



**Research
Methodology
IB720**

Spring-2017

Program	MS in Islamic Banking
Course Instructor	Dr. Kausar Abbas
E-mail	Kausar.abbas@umt.edu.pk
Credit Hours	03
Duration	15 Weeks
Class Schedule Time	Saturday 06:30 @ 2S-42
Office	Hall # 3S-40, South Block.
Contact	UAN# 111-300-200 (Ext: 3413)
Student Hours	By Appointment or visit as display hrs on office board

Course Outline

COURSE DESCRIPTION & OBJECTIVES

The main purpose of this class is to provide you with a broad introduction to the methodological foundations and tools to study Islamic Banking and Finance.

You will learn how to identify problems to study, develop hypotheses and research questions, specify independent and dependent variables check for the validity and reliability of studies and design research projects.

At the end of this course, you should be able to:

1. Define research; explain and apply research terms; describe the research process and the principle activities, skills and ethics associated with the research process.
2. Explain the relationship between theory and research.
3. Describe and compare the major quantitative and qualitative research methods in Islamic Finance research.
4. Propose a research study and justify the theory as well as the methodological decisions, including sampling and measurement.

5. Be able to assess and critique a published journal article that uses one of the primary research methods in the field.		
6. Be able to construct an effective questionnaire		
7. Write an effect research proposal or research article		
Grading Breakup and Policy		
*Home Works/Assignments: 20%		
Presentations: 10%		
Mid-term: 30%		
Final Exam: 40%		
Passing Marks: 50%		
Course Overview		
Weeks	Topics	Readings/Assignmens
Week 1	Introduction to course	Course syllabus
Week 2	Introduction to The Process of Conducting Research	Handouts will be provided
Week 3	Research Design Introduction <ul style="list-style-type: none"> • Steps in the Process of Research • Identifying a hypothesis • Research problem, specifying a purpose, creating research questions 	Handouts will be provided
Week 4	Reviewing literature Critically Critiquing Research five articles	Due: 25 th Feb
Week 5	Ethics of research	Handouts will be provided
Week 6	Midterm++	
Week 7& 8	Sampling Concepts <ul style="list-style-type: none"> • Defining the Target Population • Representative Sample • Weighting Design Effect • Sampling Methods (Cluster, Stratified,• Simple Random) 	Handouts
Week 9	Description of Data	Handouts
Week 10	Data Analysis <ul style="list-style-type: none"> • Writing About Quantitative Findings 	Handouts
Week 11	Writing About Qualitative or Mixed Methods Findings	Handouts
Week 12	Applying Research in the field of Islamic Economics, Finance, Banking	Handouts
Week 13	Submission of Research Article, Presentations.	

Week 14	Submission of Research Article, Presentations.	
Week 15	Final Exam	

Textbook(s)/Supplementary Readings
<p>Recommended Texts & Readings: Research methods in Banking and Finance Dr.Salih Katircioglu BNFN: 5043 http://www.emu.edu.tr/salikh/courses/bfn504/introduction.pdf</p>
<p>Consultancy Service</p> <p>During this programme consider me as your consultant and Mentor, not only for your academic matters but also for your personal problems and other non-academic matters. You are free to discuss your academic and non-academic problems (if any) with me. However to avoid inconvenience, you are advised to visit the office during prescribed office hours.</p>
<p>Plagiarism Policy:</p> <p>Plagiarism involves the unacknowledged use of someone else's work, usually in coursework, and passing it off as if it were one's own. Many students who submit apparently plagiarized work probably do so inadvertently without realizing it because of poorly developed study skills, including note taking, referencing and citations; this is poor academic practice rather than malpractice. However, some students plagiarize deliberately, with the intent to deceive. This intentional malpractice is a conscious, pre-mediated form of cheating and is regarded as a particularly serious breach of the core values of academic integrity. No credit will be given to plagiarized work or copied assignments.</p>

*Students are encouraged to submit their assignments before the deadline. Late assignments will not be entertained.



**Case Studies and
Seminars in Islamic
Banking and Finance
IB785-**

Spring 2017

Program	PhD in Islamic Banking
Course Instructor	Dr. Kausar Abbas
E-mail	Kausar.abbas@umt.edu.pk
Credit Hours	03
Duration	15 Weeks
Class Schedule Time	Friday 6:30PM @ 3L-09
Contact	Hall # 3S40, Room # 1 Central Building- 2nd floor, South Block. UAN# 111-300-200 (Ext: 3413)
Student Hours:	10:00 to 12:00 PM (Tuesday)

COURSE DESCRIPTION

Case Studies and Seminars in Islamic Banking and Finance is a pioneering resource that provides practical insights into the real world of Islamic financial transactions, and illustrates the complexities of this rapidly growing mode of modern finance. The cases cover core Islamic banking and finance topics including the Ijara, Mudaraba and Musharaka contracts; Islamic mortgages for home finance; leverage; and issues involved in opening an Islamic bank. Financial statement analysis for Islamic banks, the implications for fund management for equity investing and the impact of loan defaults on Islamic and conventional banks are also included. It concludes with a set of questions designed to test the student's understanding of each case, with suggested solutions at the end of the course and is an essential seeking practical examples of how to apply the concepts in a real world environment.

Grading Breakup and Policy

*Home Works/Assignments: 25%

Organizing a seminar: 25%

Mid-term: 25%

Final Exam: 25%

Passing Marks: 60%

Course Overview

Weeks	Topics	Recommended/ Readings
1	Introduction Islamic Banking Products: Regulations, Issues and Challenges. The Case study of Malaysia	<ul style="list-style-type: none">• An Introduction To Islamic Finance by Shaykh Mufti Taqi Usmani• An Introduction to Islamic Finance: Theory and Practice, 2nd Edition Zamir Iqbal, Abbas Mirakhor• The Foundations Of Islamic Banking by Ariff, M. Iqbal, M
2	Islamic Banking: Interest Rate Free or Interest Rate in Another Name- A study on Islamic Banking	<ul style="list-style-type: none">• Interest Free System in Islam by M. M. Khan , M. H. Syed (Eds.)• Understanding Islamic Finance by Muhammad Ayub
3	Case Study 1. The Ijara Contract as a mode of Islamic Finance. Case Study 2. The Musharaka Contract as a mode of Islamic Finance. Case Study 3. The Diminishing Musharaka Contract as a mode of Islamic Finance.	<ul style="list-style-type: none">• Analysis of Growth of Ijara Investment in Pakistan (A case study on Meezan Bank) by Nousheen Abbas Naqvi & Anila Perveen• An Introduction To Islamic Finance by Shaykh Mufti Taqi Usmani• https://www.meezanbank.com/bike-ijarah/
4	Case Study 4.1. The Mudaraba Contract as a mode of Islamic Finance. Case Study 4.2. The Mudaraba contracts with multiple financing options. Case Study 5. Murabaha, Musharaka, Ijara and Ijara Wa-Iktina.	<ul style="list-style-type: none">• Profit sharing ratios in mudaraba contracts revisited by Zubair Hasan INCEIF: The Global University of Islamic Finance,• The International Journal of Banking and Finance, Vol. 7. Number 1: 2010: 1-18• Malaysia http://epublications.bond.edu.au/cgi/viewcontent.cgi?article=1017&context=ijbf

