

**FINAL**  
Examination Paper

(COVER PAGE)

Session : AUGUST 2019

Programme : DIPLOMA IN FINANCE (DIF/DFIN)

Course : FIN2153: FUNDAMENTALS OF BANKING

Date of Examination : 8<sup>th</sup> December 2019,(Sunday)

Time : 2.00 pm - 4.00 pm Reading Time : NIL

Duration : 2 HOURS

**Special Instructions** :

This paper consists of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet provided. All questions carry equal marks.

Materials permitted :

NIL

Materials provided :

Answer Booklet

Examiner(s) : Ms Lee Jin Shin

Moderator : Dr Phua Lian Kee

*This paper consists of 4 printed pages, including the cover page.*

DIPLOMA IN FINANCE (DIF)  
FIN2153: FUNDAMENTAL OF BANKING  
FINAL EXAMINATION: AUGUST 2019 SESSION

Instruction: This paper consists of SIX (6) questions. Answer any FOUR (4) questions in the answer booklet provided. All questions carry equal marks.

**Question 1**

- a) Bank Negara Malaysia was established under The Central Bank of Malaya Ordinance 1958 (CBO) revised in 1994 which is now known as the Central Bank of Malaysia Act 2009 (CBA).

Discuss FIVE (5) roles of Bank Negara Malaysia under the CBA. (10 marks)

- b) The bank offer several types of accounts to the public such as saving accounts, current accounts, and fixed deposit account. Which of the account is the most appropriate to use by a company? Give TWO (2) reasons to support you answer and explain ONE (1) advantage and ONE (1) disadvantages of the account. (7 marks)

- c) Differentiate between commercial banks and Islamic banks. (8 marks)

[Total: 25 marks]

**Question 2**

KUALA LUMPUR, Aug 13 — RAM Ratings expects Malaysia’s overall inflation rate for July to be marginally higher at 1.6 per cent, underpinned by an anticipated uptick in food inflation.

Head of Research Kristina Fong said the overall inflation stayed benign at 0.2 per cent in the first half of 2019 (1H 2019), mainly due to a lower transport fuel price ceiling (instituted in January 2019) as well as the broad-based fall in prices following the removal of the Goods and Services Tax (GST) in June 2018.

“That said, we generally expect the 2H 2019 headline inflation to trend higher than 1H 2019, largely due to the low-base effect from the withdrawal of the GST last year, as well as the anticipated implementation of the targeted fuel subsidy mechanism later this year,” she said in a note today.

(Source: Malay Mail, August 13, 2019)

- a) Discuss the impact of inflation on the economy. (10 marks)

b) Discuss the historical development and functions of the following Development Financial Intermediaries:

(i) Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank); (5 marks)

(ii) Bank Pertanian Malaysia Berhad (Agrobank); (5 marks)

(iii) Bank Simpanan Nasional. (5 marks)

[Total: 25 marks]

### **Question 3**

a) Explain the distinction between Asset-Backed Sukuk and Asset-Based Sukuk.

b) Compare FIVE (5) main differences between bonds and sukuk. (10 marks)

c) Distinguish between blue chip shares and growth shares. (5 marks)

[Total: 25 marks]

### **Question 4**

a) Discuss why profit from sales is lawful while interest from loan is unlawful. (5 marks)

b) Mudarabah is a form of partnership. Identify the parties involved in mudarabah contract. Illustrate how mudarabah works using a diagram. (10 marks)

c) Riba Al-Duyun is a type of riba occurs in lending and borrowing. Explain TWO (2) types of riba under Riba Al-Duyun. Support your answer with relevant examples.

(10 marks)

[Total: 25 marks]

### **Question 5**

a) Money laundering is the process of disguising the proceeds of crime in an effort to conceal their illicit origins and legitimize their future use. Discuss the THREE (3) stages of money laundering cycle with an example for each stage. (9 marks)

b) Define the electronic payment system with examples. Give the TWO (2) reasons that slow down the movement to a fully electronically payment. (4 marks)

c) What is cryptocurrency? Explain the pros and cons of cryptocurrency. (6 marks)

d) What are the benefits that can be enjoy by the workers in private sector and public sector from Employees Provident Fund (EPF)? (6 marks)

[Total: 25 marks]

**Question 6**

Critically examine the impacts of Financial Services Act 2013 (FSA) on the following:

- (i) Acquisition and disposal of interest (15 marks)
- (ii) Extension of BNM powers (5 marks)
- (iii) Director's duty of disclosure (5 marks)

[Total: 25 marks]

**~THE END~**

*(FIN2153 (F)/AUG19/SL)*