

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Economics with Islamic Finance

EIF 6B 11—ISLAMIC FINANCIAL INSTITUTIONS

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Islamic finance.
2. Murabaha.
3. Fundamentals of Islamic banking.
4. AAOIFI.
5. Sukuk.
6. Microfinance.
7. Wakalah.
8. Takaful.
9. Investment funds.
10. Waqf.
11. Rules of Sharia.
12. Ijarah.
13. Interest free loans.
14. Commercial bank.
15. Anand Sinha Committee.

(10 × 3 = 30 marks)

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Explain peculiarities of Islamic insurance.
17. Differentiate between Mudarabah and Musharaka.
18. What is an Islamic financial system ? Prepare a note on beneficiaries of Islamic finance.
19. Discuss the advantages of Islamic banking in India.
20. Define capital. What are the sources of capital in Islamic finance ?
21. Describe the origin and development of Islamic banking institutions.
22. Explain the structure of Islamic financial system.
23. Define central banking. What are the functions of an Islamic central bank ?

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Explain the principles and theories of Islamic banking.
25. What are the financing instruments in Islamic finance ? Examine the issues and risks faced by Islamic financial institutions.
26. Compare and contrast the features of Islamic banking and conventional banking.
27. Examine the peculiarities of commercial banking in Islamic banking system.

(2 × 10 = 20 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE (SPECIAL) EXAMINATION
MARCH 2021**

Economics with Islamic Finance

ECO 6E 03—ECONOMICS OF BUSINESS AND FINANCE

Time : Three Hours

Maximum : 80 Marks

Section A

Answer all questions.

Each question carries 1 mark.

1. Capital budgeting is also called :
 - (a) Investment decision making.
 - (b) Planning capital expenditure.
 - (c) Analysis of capital expenditure.
 - (d) All the above
2. Opportunity cost is an example of :
 - (a) Actual cost.
 - (b) Explicit cost.
 - (c) Implicit cost.
 - (d) Business cost.
3. Cost oriented pricing includes :
 - (a) Customary pricing.
 - (b) Marginal cost pricing
 - (c) Price leadership.
 - (d) Cyclical pricing.
4. Identify the correct statement related to break even analysis
 - (I) *It reveals the relationship between the volume and cost of production on the one hand and revenue and profits obtained from the sales on the other.*
 - (II) *It involves the study of revenues and costs of the firm in relation to its volume of sales and specifically the determination of that volume at which the firm's cost and revenues will be equal.*
 - (a) I alone.
 - (b) II alone.
 - (c) I and II.
 - (d) None of these.

Turn over

5. _____ is 'take it or leave it' price discrimination.
- (a) First degree price discrimination.
 - (b) Second degree price discrimination.
 - (c) Third degree price discrimination.
 - (d) All the above.
6. Time adjusted rate of return is :
- (a) Net Present Value Method.
 - (b) Rate of Return Method.
 - (c) Internal Rate of Return Method.
 - (d) Payback Period Method.
7. A project proposal is rejected when :
- (a) $NPV=0$.
 - (b) $NPV<0$.
 - (c) $NPV>0$.
 - (d) $NPV\geq 0$.
8. Competition oriented pricing includes :
- (a) Imitative pricing.
 - (b) Cost plus pricing.
 - (c) Marginal cost pricing.
 - (d) Programme pricing.
9. The examples of current asset/s is/are :
- (a) Cash in hand.
 - (b) Cash at bank.
 - (c) Bills receivable.
 - (d) All the above.
10. Cost curve derived by combining the short-run average cost curves is :
- (a) Long-run total.
 - (b) Short-run total.
 - (c) Long-run average.
 - (d) Long-run marginal.
11. Business finance addresses which of the following ?
- (a) Capital budgeting.
 - (b) Capital structure.
 - (c) Working capital management.
 - (d) All of the given options.

12. _____ consists of identifying the specific securities in which to invest and determining the proportion of the investor's wealth to be invested in each :
- (a) Portfolio construction. (b) Portfolio appraisal.
 (c) Portfolio revision. (d) Investment analysis.