5	<p>Case Study 6. Islamic Mortgages for Home Finance.</p> <p>Case Study 7. Sources of Finance for Islamic Banks: An Application of Profit and Loss Sharing.</p> <p>Case Study 8. Financial Statement Analysis for Islamic Banks</p>	<ul style="list-style-type: none"> • Case Studies in Islamic Banking and Finance Brian B. Kettell ISBN: 978-0-470-97801-6 Paperback 192 pages June 2011 • Profit & Loss Sharing By Muhammad Hanif. Createspace Independent Pub, 01-May-2014 - 120
6	Midterm++	
7	<p>Case Study 9. Islamic Investment Prohibitions.</p> <p>Case Study 10. Issues involved in creating an Islamic bank within a western regulatory framework: the case of the Islamic Bank of Britain.</p>	<ul style="list-style-type: none"> • Seven prohibited industries in islamic financial investments http://www.dummies.com/personal-finance/islamic-finance/seven-prohibited-industries-in-islamic-financial-investments/ • Why do Malaysian customers patronise Islamic banks? Asyraf Wajdi Dusuki and Nurdianawati Irwani Abdullah International Islamic University Malaysia, Kuala Lumpur, Malaysia International Journal of Bank Marketing Vol. 25 No. 3, 2007 pp. 142-160 q Emerald Group Publishing Limited 0265-2323 • Case Studies in Islamic Banking and Finance Brian B. Kettell ISBN: 978-0-470-97801-6. June 2011
8	<p>Case Study 11. Leverage and Islamic Banking.</p> <p>Case Study 12. Impact of Loan Defaults on Islamic and Conventional Banks.</p>	<ul style="list-style-type: none"> • Leveraging islamic finance for small and medium enterprises (smes) world bank islamic development bank islamic research and training institute october, 2015 • The Effects of the Global Crisis on Islamic and Conventional Banks: A Comparative Study. IMF Working Paper Monetary and Capital Markets Department & Middle East and Central Asia Department • Causes of loan defaults in pakistani banks: a case study of district d.g. khan. Sci.Int.(Lahore),27(3),2593-2597,2015

9	A Roundtable or Seminar on Pool Management & Distribution of Profit and Loss in financial reporting of Islamic Banks	
10	Outcome of the Seminar, Reporting and launching	
11	An empirical study on the effect of bad loans on banks' lending potential and financial performance: the case of SMEs lending in Ghana	<ul style="list-style-type: none"> J. o. asantey & S. tengey. Impact: International journal of research in business management (impact: ijrbrm) issn(e): 2321-886x; issn(p): 2347-4572 vol. 2, issue 11, nov 2014, 1-12 © impact journals
12	List of Sharia Principles Practiced in Selected Islamic Countries. Bahrain, Bangladesh, Iran, Jordan, Kuwait, Malaysia, Pakistan, Sudan, Tunisia, Turkey, UAE	<ul style="list-style-type: none"> Islamic Banking in Iran - Progress and challenges DR. S.Husain Ashraf , Mr. Ali Alizadeh Giashi Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 1, No.2; October 2011
13	Submission of Research Projects, Presentations.	
14	Submission of Research Projects, Presentations.	
15	Final Exam	

<p>Textbook(s)/Supplementary Readings</p> <p>Recommended Texts & Readings:</p> <p>Case Studies in Islamic Banking and Finance Brian B. Kettell ISBN: 978-0-470-97801-6 Paperback 192 pages June 2011</p>
<p>Consultancy Service</p> <p>During this programme consider me as your consultant and Mentor, not only for your academic matters but also for your personal problems and other non-academic matters. You are free to discuss your academic and non-academic problems (if any) with me. However to avoid inconvenience, you are advised to visit the office during prescribed office hours.</p>
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Islamic Microfinance

IB850

Program	PhD in Islamic Banking
Course Instructor	Dr. Kausar Abbas
E-mail	Kausar.abbas@umt.edu.pk
Credit Hours	03
Duration	15 Weeks
Class Schedule Time	Thursday 06:30 @ 2S-42
Contact	Hall # 3S-40, Room # 1 Central Building- 2nd floor, South Block.
	UAN# 111-300-200 (Ext: 3413)
Student Hours:	10:00 to 12:00 PM (Tuesday)

Course Outline

COURSE DESCRIPTION

This is a course in the development stream designed to understand the theory and practice of Islamic microfinance in developing countries like Pakistan. Furthermore, the main purpose of this course is to review the microfinance scheme and discuss how Islamic banks can participate in such an endeavour without actually compromising the issue of institutional viability and sustainability.

The course provides understanding of charity-based Islamic MFIs that will be financially and socially sustainable as these are to be based on the concepts of brotherhood, local philanthropy, and volunteer services. Charity-based Islamic MFIs will provide money for consumption as well as production purposes and, thus, can broadly target the economic and social needs of the poorest of the poor. They can help minimize indebtedness and reduce unequal distribution of wealth in society.

Grading Breakup and Policy

*Home Works/Assignments: 20%

Presentations: 10%

Mid-term: 30%

Final Exam: 40%

Passing Marks: 60%

Course Overview

Week/ Lecture/ Module	Topics	Recommended/ Readings
1	Introduction The concepts and principles of Islamic Microfinance Key principles that Islamic microfinance Providers follow	<ul style="list-style-type: none"> • An Introduction To Islamic Microfinance by Mohammed Obaidullah, 2008 • An Introduction to Islamic Finance: Theory and Practice, 2nd Edition Zamir Iqbal, Abbas Mirakhor • The Foundations Of Islamic Banking by Ariff, M. Iqbal, M
2	Interest Rate Free or Interest Rate in Another Name- A study on Islamic Microfinance	<ul style="list-style-type: none"> • Interest Free System in Islam by M. M. Khan , M. H. Syed (Eds.) • Understanding Islamic Finance by Muhammad Ayub
3	Islamic Microfinance: An Innovative Tool for Poverty Alleviation Akhuwat Exploring New Horizons in Microfinance	<ul style="list-style-type: none"> • Harper M, "Islamic Partnership Financing for Small and Microenterprise", Small Enterprise Development, Vol. 5, No.2, 1996, and Harper M, Rao DSK and Ashis Kumar, Development, Divinity and Dharma, The Role of Religion In Development Institutions and Microfinance, PA Publications, Rugby, 2008
4	Islamic Microfinance Management and its Implications on Poverty A Client Oriented Approach from Pakistan	<ul style="list-style-type: none"> • Akhuwat. (2008). Akhuwat: Microfinance with a Difference (3rd ed.). Lahore: Mahmood Kamboh Press.

