



FINAL EXAMINATION
MARCH 2024

COURSE TITLE	SHARIAH, ETHICS AND GOVERNANCE
COURSE CODE	RFIN3323
DATE/DAY	21 JUNE 2024 / FRIDAY
TIME/DURATION	09:00 AM - 11:00 AM / 02 Hour(s) 00 Minute(s)

INSTRUCTIONS TO CANDIDATES :

1. Please read the instruction under each section carefully.
2. Candidates are reminded not to bring into examination hall/room any form of written materials or electronic gadget except for stationery that is permitted by the invigilator.
3. Students who are caught breaching the Examination Rules and Regulation will be charged with an academic dishonesty and if found guilty of the offence, the maximum penalty is expulsion from the University.

(This Question Paper consists of 3 Printed Pages including front page)

*****DO NOT OPEN THE QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO*****

This question paper consists of THREE (3) questions only. Answer ALL questions in the answer booklet provided. [60 MARKS]

QUESTION 1

(30 Marks)

Ethical Dilemma

Ahmed works as a financial advisor at a prominent Islamic bank. One day, a client named Yasmin approaches him with a request for a home financing solution. Yasmin is a single mother with two young children and has recently gone through a difficult divorce. She explains to Ahmed that she needs a home for herself and her children but doesn't have enough savings for a substantial down payment.

Ahmed carefully reviews Yasmin's financial situation and finds that she is eligible for a home financing product offered by the bank. However, the bank's policy requires a minimum down payment of 20% of the property's value, which Yasmin cannot afford.

Ahmed empathizes with Yasmin's situation and knows that providing her with the financing she needs will greatly improve her and her children's quality of life. On the other hand, he is aware that Islamic finance principles emphasize avoiding excessive debt and interest-based transactions, promoting fairness, transparency, and social responsibility.

Ahmed faces an ethical dilemma. On one hand, he wants to help Yasmin secure a home for her family, but on the other hand, he must adhere to the ethical standards of Islamic finance.

- a) What ethical considerations should Ahmed take into account in this situation? (6 marks)
- b) How should Ahmed approach this ethical dilemma while ensuring compliance with Islamic finance principles? (12 marks)
- c) Consumer protection establishment in Malaysia is based on "fair treatment to consumers" as the main outcomes are fair dealings and fair treatment of consumers, enhanced informed participation in the financial system by consumers, sustained public confidence and trust in the financial system.

Discuss FOUR (4) importance of financial consumer protection. (12 marks)

QUESTION 2

(10 Marks)

An act will be ethical when it promotes 'good of society' or more specifically, when the action is intended to produce the greatest net benefit (or lowest net cost) to society when compared to all of the other alternatives.

Explain FIVE (5) types of ethics.

QUESTION 3

(20 Marks)

A diminishing partnership or partnership agreement to jointly own an asset, a project and other business with a view to gradually buy ownership of another partner (Bank) until the asset, a project and other business ownership are completely transferred to the customer

- a) Draw a diagram of the diminishing partnership contract of home financing. (10 marks)
- b) Explain **FIVE (5)** essential elements required to have in a partnership contract. (10 marks)

***** END OF QUESTION PAPER ****


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