

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2022

(CBCSS—UG)

Islamic Finance with Computer Application

IFC 6B 16—FINANCIAL MANAGEMENT

Time : Two Hours

Maximum : 60 Marks

Section A (Short Answer Type)*Answer at least eight questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 24.*

1. Define Financial Management.
2. What is Capitalization ?
3. What is Payback period ?
4. Define cost of capital.
5. What you mean by Capital Rationing ?
6. What is Retained earnings ?
7. Name any *four* internal factors affecting capital structure of a business organization.
8. What is Trading on Equity ?
9. What do you mean by Working capital ?
10. What is Cash management ?
11. Define Receivables.
12. What is Dividend policy ?

(8 × 3 = 24 marks)

Section B (Paragraph/Problem Type Questions)

Answer at least five questions.

Each question carries 5 marks.

All questions can be attended.

Overall Ceiling 25.

13. Explain the objectives of Financial management.
14. Explain different types of Working capital.
15. Differentiate between capital structure and capitalization.
16. A company issued 20,000, 5 % Preference shares of Rs. 100 each. Cost of issue is Rs. 2 per share. Calculate cost of preference capital if the shares are issued :
- a) At par ; b) At a premium of 10 % ; and c) at a discount of 5 %
17. The following information is available in respect of component 25.
- Maximum level - 8400 units
- Budgeted consumption :—
- Maximum 1500 units / month
- Minimum 800 units / month
- Estimated delivery period :—
- Maximum 4 months
- Minimum 2 months
- You are required to calculate
- a) Re order level ; and b) Re order quantity.
18. A project cost Rs. 5,00,000 and yields annually a profit of Rs. 80,000 after depreciation @ 12 % pa, but before tax of 50 %. Calculate payback period.
19. A company expects a net income of Rs. 80,000. It has Rs. 2,00,000, 8 % Debentures. The Equity capitalization ate of the company is 10 %. Calculate the value of the firm and overall capitalization rate according to Net Income Approach. (Ignore income tax)

(5 × 5 = 25 marks)

Section C (Essay Type Questions)

Answer any **one** question.

The question carries 11 marks.

20. The capital structure of ABC Ltd as on 31st March 2015 is as follows :

	Rs. in crores
Equity Capital : 100 Lakhs equity shares of Rs. 10 each	10
Reserves	2
14 % Debentures of Rs. 100 each	3

For the year ended 31st March 2015, the company has paid equity dividend at 20 %. As the company is a market leader with good future, dividend is likely to grow by 5 % every year. The equity shares are now treated at Rs. 80 per share in the stock exchange. Income tax rate applicable to the company is 50 %.

Calculate weighted average cost of capital.

21. Calculate working capital requirements of X Ltd.

(Rs. 000's)

Credit sales	5,000
Total cost of sales	4,000
Cost of production	... 3,000
Purchases	... 3,500
Raw material consumed	... 600
Average raw material cost	... 80
Average work in progress	... 85
Average finished goods stock	... 180
Average creditors	... 700
Average debtors	... 350

(1 × 11 = 11 marks)

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IFC6 B14—ISLAMIC BONDS (SUKUK)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer atleast ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall ceiling 30.*

1. By whom the Corporate and sovereign sukuk are being rated ? Where it is located ?
2. How returns and losses due to the holders are distributed in Mudharabah Sukuk ?
3. What is the main attraction for the buyer of a Salam contract ?
4. Which country is the highest contributor of world sukuk market ?
5. What is asset-based sukuk ?
6. What are the steps for the operation and issue of Isthinah sukuk ?
7. What is rating of Sukuk ? When the first *sukuk* rating was introduced ?
8. What are the different forms of sukuk ?
9. On what basis the return of Mudaraba Sukuk has been calculated ?
10. What are the conditions for being Salam Sukuk permissible ?
11. Under whose rule the usage of sukuk can be traced back and in which Hijra Century.
12. What is IIRA ? Where it is situated ?
13. What is AAOIFI ? What are its main objectives ?
14. What are the main reasons for a weak secondary market in Sukuk ?
15. Write any *four* advantages of Sukuk.

(10 × 3 = 30 marks)

Turn over

Section B

Answer atleast five questions.

Each question carries 6 marks.

All questions can be attended.

Overall ceiling 30.

16. Conditions to be complied to sale Sukuk Murabaha.
17. Factors to be considered in a Sukuk structure.
18. Basic characteristics of sukuk.
19. Roles of SPV in Musharaka sukuk.
20. Analyse the Islamic essential concepts regarding Sukuk.
21. Steps to develop Mudaraba sukuk.
22. Analyze the various types of Sukuk to be used for infrastructure development.
23. Nature and features of Musharakah Sukuk.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Enumerate the main features of Sukuk which differentiate it from the conventional securities.
25. "Sukuk is an ideal financial practice in the secondary market". Substantiate the statement.
26. What are the Shariah Principles Sukuk must comply to ? Explain each of them.
27. " Sukuk have risk management potential in various ways for the investor and the originator"
Explain them.