5	<p>The Importance of Cultural Relevance to the Success of Microfinance</p> <p>Role of Mosque in Socioeconomic Development: The Akhuwat Experience</p> <p>Impact of “akhuwat” as a metaphor on the organization</p>	<ul style="list-style-type: none"> • Allaire Virginie, Arvind, A., Laurence, A.-M., & Karuna, K. (2009). The Success of Moroccan Microfinance Institutions: More than Just a Culture. En Scientific Commons.org. • Baktiar, R. M. Culture oriented Management Control Systems of Microfinance Institutions in Bangladesh. Dhaka. • Chiara, S. (2005). Islamic Microfinance and Socially Responsible Investments. Torino: The University of Torino.
6	Midterm++	
7	<p>Investor Capture of Conventional Microfinance and Lessons for Islamic Microfinance.</p> <p>WASIL FOUNDATION:</p>	<ul style="list-style-type: none"> • Waheed, A., Nadeem, A., & Ali, S. A., (2009). “Micro-Finance and Poverty Alleviation: A Case of Pakistan,” Comsats Institute of Information Technology International Business Research Conference, Lahore. • Bateman, M., (2010). Why Doesn't Microfinance Work? The Destructive Rise of Local Neoliberalism, London.
8	<p>Achieving triple bottom line: sustainability, growth and welfare</p> <p>Islamic Microfinance: A Case Study of Australia, Pakistan, Bangladesh and India</p>	<ul style="list-style-type: none"> • Aghion, d., Armendariz, B., & Morduch, J. (2005). The Economics of Microfinance. Massachusetts: The MIT Press. • Ahmed, S. M. (2005). Performance Indicators Report. Islamabad: Pakistan Microfinance Network.
9	<p>Islamic model of microfinance</p> <p>Legal form of the MFIs</p> <p>Sources of funds</p>	<ul style="list-style-type: none"> • Susan Johnson (2009). "Microfinance is dead! Long live microfinance. Critical reflections on two decades of microfinance policy and practice". Published in Centre for Development Studies, University of Bath, UK. • World Bank (2008). Finance for All?: Policies and Pitfalls in Expanding Access. WashingtonDC, The World Bank
10	<p>Potential of Waqf for Poverty Alleviation; The Way Forward For Islamic Microfinance Providers</p>	<ul style="list-style-type: none"> • Cengiz T., & Bedriye T., (2010). "Cash Awqaf in the Ottomans as Philanthropic Foundations."

		<ul style="list-style-type: none"> Chaudary, M. S., & Hafiz M. B., (2010). "Waqf – Concept & Integration In Islamic Financial System." Concept of Waqf in Islamic Finance.
11	Microfinance: viable approaches for Islamic banking implementation	<ul style="list-style-type: none"> El-Komi, M. & Croson, R., 2013. Experiments in Islamic microfinance, Journal of Economic Behavior & Organization, 95, 252-269. Dhumale, R. & Sapcanin, A., 1998. An application of Islamic banking principles to microfinance, Technical Note. Regional Bureau for Arab States, UNDP, in cooperation with the Middle East and North Africa Region, World Bank. Dusuki, A. W., 2008. Banking for the poor: the role of Islamic banking in microfinance initiatives, Humanomics, 24, 49-66.
12	Islamic Microfinance is an Ignored Segment of Islamic Finance Industry Case Studies and Introduction of Esaar Islamic Microfinance Program – Helping Hands Pakistan.	<ul style="list-style-type: none"> Islamic Banking in Iran - Progress and challenges DR. S.Husain Ashraf , Mr. Ali Alizadeh Giashi Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 1, No.2; October 2011 Islamic Microfinance: A Missing Component in Islamic Banking. Kyoto Bulletin of Islamic Area Studies, 1-2 (2007), pp. 38-53
13	Submission of Research Projects, Presentations.	
14	Submission of Research Projects, Presentations.	
15	Final Exam	

Textbook(s)/Supplementary Readings
<p>Recommended Texts & Readings: Introduction to Islamic microfinance Mohammed Obaidullah ISBN: 978-81-905822-2-3 Published by: IBF Net (P) Limited, India Web: http://www.ibfnet.in</p>

Consultancy Service

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Islamic Economics: Theory and Practice

IB-700

Program	MS in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Muhammad Amin
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	Muhammad.amin@umt.edu.pk

Course Outline

Learning Objective:

This course will discuss the economic rational of Islamic concepts and Islamic rules in analyzing economic activities. It will discuss and examine how Islam has played its role in several alternative concepts to business and economic strategies in different Muslim countries. Students will have an insight in to how Islam can be considered as a universal system to be applied to economic policies, business strategies and government regulations. Finally, students will gain a unique perspective into how and why Islamic values contribute to a dynamic understanding of the business climate. This subject will also arm students with the skills to understand and apply the elements of Islamic economics to economic.

This is the basic course to introduce the basic concepts of Islamic Economics, both at the theoretical as well as practical levels. The course aims at introducing the evolution of economic

thought of Muslims and its differences with the Western economic thinking. The course will enable the students analyze the issues both at the theoretical and policy sides of Islamic Economics and their solutions.

Learning Methodology:

Class lectures, home assignments, quizzes, term papers and presentations by students.

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation	Marks in percentage
Quizzes	10
Assignments	10
Mid Term	20
Attendance & Class Participation	05
Term Project	10
Presentations	10
Final exam	35
Total	100

Recommended Text Books:

- Studies in Islamic Economics (Islamic foundation, UK) Edited by Prof. Khurshid Ahmed.
- Monetary and Fiscal Economics of Islam, Edited by Muhammad Arif.
- Islamic Economics: Theory and Practice by M.A. Mannan.

Reference Books:

- Money and Banking is Islamic by Zia ud Din Ahmed, Munawar Iqbal and Fahim Khan.
- Islamic Economic by Abdul Hameed Dar and Mian Muhammad Akram

Calendar of Course contents to be covered during semester

Course Code: **IB - 620**

Course Title: **Islamic Economics: Theory and Practice**

Week	Course Contents	Reference Chapter(s)
1	Nature of and Need for Islamic Economics <ul style="list-style-type: none">• Definition of Islamic economics• Sources of Islamic economic concept• Nature and Scope of Islamic economics• Need for Islamic economics	
2	Moral and Social Institutional Framework <ul style="list-style-type: none">• Piety• Justice• Benevolence• Brotherhood• Equality• Concept of Halal and Haraam• Cooperation as basis of all economic policies	
3	Islamic Economy and Other Economic Systems Fundamental features of Islamic economic system compared with capitalism and socialism	
4	Role of Muslim Scholars to the Development of Economics as a Science <ul style="list-style-type: none">• Contribution of early Muslim scholars with special reference to Imam Abu Ubaid-ul Qasim bin Salam, Ibn-Khaldoon, Ibne-Tamiyyah and Shah Waliullah Dehlvi	
5	Theory of Consumer Behavior in an Islamic Society <ul style="list-style-type: none">• Principles about consumption in Islam• Economic significance of the principle of moderation• Behavior of Muslim consumer• Consumers Equilibrium	

6	Behavior of firm in an Islamic way <ul style="list-style-type: none"> • Islamic approach to production • Private property and its role in Islamic socio-economic order with the limits on private ownership in Islam. 	
7	Behavior of firm in an Islamic way <ul style="list-style-type: none"> • Islamic approach to production • Private property and its role in Islamic socio-economic order with the limits on private ownership in Islam. 	
8	MIDTERM SESSION	
9	Distributive Justice in an Islamic Economy Prohibitive and Corrective measures to bring about equitable distribution of income and wealth	
10	Prohibition of Interest, Banking and Monetary policy in the framework of Islamic Economics <ul style="list-style-type: none"> • Economic rationale for prohibition of interest, model of Islamic banking, central banking and monetary policy in an Islamic framework. 	
11	Islamic Modes of Finance <ul style="list-style-type: none"> • Mudarabah, Musharakah, Bai, Salam, Murabahah, Istisna, Ijara, and their viability. 	
12	Fiscal Policy of an Islamic State <ul style="list-style-type: none"> • Objectives of fiscal policy of an Islamic state, Theory and Taxation in Islam, Principles of Public expenditure, Role of Zakat as an instrument of fiscal policy in an Islamic economy. 	
13	Economic Development in an Islamic Framework <ul style="list-style-type: none"> • Islamic concept of economic development • Goals and strategy of economic development in Islamic framework 	
14	Economic role of Islamic Welfare State	
15	Group Presentations	



**Selective Studies In
Arabic Literature
IB 705**

Program	MS in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Muhammad Amin
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	Muhammad.amin@umt.edu.pk

Course Outline

Learning Objective:

Arabic is the language of Qur'an and Hadith, it is the original source to access the fundamental teachings of Shariah. To learn Arabic literature has opened the doors of creativity and innovation broadly to Muslim Ummah to develop their economic activities in fulfilling their needs in the light of divine guidance. It also enables students to understand the nature of Fiqh discipline, the availability of several opinions of Islamic jurists pertaining to an issue. With this understanding in mind, it can be derived that understanding the Arabic language is imperative in the area of Islamic banking and finance.

