Tutorial on Mudharabah Transaction Accounting:

Exercies 1-

An Islamic bank provided Mudharabah financing to a company to purchase equipment and sell it in the local market. The financing amounted to 400,000 dinars, and the following amounts were paid to the bank on the following dates:

- On January 10, 130,000 dinars were paid,
- On February 15, 100,000 dinars were paid,
- On March 5, 120,000 dinars were paid,
- Finally, on March 15, 80,000 dinars were paid.

Assuming the bank has agreed with the mudarib to distribute the profit resulting from mudaraba financing at a rate of 40% for the mudarib and 60% for the bank.

Required:

1. Record the previous transactions according to Standard 3, "Mudarabah Financing."

2. Record each party's share of the profit.

3. If the amount is deposited in one lump sum, record the transaction.

4. Assuming the amounts collected are 380,000 dinars, not 420,000 dinars, how does Standard 3 address mudaraba losses?

Exercise 2-

An Islamic bank agreed to grant a customer a mudaraba financing agreement to purchase goods to be marketed locally. The mudaraba financing agreement amounted to 500,000 dinars, and the amount was paid by check drawn on one of the bank's branches.

- The mudaraba agreement period was 3 months, starting April 1, 2019.
- The bank agreed with the mudarib that the profit would be distributed at a ratio of 60% to the bank and 40% to the mudarib.
- Given that the mudarib did not provide any guarantees to the bank,

- The customer's expenses on this transaction amounted to 2,700 dinars (considered mudaraba expenses).

- On July 31, 2019, the proceeds from the mudaraba account opened amounted to 550,000 dinars (of which 200,000 dinars were paid, and the remainder was paid by checks drawn on the mudarib's current account).

Required: Record the previous transactions in accordance with Standard 3, "Mudaraba Financing," and indicate the share of each bank and mudarib in the profits.