(12 × 1 = 12 marks)

Section B

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. What is meant by portfolio?
 14. Define business economics.
 15. What is peak load pricing ?
 16. Distinguish between implicit and explicit costs.
 17. Define production function
 18. Briefly explain diseconomies of scale
 19. What is coupon rate ?
 20. What are fixed assets ?
 21. Prepare a note on break even analysis
 22. What do you mean by time value of money ?
 23. Define centralized cartel
 24. What is the role of investment ?

(6 × 3 = 18 marks)

Section C

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. *Net Present Value criterion is used in capital budgeting. Discuss.*
 26. What are the benefits of demand forecasting in business ?

Turn over

27. Examine the technique of price leadership by the low cost firm.
28. Explain portfolio construction.
29. What are the trend projection methods of demand forecasting ?
30. Explain internal economies with suitable examples.
31. Explain Delphi method of demand forecasting.
32. Distinguish between investment decisions and replacement investment decisions.

(4 × 6 = 24 marks)

Section D

Answer any two questions.

Each question carries 13 marks.

33. Capital budgeting is the process in which a business determines and evaluates potential large expenses. Explain the major steps involved in this process
34. Define price discrimination. Explain types of price discrimination.
35. What is production? Explain the short-run and long run production functions.
36. Discuss the nature and scope of managerial economics

(2 × 13 = 26 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics with Islamic Finance

ECO 6E 02—APPLIED THEORY OF MARKETS

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 6E 02—APPLIED THEORY OF MARKETS

(Multiple Choice Questions for SDE Candidates)

1. Which type of advertisement is used at the time of introducing a new product ?
 - (A) Competitive advertising.
 - (B) Reminder advertising.
 - (C) Pioneer advertising.
 - (D) Advocacy advertising.
2. Which type of product Consumers will buy regularly without much planning ?
 - (A) Consumer goods.
 - (B) Specialty goods.
 - (C) Shopping goods.
 - (D) Convenient goods.
3. A customer makes the choice of purchasing one brand from among a set of alternatives consistently over a period of time : choose the correct term :
 - (A) Brand equity.
 - (B) Brand image.
 - (C) Brand loyalty.
 - (D) Brand association.
4. What is Full cost pricing ?
 - (A) Total of variable cost and fixed cost.
 - (B) Total cost plus desired profit margin.
 - (C) Variable cost plus desired profit margin.
 - (D) Desired profit plus direct Variable cost and direct fixed cost.
5. What refers to the setting of a high price when a product is first introduced ?
 - (A) Penetration pricing.
 - (B) Skimming pricing.
 - (C) Prestige pricing.
 - (D) Value pricing.
6. Entire product marketing programme is tried out for the first time in a small number of well selected markets like small cities or small areas. What is it called ?
 - (A) Pilot study.
 - (B) Test marketing.
 - (C) Commercialization.
 - (D) Both (A) and (B).
7. When a product has long life cycle , it has mass market, entry of rivals in to market is easy and demand is elastic. Which pricing policy can be adopted ?
 - (A) Skimming pricing.
 - (B) Penetration pricing.
 - (C) Cost plus pricing.
 - (D) Going rate pricing.

8. Which is competition oriented pricing method ?
- (A) Cost plus pricing. (B) Target pricing.
(C) Customary prices. (D) Marginal cost pricing.
9. The price charged when the products are transferred between one or more interdependent departments; what is it called ?
- (A) Dual pricing (B) Transfer pricing.
(C) Administered pricing (D) All of these.
10. Production may be defined as an act of :
- (A) Creating utility. (B) Earning profit.
(C) Destroying unit. (D) Providing services.
11. Who has introduced the concept of market segmentation ?
- (A) Rosser reeves. (B) N H Borden.
(C) Wendell R smith. (D) None of these.
12. What is Marketing channel ?
- (A) Distribution channel. (B) Supply chain.
(C) Transportation. (D) None.
13. Which utilities are created by the Marketing channels ?
- (A) Time. (B) Place.
(C) Possession. (D) All of these.
14. What is Intensive distribution ?
- (A) Use all products for distribution.
(B) Use all available outlet to distribute a product.
(C) Using some available outlets to distribute a product.
(D) None of these.