The subject shall contribute to the understanding and acceleration of the method of Islamic Economics and Finance from the Shariah perspective, as it is a most imperative tool for the Islamic financial institutions to meet their increasing concern about business scenario.

Learning Methodology:

Class preparation and participation:

Students are required to read assigned material before coming to class. The instructor will assess student's level of preparation by raising questions on the assigned topics.

Examinations:

As per the University policy

Assignments and Presentations:

All assignments for formal evaluation must be typed and submitted by the specified due dates. Topics of assignments would be assigned by the course instructor from the given topics. Each student will be required to make fifteen minutes class presentation on the topic assigned.

Class Attendance:

Attendance policy of the university would be strictly followed.

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation	Marks in percentage
Quizzes	15
Assignments	15
Mid Term	25
Attendance & Class Participation	10
Term Project	00
Presentations	00
Final exam	35
Total	100

Recommended Text Books/Readings:

1. Course pack will be provided in the class, via email and through Moodle Account

Calendar of Course contents to be covered during the semester

Course Code: **IB - 705**

Course Title: **Selective Studies of Arabic Literature on Islamic Finance**

Week	Course Contents	Reference Chapter(s)
1	Study of Quranic verses on Islamic Finance Grammar (1)	
2	Study of selected Ahadith on Islamic Finance Grammar (2)	
3	Study of selected texts of Fiqh on Islamic Finance Spoken Arabic	
4	Study of Quranic verses on Islamic Finance (2) Grammar (3)	
5	Study of selected Ahadith on Islamic Finance (2) Spoken Arabic (2)	
6	Study of selected texts of Fiqh on Islamic Finance (2) Grammar (4)	
7	Study of Quranic verses on Islamic Finance (3) Grammar (5)	
8	MIDTERM EXAM	
9	Study of selected Ahadith on Islamic Finance (3) Spoken Arabic (3)	
10	Study of selected Legal Maxims of Fiqh on Islamic Finance Grammar (6)	
11	Study of selected Legal Maxims of Fiqh on Islamic Finance (2) Grammar (7)	
12	Study of selected texts of Kitab al Kharaj Grammar (8)	
13	Study of selected texts of Kitab al Amwal Grammar (9)	
14	Study of selected texts of Hidayah Spoken (4)	
15	Study of selected texts of Alfiqh al Islami wa Adillatuhoo Grammar (10) Spoken Arabic (5)	



**Islamic
Jurisprudence
Ijtihad and Maqasad
Alshariah
IB-780**

Program	PhD in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Muhammad Amin
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	Muhammad.amin@umt.edu.pk

Course Outline

Learning Objective:

Development of banking and finance in Islamic perspective is a challenging academic task. It not only requires expertise in the modern conventional finance and banking but also requires deep knowledge of Islamic law and jurisprudence and understanding of injunctions of Islamic economics and finance. Ijtihad provides the mechanism which guarantees change and necessary adjustment with the changed conditions of the society keeping in view the general and specific objectives of Shariah. The purpose of prescribing this course for Ph. D students of Islamic Banking and Finance is to familiarize them with the process of Ijtihad and the role of Maqasid alshariah in the emerging field of Islamization of contemporary banking and finance.

Learning Methodology:

Class lectures, home assignments, quizzes, term papers and presentations by students.

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

<u>Marks Evaluation</u>	<u>Marks in percentage</u>
Quizzes	10
Assignments	10
Mid Term	20
Attendance & Class Participation	05
Term Project	10
Presentations	10
Final exam	35
Total	100

Recommended Text Books:

Part I: Ijtihad

English:

Books

1. L. Ali Khan and Hisham M. Ramadan, *Contemporary Ijtihad*, Edinburgh University Press, Ltd., UK 2011, 257p
2. TaqiAmini, *Fundamentals of Ijtihad*, Idara e Adbiyat e Delhi, 1988, 285p
3. Ahmad Moinuddin, *The Urgency of Ijtihad*, KitabBhavan, New Delhi, 1992 141p
4. Khalid Masud, *Iqbal's Reconstruction of Ijtihad*, Iqbal Academy, 2003, 236p
5. Allama Muhammad Iqbal, *Principal of Movement in Islam*, in *Reconstruction of Religious Thought in Islam*, ,Institute of Islamic Culture , Lahore, 2014,249p
6. FazalurRahman,*Ijtihad in the Later Centuries*, in *Islamic Methodology in History*, Islamic Research Institute, Islamabad.,2009,pp139-162
7. Muhammad HashimKamali, *Ijtihad or Personal Reasoning in Principles of Islamic Jurisprudence*, Selengor, DarulEhasn, Malaysia, 19889, pp463-500
8. Imran Ahsan Khan Niazi, *A methodology in Ijtihad in Theories of Islamic Law*, International Institute of Islamic Thought, Islamabad, 1994, 344p.

Articles:

1. Exposito, John, *ijtihad in the Islamic World: Past and Present*, Oxford Islamic Studies online.
2. Pascal, *The importance of learning the meaning of Ijtihad*, Pascal's View
3. Wael B. Hallaq, *On the origin of the controversy about the existence of Mujtahids and the gate of Ijtihad*, *Studia Islamica*, 63 (1986), 129.
4. El Shamsy, Ahmed, , *The Oxford Encyclopedia of the Islamic World*. Oxford Islamic Studies Online.
5. Muslim Women's Research and Action Forum (2000), *The Need for Ijtihad or Intellectual Reasoning.*, Colombo: Unie Arts Ltd. Pp9-72
6. *Ijtihad: Reinterpreting Islamic Principles for the 21st Century*, United States Institute of Peace Special Report.
7. *Voices of a New Ijtihad*, Center for Dialogues, New York University
8. Carlos Martinez, *Limiting the power of Religion from within: Pobabilism and Ijtihad in Religion and Its Other: Secular and Sacral concepts and practices in Interaction*. Ed. Heike Bock, JorgFeuchter and MichiKnecht, Frankfurt.M. Campus Verlag, 2008.
9. *Ijtihadf against the Text*, <http://www.maaref.foundation.com/English/library/beliefs/alnaswalijihad/index.htm>.
10. Two Theories of Ijtihad (<http://www.Ijtihad.org/Ijtihad.htm>)
11. Wael B. Hallaq, *Was the Gate of Ijtihad closed?*
(<http://www.scribd.com/doc/20641105/was-the-gate-of-ijtihad-closed>)
12. Fred Dallmayr, *Opening the doors of Ijtihad*, on [www.resetdoc.org](http://www.resetdoc.org/sory/000000216229)
(<http://www.resetdoc.org/sory/000000216229>)
13. Abdullah bin Hamid Ali, *Alghazali in the Essentials of Interpretative autonomy (Ijtihad)*: <http://www.Lamps of production.com>
14. MaulanaWahiduddin Khan, *The importance of Ijtihad* CPS Inteernaional, New Delhi, 2010.
15. MurtazaMutahari, *The Principle of Ijtihad in Islam*, Vol x, No.1, Trans. John Cooper, pp23

