

ASSESSMENT**Total Marks: 30**

1. Give short answers for the following questions: (14)
- What is two - tier Mudarabah Model of Islamic finance? And how does it work?
 - What is the difference between one - tier and two - tier modes of Mudarabah finance?
 - Outline the important features of a Mudarabah Contract.
 - What is the difference between a Murabahah Contract and Bay-al –murabahah Contract?
 - What is the difference between financial lease and operating lease?
 - What are the basic rules of Salaam Sale?
 - What are the distinguishing features of Islamic Banking?
2. Discuss the basic rules of complying with a 'Musharakah' financing contract. (6)

Case Study

- A Mudarabah Contract is settled down between an Islamic Bank and a client as follows: (10)
- The Islamic Bank provides capital of 100,000 S.R and the client provides his efforts.
 - The subject of activity of the Mudarabah is trading in foods for one year.
 - Profit is divided as: 60% for the Islamic Bank and 40% for the client.
 - There is no pay for the client in business activities.

The result of the activities was as follows:

- Sales income 450,000 S.R
- Purchases costs 325,000 S. R
- Admin costs and overheads 145,000 S.R

In regards to the above, answer the following questions:

- Determine the profit and loss in the above case
- How much is the client paid in wages?