(2 × 10 = 20 marks)

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IFC6 B13—ISLAMIC INSURANCE (TAKAFUL)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer atleast ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall ceiling 30.*

1. What is Securities Underwriting ?
2. By whom Underwriting services are provided ? What is guaranteed ?
3. What is indemnity ?
4. What is insured risk ?
5. What is Shari'ah non-compliance risk ?
6. What are the advantages Rethakaful ?
7. Mention the main features of Wakala-Based Takaful.
8. How the commercial insurance differs from the co-operative insurance regarding their goals and aims ?
9. What are the objects of introducing principles of Humanitarian law in Takaful ?
10. What are the elements of the Co-operative Insurance Contract ?
11. Define Dhaman.
12. Who are the stakeholders of Takaful ?
13. On what basis insurance is permitted in Islamic Jurisprudence ?

14. What are the major challenges of Takaful ?
15. What is Life insurance ? What are its features ?

(10 × 3 = 30 marks)

Section B

Answer atleast five questions.

Each question carries 6 marks.

All questions can be attended.

Overall ceiling 30.

16. Purpose of Underwriting.
17. Underwriting risk in insurance.
18. Simple co-operative insurance and its aims.
19. Advantages of Islamic Co-operative Insurance.
20. Objectives of risk management in a Thakaful company.
21. Functions of insurance.
22. Aqila : Definition and features.
23. Areas of differences between Islamic Takaful and Commercial Insurance.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. “Islamic Thakaful promotes more social security and economic growth”. Substantiate the statement.
25. How did Islamic form of insurance develop ? Explain its evolution and growth from ancient times to modern period.
26. Explain the way of execution of Mudaraba based model of insurance.
27. Analyze the Principles of liability by the Takaful Company.

(2 × 10 = 20 marks)

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IFC 6B 12—ISLAMIC ECONOMIC THOUGHT

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. What you know about Abu Ubayd al-Qasim ibn Salam ?
2. What are the main innovations practised by Islamic Economics in Modern Era ?
3. What is the Gazzali's view on counterfeit money ?
4. What are the conditions for imposing taxation according to Abu Yusuf ?
5. Who is Sayyid Mohammed Taleghani ? Why he was arrested ?
6. What is the pricing theory of Ibn Thaimiya ?
7. Mention names of any *four* English major works written by Syed Nawab Haider Naqvi in Islamic Economics.
8. What is Kharaj ?
9. What are the Arab scholastic assumptions of business activities ?
10. Mention functions of money as presented by Islamic scholars.
11. Who is Mohammad Nejatullah Siddiqi ? Where he was born ?
12. What is the role of State according to Imam Ghazzali ?
13. Define Islamic economic thought.
14. What does Kitab al-Amwal deal with ?
15. What are the important economic institutions during Prophetic Period ?

(10 × 3 = 30 marks)

Turn over

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Gazzali's Islamic Economics Philosophy.
17. Contribution of Imam Abu Hanifa (R) to Islamic Economic Thought.
18. Main challenges faced by Islamic Economics in Modern Era.
19. Demand management policy of Ibn Khaldoon.
20. Views of Islamic thinkers about monetary economics with special mention to Al Mqrizi and Gazzali.
21. Influence of Medieval economic thought on European renaissance.
22. Contributions of Muslim scholars in history to economic development.
23. Economic ideas of Al Muhasibi.

(5 × 6 = 30 marks)

Section C

Answer any two questions.

Each question carries 10 marks.

24. Give an account of the influence of Islamic Economic Thought in modern economics.
25. Dr. Monzer Kahf : His works and role in the development of Islamic Finance all over the World.
26. Analyze the classification of the development of Islamic economic thought into three periods by Dr. M.N. Siddiqi and peculiarities and major developments of those periods.
27. Critically examine "Theory of Market Mechanism in Islamic Economic thought" supporting with opinions of Islamic scholars such as Ibn- Thaimiyya and Ibn- Qayyum.

(2 × 10 = 20 marks)

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IFC 6B 11—CORPORATE GOVERNANCE IN ISLAMIC FINANCE

Time : Two Hours and a Half

Maximum : 80 Marks

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

1. What is meant by the Governing Document ?
2. What is the main benefit of the Internal Audit ?
3. Write the role of risk management in effective corporate governance.
4. How corporate governance of Islamic financial institutions is connected to Towheed ?
5. Who is the term member?.
6. What are the Legal Obstacles in Shariah Corporate Governance of IFIs ?
7. Who is CEO? What is his duty ?
8. Who established the BCBS and when ?
9. What are the tools for corporate governance ?
10. What for BOFIA stands ?
11. What are the interests of board of directors in an Islamic financial institution ?
12. What you mean by Hisbah ?
13. What is AAOIFI ?
14. How Governance differ from Management ?
15. What is meant by corporate social responsibility ?

(10 × 3 = 30 marks)

Turn over