Urdu Books

1. Dr. M. TahirMansoori (Ed) *IjtimaeeIjtihad*, IdaraTahqiqat I Islami, Islamabad, 2007, 724p
2. MaulanaTaqiAmini, *Ijtihad*. QadimiKutbKhana, Karachi, 366p
3. Mulana Muhammad HanifNadvi, *Masala iIjtiihad*, Ilm o Irfan Publishers, Lahore ,2006, 221p
4. Hafiz Shoaib Ahmad, *KhulafaiRashidinkaIjtihadiManhajaurAsr I Hazir main is saiIstafadah*, Dar alnawadir, Lahore 2013, 497

Part II: MaqasidAlshariah

English:

Books:

1. JasserAuda, *Maqasid al Sharia as Philosophy of Islamic Law – A systems Approach*, IIIT London, 2007, 376p
2. Ahmad Al Raysuni, *Imam Al Shatibi's Theory of the Higher Objectives and Intents of Islamic Law*, IIIT London, 2013, 29p
3. IbnAshur, *Treatise of Maqasid al Sharia*, Trans and Ed MohammedEltahirElmesawi, Abridged by Alson Lake, IIIT London, 29p
4. Dr. M. Khalid Masud , *Shatibi's Philosophy of Islamic Law*, Islamic Research Institute,, Islamabad, 1995

Articles:

1. Salman Syed Ali & Hamid Hasan, *Towards a Maqasid al Sharia based Development Index*, Islamic Research & Training Institute, IDB Jeddah, pp24
2. Dr. AsyrafWajdiDusuki, *Challenges of Realizing Maqasid al-ShariahinIslamicCapital Market: Special Focus on Equity-Based Sukuk*, Centre for Islamic Management Studies, University Sains Malaysia, 29p
3. Dr. Mohammad Monzur-E-Elahi, *The Objectives and Intents of Islamic Shari'ah, As a Paradigm of Development Strategies and Policies* IIUC Studies, 16p
4. Abdul RahmanYousri Ahmad, *Role of Finance in achieving Maqasid al Shariah*, Islamic Economic Studies, Vol. 19 No. 2, 19p.
5. Mohammad HashimKamali, *Maqasid al-Shari'ahMade Simple*, International Institute of Advanced Islamic Studies, Malaysia, pp18.
6. Habib Ahmed, *Maqasid al Sharia and Islamic Financial Products: a Framework for Assessment*, ISRA International Journal of Islamic Finance • Vol. 3 • Issue 1 • 2011, pp12
7. Dr. AsyrafWajdiDusuk and Dr. Said Bouheraoua, *The Framework of Maqasid al Shariah and its Implications for Islamic finance, Islam and Civilizational Renewal*, Volume 2, Number 2, January 2011, by the International Institute of Advanced Islamic Studies (IAIS) Malaysia, pp38.
8. Amir HusinMohd Nor etc., *Application of The Principles of MaqasidShari'ahin Administration of The Islamic countries*, UniversitiKebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia, p 5
9. Sh.MohdSaifuddeen etc., *Maqasid al-Shariah as a Complementary Frameworkto Conventional Bioethics*, Springer Science+Business Media Dordrecht 2013 p 11
10. Dr. Wan Sulaiman Bin Wan Yusoff , *The Role of Ethics, Maqasid al Shariah, Morality and Altruism in Economic Life.*, KuinAlor Star Kedah (DA), [pp36](#)
11. Mehmet Asutayi, *Developing Maqasid al-Shari'ah Index to Evaluate SocialPerformance of Islamic Banks: A Conceptual and Empirical*, International Journal of Islamic Economics and Finance Studies, 2015, Year:1, Volume:1, No.1, pp60
12. HalimRane, *The Relevance of a Maqasid approach for Political Islam post-Arab revolutions*, Journal of Law and Religion [Vol. XXVIII, pp32
13. Halima Boukerroucha. *Alternatives to Custodial Sentences: A Maqasidi Approach*, International Islamic University Malaysia, Kuala Lumpur, Malaysia, pp12\
14. Mohammad Abu Hurayra, *Achievement of Maqasid-al-Shari'ah in Islamic Banking: An Evaluation of Islami Bank Bangladesh Limited*, pp9

15. ShamreezaRiaz, International Journal of Social Science &Humanity, Vol. 3, No. 3, May 2013p

Urdu Books

1. Dr. NijatUllahSiddiqui, Maqasidalsharia, Institute of Islamic Research, 2014, 326p
2. Maulana Khalid SaifullahRahmani (Ed) Maqasidalsharia, Eifa Publications, New Delhi, 2010, 521p
3. Imamalshatibi, *AlMuafqat* (Urdu Translation MaulanaAbdurRehmanKalani, Diyal Sing Trust Library, Lahore
4. AmmarNasir, HudoodwalTazirat,

Calendar of Course contents to be covered during semester

Course Code: **IB - 780** Course Title:**Islamic Jurisprudence Ijtehad and MaqasadAlshariah**

Week	Course Contents	Reference Chapter(s)
	Part I: Ijtihad	
1	Ijtihad: Definition, types, need, scope and importance	
2	Mujtahid: Qualifications and capabilities	
3	Sources of Ijtihad(Quran and Sunnah)	
4	Tools of Ijtihad (1) Qiyas	
5	Tools and sources of Ijtihad (2) Istisan, Maslaha, SaddAlzaria etc.	
6	Historical Development of Islamic Law and Jurisprudence(salf, emergence of various Schools, golden age, Taqleed)	
7	Ijtihad and Contemporary issues/applications Ijtihad, Islamic Finance and Banking	
8	MIDTERM SESSION	
	Part II: MaqasadAlshariah	
9	MaqasadAlshariah: Definition, types, need and importance	
10	General Objectives of Alshariah (1) Security of Faith	

11	General Objectives of Alshariah (2) Security of Life & Property	
12	General Objectives of Alshariah (3) Security of Mind & Prognny	
13	Role of Maqasad in legislation and Ijtihad	
14	Maqasad and Islamic Finance & Banking Seminar	
15	Group Presentations	



ECONOMIC POLICY AND ANALYSIS OF ISLAMIC BANKING AND FINANCE IB 810

Program	PhD in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Rukhsana Kalim
Credit Hours	03
Counseling Hours	Thursday 4:00-6:00pm
Course Management System	www.lms.umt.edu.pk
Contact	drrukhsana@umt.edu.pk

Course Description: Islamic economics has been considered a distinct academic discipline to be included in the curricula of economics, finance, management and banking. Islamic Economics is the study of economic behavior in the light of the commands of Allah. The source of knowledge is the Holy book of Quran, the most authentic and comprehensive book covering all aspects of human life. Beginning with the fundamental concepts in economics, the course covers the concept of economic policy which refers to the actions that governments take in the economic field. Economic policy covers the government interventions into the economy. The course discusses fiscal and monetary policy of the government from both conventional and Islamic perspective. The course will cover the topics such as consumer and firm behavior in Islam, macro economic problems and their solution in Islamic economic system, the distinguishing features of Islamic banking and finance and the interplay of the government.

