NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_2 EXAMINATIONS

COURSE TITLE: ISLAMIC FINANCIAL SYSTEM
COURSE CODE: ECO728
UNITS: 2
TIME ALLOWED: 2HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE

(a). What are the key challenges faced by the Islamic financial system in achieving global integration and how do regulatory frameworks address these challenges? (15marks)
(b). What are the implications of Islamic financial markets' prohibition of conventional derivatives, and how do they address risk management and hedging in their financial products? (15marks)
(30marks)

QUESTION TWO

How do regulatory frameworks for Islamic finance differ from those of conventional finance, and what are the implications of these differences for financial stability and market development? **(20marks)**

QUESTION THREE

How do demographic trends and socio-economic factors contribute to the expansion of Islamic finance markets, particularly in non-Muslim-majority countries? **(20marks)**

QUESTION FOUR

How do Islamic financial instruments like Sukuk and Murabaha differ in their structures and applications compared to conventional debt instruments, and what are the implications of these differences for investors and issuers? **(20marks)**