15. What is Channel level ?
- (A) Length of channel.
 - (B) Number of intermediaries between the producers and customer.
 - (C) Both (A) and (B).
 - (D) Channel co-operation.
16. What refers to the buying behavior of final consumers ?
- (A) Consumer buyer behavior.
 - (B) Target market buying.
 - (C) Market segment buying.
 - (D) Business buying behavior.
17. Which of the following is NOT one of the five stages of the buyer decision process ?
- (A) Need recognition.
 - (B) Brand identification.
 - (C) Information search.
 - (D) Purchase decision.
18. Choose the correct definition of reference groups :
- (A) Groups that an individual looks to when forming attitudes and opinions.
 - (B) Groups of people who have been referred to by someone they know.
 - (C) Groups of office colleagues.
 - (D) Chat groups on the internet.
19. Which buying motive is based on careful thinking and logical reasoning ?
- (A) Product motives.
 - (B) Rational motives.
 - (C) Target.
 - (D) Patronage motives.
20. Choose the term for Collection and concentration of goods of the same type from different source at a place ?
- (A) Selling.
 - (B) Packaging.
 - (C) Assembling.
 - (D) Warehousing.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics with Islamic Finance

ECO 6E 02—APPLIED THEORY OF MARKETS

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Section A

Answer all questions.

Each question carries 1 mark.

1. Information consumer obtains from advertising campaigns and sales people is classified as :
 - (a) Personal Source.
 - (b) Commercial Sources.
 - (c) Experiential Sources.
 - (d) Exclusive Sources.
2. If company A works through website and sell its handbags only having no outlets anywhere then channel used by company A is called :
 - (a) Static channel.
 - (b) Flexible channel.
 - (c) Indirect channel.
 - (d) Direct channel.
3. Cultural factors must include :
 - (a) Beliefs and Attitudes.
 - (b) Roles and status.
 - (c) Occupation.
 - (d) Social Class.
4. Good, service or idea that is perceived as new by potential customers is an example of :
 - (a) Adoption Process.
 - (b) New Product.
 - (c) Existing Product.
 - (d) None of the Above.
5. Tools of sales promotion that are used to trigger short term customer involvement or to build customer relationships are classified as :
 - (a) Inbound Promotion.
 - (b) Outbound Promotion.
 - (c) Organizational Promotion.
 - (d) Consumer Promotions.

Turn over

6. Forms of direct marketing includes :
- (a) Direct Mail Market.
 - (b) Catalog Marketing.
 - (c) Personal Selling.
 - (d) All of the Above.
7. Company's microenvironment does not include :
- (a) The Company.
 - (b) The Marketing Intermediaries.
 - (c) Demographic Forces.
 - (d) The Organizations Suppliers.
8. Markets in which goods are bought for personal consumption by individuals and households are called :
- (a) Business Markets.
 - (b) Consumer Markets.
 - (c) Personal Markets.
 - (d) Government Markets.
9. All factors affecting purchasing power of consumers are included in :
- (a) Cultural Environment.
 - (b) Demographic Environment.
 - (c) Economic Environment.
 - (d) Both (a) and (b).
10. Profits related to new product in its introductory stage are :
- (a) Negative.
 - (b) Continuously Rising.
 - (c) Higher.
 - (d) Declining.
11. In the PLC, the stage in which sales and profits declines is called :
- (a) Decline Stage.
 - (b) Less Improved Stage.
 - (c) Product Maturity Stage.
 - (d) Non-Innovative Stage.
12. Potential and attractive target market are classified as :
- (a) Traditionalist.
 - (b) Savvy Shoppers.
 - (c) Overwhelmed.
 - (d) Non-Enthusiast.

(12 × 1 = 12 marks)

Section B (Very Short Answer Questions)

*Answer at least **six** questions.*

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. Oligopoly.
14. B2e Marketing.
15. SWOT Analysis.
16. Benefits of Market Segmentation.
17. Line Stretching.
18. Online Marketing.
19. Distribution Channel.
20. Advertising.
21. Packaging.
22. Undifferentiated Marketing.
23. E-commerce.
24. Branding.

(6 × 3 = 18 marks)

Section C (Short Essay Questions)

*Answer at least **four** questions.*

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. What does each element in a SWOT analysis represent ?
26. Describe the 4C's-Consumer-Oriented model of marketing mix.
27. Differences between Organizational and Consumer markets.
28. Summarise the four factors that influence consumer behaviour.
29. Write a note on the concept of product, product line and product mix.
30. What does a Product life cycle refer to ?