Learning Objectives

The course is designed to provide an exposure to the traditional economic concepts and policies along with its comparison with the tools of Islamic Economics. Students will learn how different economic policies can play their role in addressing the macro economic issues from Islamic perspectives. The participants will be able to comprehend and compare different economic systems BY understanding the uniqueness and benefits of the Islamic economic system. They will also get the knowledge on the functioning of economic policies like fiscal policy and monetary policy to address the economic problems and challenges within the mode of Islamic system. The course will also inculcate the research skills and students will be able to conduct quality research in the area of Islamic finance.

Learning Methodology

Task of reading, writing and presentation will be assigned and you are supposed to prepare well for the next class. The class will be carried out as an engaging seminar. The success of the class will depend on how well you have prepared to discuss all assigned reading materials. Group and round table discussion will be also arranged for interactive sessions. Books and research articles are the required source of knowledge for this course. In-depth reading is required in the course. Empirical and conceptual papers related to Islamic finance and banking will be presented by each student for discussion, analyses, and comparison. There will be Five or six assignments comprising of summary of basic economic concepts and theories, summary and critical analysis of research papers, term paper, and finally the research paper to be produced by you in the end.

Plagiarism

All the written documents will undergo the screening test for plagiarism. Following HEC policy 19% similarity is accepted.

Grading Criteria

Discussion	20%
Presentation	15%
Assignments	20%
Term Paper	20%
Research Paper	25%

Suggested Readings:

Books

1. Faizal Karbani (2015), Mastering Islamic Finance: A Practical Guide to Sharia-Compliant Banking, Investment and Insurance

- (The mastering series). Pearson
2. Institute of Bankers Pakistan, Islamic Finance
 3. Dr. Muhammad Imran Ashraf Usmani 'Meezan Bank's Guide to Islamic Banking' (MGB)
 4. Islamic Finance Qualification (IFQ) The Official workbook Edition 4, 2010Ê.
 5. Robert Pindyck and Daniel Rubinfeld (2012), Microeconomics (8th edition) 2012) Prentic Hall. Pearson. (RPDR)
 6. Mankiw Macroeconomics (latest edition).
 8. Vogel, F. E. and Hayes, S. L. Islamic Law and Finance: Religion, Risk and Return (VH)
 9. Abdul Hameed Dar and Mian Muhmmad Akram (2006), Islamic Economics, Ilmi Kitab Khana, Lahore.
 10. Sayyid Abul A La Mawdudi (2013), First Principles of Islamic Economics, IPS press.

Research Articles

Research Articles will be uploaded in Moodle.

Session wise Detail

Session	Topic	Learning Objective	Knowledge Source	Mode of Learning
1	Introduction and Overview <ul style="list-style-type: none"> • Traditional Economics and Islamic Economics • Need of Islamic Economics • Sources of Islamic Economics 	Introduction and preliminary reflection on Islamic Economic and Financial System	Pyndick (2012) Mankiw Hameed Dar and Akram (2006), Umer Research Articles	Discussion
2	Islamic Economic System and its comparison with Western Economic systems <ul style="list-style-type: none"> • Capitalism • Socialism • Secularism 	To understand the distinguishing features of Islamic Economic System and compare them to other Western Economic Systems	Hameed Dar and Akram (2006) Maulana Taqi Usmani, Islamic Finance	Assignment 1: Summary of traditional Economics, Economic Systems and Islamic Economics
3	Theory of Consumer Behavior <ul style="list-style-type: none"> • Theory of Value, Market and Prices • Consumer's behavior • Islamic Perspective 	Get the knowledge on the consumer behavior in traditional economics and compare it with Islamic system	Pyndick (2012) Mankiw Research Articles	Lecture, Discussion Term Paper to be announced
4	Theory of Production <ul style="list-style-type: none"> • The Role of Firms • Behavior of firm in an Islamic way • Islamic approach to production • Private property and its role in Islamic socio-economic order with the limits on private ownership in Islam. 	Comprehend the behavior of firm	Research Articles	Assignment

5-6	Economic Policy <ul style="list-style-type: none"> • Types of economic policy: • Fiscal policy: Changes in government spending or taxation. • Monetary policy: Changes in the money supply to alter the interest rate (usually to influence the rate of inflation). • Supply-side policy: Attempts to increase the productive capacity of the economy. 	To understand the functioning of different economic policies	Mankiw Research Articles	Discussion on Articles Presentation
7-8	Economic Policy <ul style="list-style-type: none"> • Fiscal Policy • Taxation • The role of Zakat in economic growth • Zakat and Poverty • Zakat Vs Taxation • Zakat Problems and Issues 	To learn how fiscal tools are used to stabilize the economy and what role does zakat play in the economy?	Mankiw, Macroeconomics Research Articles	Discussion on Articles Presentation Assignment
9	MID TERM			
10-11	Monetary Policy <ul style="list-style-type: none"> • Islamic Monetary Policy • Islamic Monetary Policy Instruments • Islamic finance and Monetary Policy • Monetary Policy and Zakat 	To understand the role of monetary policy in the economy from Islamic perspective	Mankiw, Macroeconomics Research Articles	Assignment Discussion on Articles
12	Prohibition of interest and interest free banking	To be able to comprehend the full	Pg 25-26 Supreme Court Judgment , VH Ch.4	Assignment Presentation

	<ul style="list-style-type: none"> • Definition, significance,. • Business instruments. • Riba' in Islam. • Meaning, types of riba' and elements of riba' • Difference between riba' and business trade • Differences between riba; and profit. • Effects of riba'. • Floating interest rate • KIBOR • SBP DISCOUNT 	concept of interest free banking	Chapter:9 Akram	
13-14	<p>Islamic Trade Policy</p> <ul style="list-style-type: none"> • Islamic Trade Policy • Islamic Trade Finance • Islamic Trade Finance and Solution Provider • Challenges to Islamic Trade Finance 	To learn about the Islamic trade policy. How foreign payments can be made in the Islamic system	Research Articles	Discussion on Articles
15	<p>The Major modes of Islamic banking and finance</p> <ul style="list-style-type: none"> • Trade Based, Investment Based Murabaha/Bai Muajjal Ijarah • Mudaraba • Musharakah • Salam and Istisna • Equity Investments and Islamic Equity Funds 	To get the knowledge on different Islamic products	MBG Ch.-1-3 Research Articles Usmani (1999) MTU pp. 157-181 MBG. Ch.15 MTU pp. 185-200 Research Articles	Discussion



**Introduction to
Islamic Banking and
Finance
IB 690**

Program	MS in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Talat Hussain
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	talat.hussain@umt.edu.pk

Course Outline

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation

Marks in percentage

Quizzes

20

Assignments	20
Mid Term	20
Attendance & Class Participation	10
Term Project	20
Presentations	10
Final exam	00
Total	100

Recommended Text Books:

Books are recommended at the end of each faculty member course outline.

Reference Books:

Reference books are recommended at the end of each faculty member course outline.

