

ALTERNATIVE ASSESSMENT
Examination Paper

(COVER PAGE)

Session : January 2020

Programme : Diploma in Finance (DFIN)

Course : **FIN2153: Fundamentals of Banking**

Date of Examination : 6th April 2020 (Monday)

Time : 10.00am – 1.00pm Reading Time: Nil

Duration : 3 hours

Special Instructions :

This paper consists of **FOUR (4)** questions. Answer **ALL** questions in Microsoft Word document.

Materials permitted : Nil

Materials provided : Nil

Examiner (s) : **Ms. Ainul Zariney binti Aziz**

Moderator : Dr. Phua Lian Kee

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

Detail Instructions:

Before Assessment:

1. Check your computer (laptop or desktop) and all necessities equipment are working.
2. Check your WiFi connection, where it should be stable throughout the assessment period.
3. Find a good spot to take the assessment.
4. Turn off all distractions, such as TV, phone, social media, and all notifications.
5. Check your access to your Blackboard.

During Assessment:

1. Please download the question paper before answering for your reference.
2. Please type your answer in separate Microsoft Word, in proper paragraphing essay, using Times New Roman font type, size 12, and single spacing (1.0).
3. Please do not waste your time copying answers from the internet, books, friends, etc, as you will need to submit to SafeAssign plagiarism checking upon final submission.
4. Please do not retype the question in your answer script to avoid high result of plagiarism.
5. Please take note that you have only **ONE** attempt; hence, you will not be able to see the plagiarism result upon submission.
6. Please keep track of time. You are advised to set a watch or clock to alert you 60 minutes before your deadline so you will know how much time you have left to complete with the final submission that need to be done via Blackboard.
7. For technical problems, do take screen shots and notify your instructor right away.

After Assessment:

1. Please do not discuss with your classmates to avoid panic, confusion, etc.
2. Reflect on your assessment-taking experience by focusing on questions that you have missed and how will you improve in the future.
3. Grade will only be announced when the management releases the full result.

DIPLOMA IN FINANCE (DFIN)
 FIN2153: FUNDAMENTALS OF BANKING
 ALTERNATIVE ASSESSMENT: JANUARY 2020 SESSION

Question 1

- (a) Malaysia is largely seen as a global leader in Islamic Finance and has a strong agenda for its banking and finance related activities. This outcome did not happen overnight. It has taken many players. Identify any **FIVE (5)** components that contributes to a conducive financial system.
 (10 marks)
 (Word count suggestion: maximum of 300 words)
- (b) Briefly discuss any **TWO (2)** functions of Bank Negara Malaysia (BNM).
 (8 marks)
 (Word count suggestion: maximum of 220 words)
- (c) Commercial banks are major players in the banking system. They are the largest and most important suppliers of funds in the banking system. Discover **ONE (1)** other functions of commercial banks besides providing and facilitating retail services.
 (7 marks)
 (Word count suggestion: maximum of 200 words)
- (Total: 25 marks)**

Question 2

- (a) Briefly explain the following Islamic banking contract.
- (i) Mudharabah
 (7 marks)
 (Word count suggestion: maximum of 200 words)
- (ii) Ijarah
 (7 marks)
 (Word count suggestion: maximum of 200 words)
- (b) Name **TWO (2)** categories of finance companies, and provide **ONE (1)** example of institutions for each category.
 (4 marks)
 (Word count suggestion: maximum of 100 words)
- (c) Describe Ordinary Shares (Common Stocks) and Preference Shares (Preferred Stocks).
 (7 marks)
 (Word count suggestion: maximum of 200 words)
- (Total: 25 marks)**

Question 3

- (a) Discuss how does credit cards differ from debit cards.
(10 marks)
(Word count suggestion: maximum of 300 words)
- (b) Discuss any **TWO (2)** categories of FinTech widely promoted in Malaysia market and provide example for each of the category discussed.
(10 marks)
(Word count suggestion: maximum of 300 words)
- (c) List any **FIVE (5)** ethical practices of banks.
(5 marks)
(Word count suggestion: maximum of 150 words)

(Total: 25 marks)

Question 4

- (a) The regulatory and supervisory framework of Malaysia enters a new stage of its development as the Financial Services Act 2013 (FSA) and Islamic Financial Services Act 2013 (IFSA) come into force on 30 June 2013 – BNM
- Apply this new legislation on any **TWO (2)** areas that are affected by the changes of the regulation framework.
(8 marks)
(Word count suggestion: maximum of 220 words)
- (b) Explain **FIVE (5)** essentials elements of a Musharakah contract product.
(10 marks)
(Word count suggestion: maximum of 300 words)
- (c) Discuss the trade finance facilities intermediated by financial institutions, and briefly explain **ONE (1)** example of the facility.
(7 marks)

(Total: 25 marks)