Turn over

31. Elaborate on the various pricing strategies that a company can follow.
32. What are the criteria for effective market segmentation ?

(4 × 6 = 24 marks)

Section D (Essay Questions)

*Answer any two questions.
Each question carries 13 marks.*

33. Explain the concept of Porter's five force model used to analyze the structure of a Firm's competitive environment.
34. Describe the concept of 4 Ps in the marketing mix of a firm.
35. Elaborate on the four generic target marketing strategies.
36. Explain the concept of PESTLE analysis ? What is it used for ?

(2 × 13 = 26 marks)

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**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics with Islamic Finance

ECO 6E 01—ENVIRONMENTAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 6E 01—ENVIRONMENTAL ECONOMICS
(Multiple Choice Questions for SDE Candidates)

1. Which one of the following is a renewable resource ?
 - (A) Petroleum.
 - (B) Biological species.
 - (C) Mineral ores.
 - (D) Soil fertility.
2. The soil of India's eastern and western coast is :
 - (A) Alluvial.
 - (B) Black cotton.
 - (C) Red rocky.
 - (D) Laterite.
3. Which state irrigates largest percentage of land ?
 - (A) Haryana.
 - (B) Uttar Pradesh.
 - (C) Maharashtra.
 - (D) Punjab.
4. Name of extremely effective fire extinguishing agent is :
 - (A) Helium
 - (B) Halons.
 - (C) Halogens
 - (D) Argon.
5. Each organism in an ecosystem is at a specific feeding stage called as the :
 - (A) Climax level.
 - (B) Producer level.
 - (C) Trophic level.
 - (D) All the above.
6. Official date of Earth Day is on :
 - (A) April 22.
 - (B) March 21.
 - (C) May 28.
 - (D) All the above.
7. Major cause of Ozone depletion is due to which chemical ?
 - (A) Chlorofluorocarbons.
 - (B) Polyphenols.
 - (C) Dioxins.
 - (D) None of these.

8. The portion of the earth and its environment which can support life is known as :
- (A) Crust. (B) Biosphere.
(C) Exosphere. (D) Mesosphere.
9. What is the meaning of the word "endemic" ?
- (A) Rare and occur only in a few location.
(B) Rare and occur everywhere.
(C) Abundant and seen everywhere.
(D) Abundant and only in few locations.
10. Which of the following enhances soil fertility ?
- (A) Crop rotation (B) Improved methods of agriculture.
(C) Using new seed varieties. (D) Irrigation.
11. What is oil slick ?
- (A) Boiled oil. (B) Cooled oil.
(C) Thin film of oil in sea water. (D) Oil in deep sea.
12. What is 'temporary threshold shift' ?
- (A) Hearing loss due to excessive noise.
(B) Noise that is intolerable.
(C) Tolerable noise.
(D) None of these.
13. Energy is returned to the atmosphere in the form of :
- (A) Potential energy. (B) Metabolic energy.
(C) Heat. (D) Vapours.
14. Natural earthquakes are caused by _____.
- (A) Earth's crust. (B) Deep seas.
(C) Peak mountains. (D) Forests.

15. The expansion on POLI is :
- (A) Physical quality of life index. (B) Population quotient of life in India.
(C) Poor quality of life in India. (D) Poverty, quality of life in India.
16. The Primary Consumers are also called as :
- (A) Herbivores. (B) Carnivores.
(C) Enzymes. (D) None of these.
17. Snake is an example of :
- (A) Primary Carnivores. (B) Secondary Carnivores.
(C) Herbivores. (D) None of these.
18. Who wrote the book 'Violence of Green Revolution' ?
- (A) Vandana Siva. (B) Sheela Dikshit.
(C) Menaka Gandhi. (D) Arundhathi Roy.
19. The biggest award for environmental activities in India is given in the Name of an individual. In whose name is it constituted ?
- (A) Lal Bahadur Shastri. (B) Morarji Desai.
(C) Indira Gandhi. (D) Kamaraj.
20. The controversial dam across the river Narmada ?
- (A) Sardar Sarovar. (B) Hirakud.
(C) Bhakranagal. (D) Sutlej.