CONVENTIONAL BANKING PART

Resource Person: Tahseen Mohsan

Lecture 1

- What do you mean by Banking?
- Conventional Banking
- Unique features of the Conventional Banking
- Role of Banking System
- BANKING IN PAKISTAN
- Types of Financial Institutions in Pakistan

Lecture 2

- CORE FUNCTIONS OF STATE BANK OF PAKISTAN
- Conventional Banking System
- PRODUCTS & SERVICES
 - 1- Corporate Finance Advisory services
 - 2-Financing

Lecture 3

3-Transactional Services

- Benchmark Interest Rate KIBOR
- BACKGROUND
- KIBOR as Rate
- How KIBOR is derived

Assignments/ presentations:

- 1- Discuss the asset & liability products alongwith their key features of any conventional financial institution of your choice.
- 2- Point the conclusions about investments/investment decisions as concluded in any of the research paper.

Anees
Nov. 11, 2013
APPROVED

Ahmed
2013

Course outline

1 module
Introduction to
Islamic Banking

3 lectures
9 hours

اسلامی اقتصادیات کے بنیادی اصول:

IB-600

حسنت (نیکیوں) کے معاشی اثرات۔	حسنت	1
دوسروں کے حقوق کو اپنے حقوق پر ترجیح دینا، ایثار کے معیشت پر اثرات۔	ایثار	2
خیر کا معاشی تصور۔	خیر	3
قرآن مجید میں احسان کا حکم، احسان کا بدلہ احسان، احسان کا معاشی تصور	احسان	4
قرآن مجید کی رو سے خرچ کرنے کی اہمیت۔	انفاق	5
زکوٰۃ کی فرضیت، زکوٰۃ کا معاشی فائدہ۔	زکوٰۃ	6
وضع الشئی فی غیر محلہ۔	ظلم	7
سود، قمار، غرر، احتکار، ارتکاز، تطفیف کا بیان۔	استحصال	8
حلال و حرام کا دار و مدار۔	اسلام میں عقد کی اہمیت	9
دس (10) متفرق شرائط۔	بیع کی بنیادی شرائط	10

متعلقہ کتب برائے مطالعہ:

(1) اسلامی بینکاری کی بنیادیں:

مؤلف:	نام کتاب:
مفتی تقی عثمانی صاحب مدظلہم	اسلامی بینکاری کی بنیادیں
حافظ عزیز الرحمن	نظام زکوٰۃ کی برکات
مولانا حافظ الرحمن سیوہاروی رحمہ اللہ	اسلام کا اقتصادی نظام
مفتی محمد شفیع عثمانی رحمہ اللہ	مسئلہ سود
مولانا اعجاز صدیقی صاحب مدظلہم	بیکافل انشورنس کا اسلامی طریقہ
مولانا اعجاز صدیقی صاحب	اسلامی بینکاری اور غرر
مفتی تقی عثمانی صاحب مدظلہم	سود پر تاریخی فیصلہ
ڈاکٹر مفتی عبدالواحد صاحب مدظلہم	تجارت کے اسلامی اصول و احکام
الاستاذ الدكتور وھبۃ الرحمن	الفقہ الاسلامی وادلتہ
مفتی تقی عثمانی صاحب مدظلہم	اسلام اور جدید معاشی مسائل

Introduction to Islamic Banking and Finance (IB-600)

(Module # 03)

Course Outline

Resource Person: Mufti M. Ifthikhar Baig

Main Theme Topic: Comparative Fiqh

Sr. #	Topics	Date
1	An Introduction to the Subject, Meaning of Shariah , Sources of Shariah, Fiqh & Shariah	21 Dec, 2013
2	Definition of Fiqh and its Scope, Difference between Law & Fiqh, Different Schools of Fuqaha	28 Dec, 2013
3	Some Case Studies on Comparative Fiqh	04 Jan, 2014

Introduction to Islamic Banking (Takaful, IB-600 Module-IV)

Mr. Tariq Saeed Chaudhry

To recognize the importance of and the need for Shariah compliant approaches to risk management

Objectives - Learners will be able to:

1. Describe various risk management tools and techniques
2. Describe conventional insurance & its products, and Takaful & its products
3. Differentiate between conventional insurance and Takaful

Sessions	Topic
1	Basic understanding of risk and Shariah perspective on risk Conventional risk management tools and techniques Conventional insurance <ul style="list-style-type: none">- Definition and introduction- History- Classification of insurance contracts- Products (life, general, investment-linked, endowment, etc)
2	Core Shariah concepts for Takaful <ul style="list-style-type: none">- Waqf (definition, conditions) Takaful <ul style="list-style-type: none">- Definition- Background- Shariah basis for Takaful<ul style="list-style-type: none">o Conditional giftso Undertaking of Tabarruo Waqf
3	Takaful ...cont'd <ul style="list-style-type: none">- Comparison with conventional insurance- Re-Takaful- Takaful products and services – (including structures, pricing, distribution channels)- Regulatory regime<ul style="list-style-type: none">o Domestic: SECP rules 2005o International: AAOIFI, IFSB Global Market for Takaful

VALUES (to be reinforced through targheeb o tarheeb, anecdotes, brief 3-5 minute talk at the start or the end of the session)

- Halal Rizq
- Razzaq
- Commitment to ethics/values/Shariah compliance in letter and spirit
- Professionalism – adoption of global best practices

REFERENCE BOOKS

1. Takaful ki Sharai Haisiyat by Mufti Dr. Ismatullah
2. Takaful by Sohail Jafar



Islamic Banking and Finance

IB – 690

Program	PhD in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Talat Hussain
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	talat.hussain@umt.edu.pk

Capsule Statement

This course will discuss Finance which is re-emerging field as a financial system based upon Islamic Ideology. Islamic financial theories are founded in avoidance of concentration of wealth, prohibition of Riba, elimination of income inequality and poverty reduction along with welfare (Falah) objectives i.e. social well being of the society at large. At a macro level, the Central Bank of a country has the overall responsibility to establish institutions and frame such policies which are in accordance with the principles laid down in Sharia, Quran and also in line with Sunnah and teachings of the Prophet (PBUH). The course includes the theories and policies of Islamic Finance including, Investments, Financing, Trade, Commerce and Banking in the Micro/Macro-Economic framework. At a basic level, it covers ethical dimension of Islamic finance; the financing mechanisms used in; and the supervision of Islamic institutions both by the central banks and by the Shari'ah supervisory boards. A number of case studies will be examined as well as key research studies relating to the most critical issues in Islamic finance. Students will be able to analyze the ethical foundations of Islamic finance and appreciate its place in the wider

understanding of Islam and its adherents. The important objective is introducing this course is to familiarize students with the Islamic ideology regarding finance and to keep them aware of this re-emerging field.

Learning Objectives

This is a basic course to introduce the basic concepts of Islamic Finance, both at the theoretical as well as practical levels. The course aims at introducing the evolution of Islamic Economics & Finance and its differences with the western thinking. The course will enable the students analyze the issues both at the theoretical and policy sides of Islamic Money and Capital Finance and their appropriate solutions.

Learning Methodology

Class lectures, home assignments, quizzes and presentations by students, term paper

Assessments

All of the activities held during the session will be evaluated; the final grades for the course will be as follows:

Assignment	10%
Quizzes	10%
Presentation	10%
Term Paper	10%
Mid-Term	20%
Class Participation	05%

Final	35%
Total	100%

COURSE TEXT BOOK:

Iqbal, Zamir / Mirakhor, Abbas (2011) *An Introduction to Islamic Finance: Theory and Practice*, 2nd Edition, Wiley® Finance Publishing.

