

Course No: MAN 4326  
Course Title: Values and Islamic System  
Date: 15/05/2013  
No. of Questions: 5  
Time: 2 hours  
Using Calculator (No)

University of Palestine



Final term Exam  
2<sup>nd</sup> semester 2013/2014  
Total Grade: 60%

Instructor Name: Abedelazez J. Safi  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: Faculty of Financial Management and Business  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

**First Question:**

**Write (R) in front of the Right answer & (W) in front of the Wrong answer (20 points)**

1. ( ) In musharaka the owner bear the financial loss in proportion to his capital in the total investment in business .
2. ( ) In mudaraba and bai-salam the financier has role in the management of the funds
3. ( ) In Musharaka the owner divide the capital shares before the completion of the term of business. W in the completion of business.
4. ( ) In the case of Murabaha and Ijara, the financier has less control over the use of the funds.
5. ( ) Traditional Islamic business partnerships are arguably less applicable to small businesses than multinational corporations.
6. ( ) In mudaraba and musharaka, uncertainty of the rate of return on capital is very high while In Murabaha rate of return is fixed and pre-determined while.
7. ( ) In some countries, like Bangladesh and Pakistan, a penalty provision is introduced on mark-up based contracts. if the stipulated installments are not paid due time-period.
8. ( ) Advantage of Islamic banking, its greater ability to allocate risk optimally through the sharing of project returns between owner of the capital and entrepreneur.
9. ( ) Muslim Principal-agent problems arising from asymmetric information and costly monitoring.
10. ( ) Richard Neustadt insists that an understanding of "the nature of leadership requires understanding of the essence of power, for leadership is a special form of power".
11. ( ) The power-driven behavior of the leaders has given a bad name to politics itself.
12. ( ) The understanding of Western, secular societies can be of much value in understanding the leadership phenomenon from an Islamic perspective
13. ( ) Evolutionary theory frequently described as contractual or contractual theories of the firm.
14. ( ) Competence-based theories of the firm are consistent, because a variety of approaches could be grouped under this heading.
15. ( ) Smith argued that the division of labour within the firm meant that workers could specialise and enhance their skills through learning by doing.
16. ( ) The behaviour of Islamic producers has to be based on what is considered to be the appropriate behaviour of the Islamic producer.
17. ( ) Competance based theory is on explicit and implicit contracts between employers, employees and other contractors.

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18. ( ) In regarding to some Muslim writer the Multinational corporations are not usually associated with any particular religious faith.
19. ( ) **Bai-Salam** and **Murabaha(mark-up)** can be regarded as **debt-based modes** of contract because the finance-user is not obliged to pay back the entire financing.
20. ( ) *Umer Chapra is critical of those who see capitalism as a natural economic system.*

### Second Question: Defined the Following Concepts (5 Points)

1. Definition of Capitalism
2. yroehT emaG
3. Compensation charge (Murabaha)
4. Reward-Sharing theory
5. Leadership Style

### Third Question: Draw and Explain the Following Figures (5 Points)

1. Draw and explain the Expansion Techniques?

### Fourth Question: Answer the following question clearly (20 points)

1. What are the Solutions to Overcome the Agency Problems in Islamic Banking? (5 points)
2. Write the objectives of Islamic Firms? And mention is the process of production in an Islamic firm that should be governed by the ethical rules of the Shariah? (4 points)
3. Describe the Characteristics of the Islamic Firm? (5 points)
4. Write the type of Capitalism? And explain if Is the Muslim World is 'Capitalism' system? (4 points)
5. Why we are in urgent needs of Muslim organizations and companies to be restructures? (2 points)

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**Fifth Question: Leadership & Presentation (10 points)**

1. Explain why the concept of leadership in Islam is different from those of the West? (2 points)
2. Is leadership identified in Islam and there should be Muslim Leaders? If yes or no Explain clearly? (5 points)

**Sixth Question: Additional Question for student who didn't do the midterm Exam (10 Points)**

1. Write and explain the Theory of Islamic firms?

Good Luck