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics with Islamic Finance

ECO 6E 01—ENVIRONMENTAL ECONOMICS

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all questions.

Each question carries 1 mark.

1. Who among the following is associated with Contingent Valuation method
 - (a) Harold Hotelling.
 - (b) Ciriacy Wantrup.
 - (c) Ronald Coase.
 - (d) Lipsey.
2. The term 'Ecology' was coined by :
 - (a) A.G.Tansley.
 - (b) Linnaeus.
 - (c) Aristotle.
 - (d) Earnst Haeckel.
3. The greenhouse effect is due to :
 - (a) Penetrability of low wavelength radiations through O₃ layer.
 - (b) Impermeability of long wavelength radiations through CO of the atmosphere.
 - (c) Penetrability of low wavelength radiations through CO.
 - (d) Impermeability of long wavelength radiations through O₃ layer.
4. Which of the following is NOT a basic feature of an environmental good ?
 - (a) Irreversibility.
 - (b) Uncertainty.
 - (c) Uniqueness.
 - (d) Everlasting.

Turn over

5. Which of the following is often referred to as the 'hedonic pricing' method for valuing an environmental asset ?
- (a) Using option value to estimate the value of an environmental asset.
 - (b) using the linkages between variations in house price and geographical proximity to an environmental asset.
 - (c) Using willingness to pay to value an environmental asset.
 - (d) Using the travel cost to an environmental good.
6. Which of the following is a case of negative consumption externality ?
- (a) discharge of water from a factory .
 - (b) Polio vaccination.
 - (c) Smoking of cigarette which harms the health of the bystander.
 - (d) None of these.
7. Chlorofluorocarbon is used in
- (a) Refrigerators.
 - (b) Air conditioners.
 - (c) Perfumes.
 - (d) All of these.
8. Which of the following is an air pollutant ?
- (a) Nitrogen.
 - (b) Carbon dioxide.
 - (c) Carbon monoxide.
 - (d) Oxygen.
9. Which of the following is NOT an expected outcome of climate change ?
- (a) Sea level rising.
 - (b) Flooding in coastal areas.
 - (c) Expanding glaciers
 - (d) Extreme weather.
10. Stockholm convention is intended to reduce :
- (a) Persistent Organic Pollutants.
 - (b) Ozone depleting substances.
 - (c) Greenhouse gases.
 - (d) Hazardous waster materials.
11. Meeting the needs of the present without compromising the ability of future generation to meet their own need' is given by :
- (a) Brundtland.
 - (b) Sustainable development.
 - (c) Sunderlal Bahugana.
 - (d) (a) and (b).

12. Identify a market based policy instruments for environment protection :
- (a) Subsidies. (b) Pigouvian tax.
 (c) Tradable pollution permit. (d) All of these.

(12 × 1 = 12 marks)

Section B (Very Short Answers)

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. Explain the objectives of Kyoto protocol ?
14. What is Delphi method ?
15. Distinguish between market failure and government failure.
16. Distinguish between positive and negative environmental externality.
17. Analyze the effects of sound pollution ?
18. What are the important causes of ozone depletion ?
19. What is meant by Pareto optimality ?
20. Define the process of urbanization.
21. What is meant by pollution control ?
22. Explain Moral Suasion as an environmental public policy.
23. Why do externalities lead to market failure ?
24. What are the important non- renewable energy resources ?

(6 × 3 = 18 marks)

Section C (Short Essays)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. Critically examine the effectiveness of Pigouvian tax in pollution control.
26. Analyze the impact of climate change in India.

Turn over

27. Write a short note on economic growth and environmental balance.
28. Critically examine the environmental Kuznets curve.
29. Examine the Contingent Valuation Method for environmental valuation.
30. Discuss the conventional market approach in analyzing the benefit of environment.
31. Briefly explain the travel cost method of environmental valuation.
32. Explain the relative merits and demerits of command and control method of environmental regulation.

(4 × 6 = 24 marks)

Section D (Essays)

Answer any two questions.

Each question carries 13 marks.

