



جامعة السلطان الشريف علي الإسلامية
UNIVERSITI ISLAM SULTAN SHARIF ALI
SULTAN SHARIF ALI ISLAMIC UNIVERSITY

Faculty of Islamic Economics and Finance Semester II, 2022/2023 Academic Session

Final Examination Question Paper

Course Code : BF3314

Course Name : Islamic Financial System

Course Level : Bachelor of Science in Islamic Finance

Time : 3 hours

Note(s):

1. -This paper carries 60 marks.
2. Write **ALL** of your answers in the Answer Booklet provided.
3. The paper only has **ONE** (1) section.
4. Answer **three (3) out of four (4) questions** in **ESSAY** form unless stated otherwise.
5. Write your answers correctly according to the number of questions.
6. -Candidates are not allowed to take the **Question Paper(s) and Answer Booklet** out of the examination venue.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

SECTION 1 (TOTAL: 60 MARKS)

Question 1 [20 Marks]

- a) Islamic finance has taken its course in both the banking and financial market. Some are however still skeptical on its operation as a financial system compared to its conventional counterpart. Discuss according to your understanding the fundamental prohibitions of Islamic finance that holds key, including its importance from the aspect of *maqasid al-shari'ah*.
(10 marks)
- b) With reference to question (a), do you think the reason of skepticism of the Islamic financial system stems from the earlier inception of Islamic finance and/or Islamic banking products? Explain your opinion with reference to the Islamic financial system.
(10 marks)

Question 2 [20 Marks]

- a) Sukuk serves as an investment avenue for investors adhering to *Shariah* compliance. However, *Shariah* scholars have concerns regarding certain types of *sukuk*. Define both asset-based and asset-backed *sukuk* and explain the difference between the two.
(10 marks)
- b) Give a brief explanation on *Shariah* scholars' concerns on the the type of *sukuk* that is of *Shariah* concern. Provide the illustration of both the asset based and asset-backed *sukuk*.
(10 marks)

Question 3 [20 Marks]

- a) Money has a significant role in any economy. Discuss the role of money and differentiate between its function(s) in the conventional and Islamic perspective.
(10 marks)
- b) The financial sector blueprint sets the financial visions and objectives. One of the very most important element that sets as a standard pillar is human capital development. Define human capital development according to your understanding and discuss how its importance is crucial for the progress of the Islamic finance industry.
(10 marks)

Question 4 [20 Marks]

- a) The capital market provides different types of investment opportunities for larger and wider market penetration of wealth diversification. Explain the role and function of the capital market with mention of the Islamic capital market's importance. (10 marks)
- b) With your expertise as a newly licensed financial adviser, discuss and illustrate an Islamic capital market (any) product to show its operation as an Islamic investment offering. (10 marks)

بالتوفيق والنجاح