

**POLITEKNIK**  
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION  
DEPARTMENT OF POLYTECHNIC EDUCATION  
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION  
JUNE 2012 SESSION

**P5422: ETHICS AND CORPORATE GOVERNANCE IN  
ISLAMIC FINANCIAL INSTITUTIONS**

**DATE : 22 NOVEMBER 2012 (THURSDAY)  
DURATION : 2 HOURS (2.30PM – 4.30PM)**

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This paper consists of **FOUR (4)** pages including the front page.  
Essay (4 questions – answer all)

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**DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED BY**  
**THE CHIEF INVIGILATOR**





**ESSAY (100 marks)****INSTRUCTION:**

This section consists of **FOUR (4)** essay questions. Answer **ALL** questions.

**QUESTION 1**

- (a) In Banking sector environment high trustworthiness and transparency are needed. Give brief explanation about term below together with examples.
- i. Misused of position
  - ii. Misused of information
  - iii. Confidential of communication (9 marks)
- (b) Define ethical behavior and explain main objective of Guideline / Garispanduan 7 (GP7) issued by BNM. (4 marks)
- (c) Give your explanation on conflict of interest in bank. (12 marks)

**QUESTION 2**

- (a) Define principles of corporate governance in general and according to the western union (5 marks)
- (b) Explain corporate governance structure and its functions. (10 marks)
- (c) Understanding corporate governance in bank is important, give brief explanation about it. (10 marks)

**QUESTION 3**

- (a) In Islamic banking there have their own contract that compliance with the syariah give your explanation on contract below:
- i. Al – mudharabah
  - ii. Al- Bai' Bithaman Ajil
  - iii. Al-Qardhul-Hasan
  - iv. Al- Wadiah
- (8 marks)
- (b) List **FOUR (4)** functions Labuan Offshore Financial Service Authority
- (8 marks)
- (c) Financial system in Malaysia fall into 3 category, which Islamic bank, Commercial Bank and Merchant bank. State **THREE (3)** characteristics for each bank.
- (9 marks)

**QUESTION 4**

- (a) Explain objective of Bank Negara Shariah Advisory council to the Islamic Financial system.
- (9 marks)
- (b) Shortly brief about Shariah Advisory Council of Bank Negara Malaysia history and list down it functions.
- (6 marks)

- (c) Give brief explanation for the term below with the example.
- i. Standard Operating Procedure
  - ii. Service Level Agreement
- (4 marks)
- (d) Give short brief **THREE (3)** organization under Self regulatory Organization.
- (6 marks)

**QUESTION 3**

a) Who are the parties involved in securitization?

(6 marks)

b) What are the criteria for the assets that can be securitized as asset backed securities

(6 marks)

c) Explain how MESDAQ affects the technology based and non-technology based company and give examples of the technology companies involved.

(4 marks)

d) Write short notes on:

i) Risk premium

(3 marks)

ii) Prospectus

(3 marks)

iii) DDM

(3 marks)

**QUESTION 4**

- a) Demonstrate the transaction procedure of Bursa Malaysia in share market.  
(8 marks)
  
- b) What is CDS?  
(3 marks)
  
- c) Based on your answer in b, who may open a CDS account?  
(8 marks)
  
- d) Discuss Returns and Distribution of Income for Islamic REITS and Conventional REITS.  
(6 marks)