33. Discuss the intensity of different types of pollution in a growing economy like India.
34. Trace the origin of the concept of sustainable development. What are the key elements of sustainable development?
35. Briefly explain the Hedonic pricing method of environmental valuation.
36. Discuss the objectives of the following international declaration and conventions
A. Aarhus convention (1998) B. UN convention on climate change (1992) C. Johannesburg declaration on sustainable development (2003) D. Kyoto Protocol (1997).

(2 × 13 = 26 marks)

**SIXTH SEMESTER (CUCBCSS—UG) DEGREE [SPECIAL] EXAMINATION
MARCH 2021**

Economics with Islamic Finance

EIF 6B 14—ISLAMIC FINANCIAL INSTITUTIONS

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all questions.

Each question carries 1 mark.

1. *Wakalah* is used when the Principal is :
 - A) Minor.
 - B) Insane.
 - C) In a distant place.
 - D) All of these.
2. Which of the following type of current account deposit does not guarantee the refund of the deposit in case of any damage or loss of the deposit resulting from circumstances beyond the control of the bank like fire, earthquake etc. ?
 - A) *Wadiah*.
 - B) *Amanah*.
 - C) *Qard*.
 - D) None of these.
3. Trading of which of the following product is not prohibited in Islam :
 - A) Tobacco.
 - B) Wheat.
 - C) Alcohol.
 - D) All of these.
4. Which of the following is a type of rent agreement ?
 - A) *Musharaka*.
 - B) *Murabaha*.
 - C) *Ijara*.
 - D) *Istisna*.
5. The Head Quarter of the Islamic Development Bank (IDB) is located at :
 - A) Kuwait city.
 - B) Beharin.
 - C) Muscat.
 - D) Jeddah.
6. Surety or guarantee system of Islamic finance is called :
 - A) *Hiwala*.
 - B) *Wadia*.
 - C) *Kafala*.
 - D) *Rahn*.

Turn over

7. Mit Ghamr Savings Bank was started in 1963 in :
- A) Indonesia. B) Malaysia.
C) Egypt. D) Pakistan.
8. The Amana Income Fund is world's first Islamic fund started in 1986 is a/an :
- A) Equity fund. B) Insurance fund.
C) Mutual fund. D) Derivative fund.
9. The Islamic concept of insurance is based on :
- A) Sharing of risk. B) Transfer of risk.
C) Risk aversion. D) None of these.
10. Which of the following is not a Function of the Islamic central bank ?
- A) Stability in the value of money. B) Economic growth and employment.
C) Lender of the last resort. D) Promotion of life and general insurance.
11. Which of the following is a contract for mortgaging a property ?
- A) Rahn. B) Kafala.
C) Hiwala. D) Salam.
12. In which year Dow Jones Islamic Market Index (DJIMI) was established ?
- A) 1979. B) 1989.
C) 1999. D) 2009.

(12 × 1 = 12 marks)

Section B (Short Questions)

*Answer at least six questions.
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 18.*

13. What is meant by Preference Share ?
14. Define Barter System.
15. What is *Tawarruq* ?
16. Define *Takaful*.
17. What is equity ?
18. What is the relevance of Islamic Bank of Britain ?
19. What is *Riba* ?

20. Define Balance of Payments.
21. Explain the canonical rule behind Islamic banking.
22. What is meant by credit creation ?
23. What is meant by the lender of the last resort ?
24. Point out the legal frame work of Islamic Financial Institutions.

(6 × 3 = 18 marks)

Section C (Short Essays)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. Explain the various sources of revenue of Islamic financial institutions.
26. Compare and contrast Islamic insurance with conventional insurance.
27. What are the different types of Islamic banks.
28. What are the important permissible investment funds in Islamic financial system ?
29. Explain the concept of profit and loss sharing.
30. What are the important principles of Islamic finance ?
31. What are the important merits of profit sharing over *Riba*.
32. Analyze the origin, development and objectives of Islamic Development Bank (IDB).

(4 × 6 = 24 marks)

Section D (Essays)

Answer any two questions.

Each question carries 13 marks.

33. Analyze the important objectives of Islamic banks. What are the different types of Islamic Banks ?
34. What are the important methods of Islamic finance ?
35. What are the important functions of central bank in Islamic financial system ?
36. Trace the origin and development of Islamic financial institutions.

(2 × 13 = 26 marks)