

- Q.1 Describe the basic steps in a Diminishing Musharikah. What is this mode of financing popularly for?
- Q.2 Conventional Insurance is unlawful in Shariah due to the presence of Riba, Maisir and Gharar. Suggest a Shariah compliant alternative to conventional insurance and the concept behind how it works.
- Q.3 A. State any 2 differences between Sukuk and conventional bonds.
B. The Government of Pakistan wants to construct a Power Plant and would like to finance it through floating a Sukuk. Suggest the manner in which it can float a Sukuk.
- Q.4 What should be the basic content of Annual Shariah Advisor Report which is published in the Annual Reports of all Islamic Banking Institutions? Discuss this in the light of SBP's circular dated March 25, 2008.
- Q.5 A. Briefly describe the terminology of commercial interest.
B. Please state whether it is permissible in the light of Shariah principles and provide arguments to support your answer.
- Q.6 A. State the factors of production in the Islamic Economic System and state their roles.
B. How do the factors of production in an Islamic Economic system differ from those of the Socialist Economic System?
- Q.7 A. Define briefly the following terms:
a. Takaful
b. Riba al Fadl
c. Muawadah
d. Iqala
e. Bai Musawama
B. Define Istisna and explain its basic conditions. What is a comparable conventional banking product?
- Q.8 State two differences between each the following:
i. Istisna and Salam
ii. Istisna and Ijarah
- Q.9 Imran Sports Export Company requires financing of Rs 75 million for a period of 6 months. Based on the recent Export orders, the company needs funds to purchase different type of raw materials to manufacture gloves & footballs. The goods are available in the local market and can be bought against full payment to the supplier. The company has a large warehouse to store goods and has hired a special expert for the purchasing of the raw material.
- A. What type of Islamic mode of financing can be offered to Imran Sports? Please provide reasons for your recommended mode of finance.
B. Write down the steps by step process of the mode of financing recommended in 'A' above and list the documentation involved in each stage.