deposit Certificates/ Saving Account? **(5 Marks)**

B. Give reason why Murabaha cannot be securitized and not tradable in secondary market. **(2 Marks)**

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