RECOMMENDED TEXT BOOKS

1. *Usmani, Muhammad Taqi. (1998) An introduction to Islamic finance*, published by IdaratulMa'arif, Karachi, Pakistan
2. *Ayub, Muhammad, (2007) Understanding Islamic finance / Muhammad Ayub* John Wiley & Sons, Hoboken, N.J
3. *Kettel, l Brian B. (2011). An Introduction to Islamic Banking and Finance/ Brian BKettell* Wiley Finance
4. *Tiby, AmrMohamed El(2011). Islamic Banking: How to Manage Risk and Improve Profitability/, Amr Mohamed El Tiby*Wiley Finance
5. *Kettel, l Brian B. (2011). Case Studies in Islamic Banking and Finance/ Brian BKettell* Wiley Finance

Course Outline

week	Topic	Activities	Helping/Extra Material
1	Introduction	<ul style="list-style-type: none"> • Foundational Concepts • Islam's Concept of Justice • Shari'ah—the Law • Islamic Economic and Financial Systems • Modern History of Islamic Banking and Financial Services 	Handouts & Research Articles
2	An Introduction to Shari'ah	<ul style="list-style-type: none"> • Brief introduction to Shari`ah , Fiqh and Usul Al-Fiqh • The Qur`an. Characteristics of Qur`anic legislation • Sunnah. Its place in Islamic legislation • Ijtihad. Its Meaning and techniques • Ijma` and other sources • Qiyas 	Handouts & Research Articles
3	Riba vs. Rate of	<ul style="list-style-type: none"> • The Concept of Riba in Islam • Definition of Riba 	Handouts & Research Articles

	Return	<ul style="list-style-type: none"> • Rationale for the Prohibition of RIBA • Promoting Profit and Risk Sharing • Lack of Theory of Interest • Appendix A: Usury, Riba and Interest: A Historical Perspective • Judaism and Interest • Christianity and Interest • Islam and Interest • Interest and Modern Economics 	
4	Financial Instruments	<ul style="list-style-type: none"> • Transactional Contracts • Financing Contracts • Intermediation Contracts • Appendix B: Islamic Instruments: Historical Background 	Handouts & Research Articles
5	The Islamic Financial System	<ul style="list-style-type: none"> • Financial Systems: A Functional View • Components of the Islamic Financial System • Effect on Savings and Intermediation 	Handouts & Research Articles
6	The Stability of Islamic Financial System	<ul style="list-style-type: none"> • What is Financial Stability? • Financial Stability of Islamic Finance • Conclusion 	Handouts & Research Articles
7	Islamic Financial Intermediation and banking	<ul style="list-style-type: none"> • Financial Intermediation by Islamic Banks • Sources and Uses of Funds • Distinctive Features of the Islamic Mode of Intermediation and Banking • Islamic Banking: Theory vs. Practice • Critical Issues with Current Practice 	Handouts & Research Articles
8	Mid-Term		
9	Capital Markets	<ul style="list-style-type: none"> • Stock Markets and Islamic Funds • Development of Equity Markets • Securitized Market: Sukuk • Non Bank Financial intermediation 	Handouts & Research Articles

10	Performance of Islamic Financial Services	<ul style="list-style-type: none"> • The Efficiency of Islamic Banks • Performance of Islamic Capital Markets • Corporate Social Responsibility • Performance in Crisis Period • Bank Failures 	Handouts & Research Articles
11	Financial Engineering	<ul style="list-style-type: none"> • Financial Engineering in the Islamic Financial System • Lessons from the Financial Crisis • Challenges for Financial Engineering in Islamic Finance • Conclusion • Appendix C Potential Applications of Financial Engineering • Synthetic Currency Forward Contract • Currency SWAP • Rate-of-Return Swap • Development of an Islamic Benchmark 	Handouts & Research Articles
12	Regulation of Islamic Financial Institutions	<ul style="list-style-type: none"> • Introduction • Distinctive Features of Regulating IFIs • IFIs as Universal Banks • Capital Adequacy Requirement for IFIs • Bank Supervision and Market Discipline • Regulation of IFIs: Looking Forward • Post-Crisis Regulatory Environment and Impact on IFIs 	Handouts & Research Articles
13	Corporate Governance	<ul style="list-style-type: none"> • An Islamic Perspective: Stakeholder-Oriented Governance • The Significance of Trust • Corporate-Governance Issues of IFIs • Lessons from the Current Financial Crisis 	Handouts & Research Articles
14	Globalization and its Challenges/Issues and Challenges	<ul style="list-style-type: none"> • Development of Theoretical Foundation • Development of Economic Institutions • Reluctance to Promote Risk Sharing • Financial System, Architecture and Infrastructure • Limited Market-Based Financial Intermediation 	Handouts & Research Articles

		<ul style="list-style-type: none">• Expanding Scope of Financial Intermediation• Wealth Management• Risk Management Framework• Regulatory and Governance Issues	
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Articles to be discussed

Islamic Economic system

L. Raimi, H.I. Mobolaji, (2008),"Imperative of economic integration among Muslim countries: Lessons from European globalisation", *Humanomics*, Vol. 24 Iss: 2 pp. 130 - 144

TimurKuran (1986) "The Economic System in Contemporary Islamic Thought: Interpretation and Assessment" *International Journal of Middle East Studies*, Vol. 18, No. pp. 135-164

Khadidjakhaldi, Amina Hamdouni(2011) "Islamic Financial Intermediation: Equity, Efficiency and Risk" *International Research Journal of Finance and Economics*, Issue 65

Riba

Ashfaq Ahmad^{1*}, Kashif-ur-Rehman² and Asad Afzal Humayoun (2011)" Islamic banking and prohibition of Riba/interest" *African Journal of Business Management* Vol. 5(5), pp. 1763-1767,

Mohammad Zakir Hossain, (2009),"Why is interest prohibited in Islam? A statistical justification", *Humanomics*, Vol. 25 Iss: 4 pp. 241 - 253

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Islamic Laws and Contracts

IB - 735

Program	MS in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Talat Hussain
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	talat.hussain@umt.edu.pk

Course Outline

Learning Objective:

The philosophy of Islamic law differs from the philosophy of western laws quite significantly. The Islamic religion emphasizes on the importance of the law of contract. The Islamic Law of contract has detailed provisions to ensure viable business transactions between companies and individuals. Islam only prohibits earnings through usury or interest in business and on this reasoning the Islamic Banks are operating with interest free financial transactions based on the profit-loss sharing mechanism. And these transactions are conducted by using the Islamic Contract Law principals which would be studied in detail in this course. Special emphasis would be placed on the business and financial side of the Islamic Law of contract.

By the end of this course, participants will be able to:

- Understand basic principles of Islamic law and jurisprudential methodology
- Engage in meaningful analysis and application of Islamic legal aspect of business and social transactions.
- Understand the Islamic law of contracts and partnerships, including the general theory of contract (*'aqd*) and partnership contracts (*sharikah al-'aqd*), as well as more advanced sales contracts such as the *bay' al-'arbun*, *bay' al-salam*, *bay' al-inah*, and *bay' al-istisna'* and important partnerships used in commercial transactions such as the *mudārabah* and *mushārahah*. Understand basic structures and facilities used in Islamic finance and investment

- Understand the basic principles of legal documentation for commonly used Islamic finance structures and facilities;
- Understand documentation issues, as arise in practice and to be discussed in subsequent course work

Learning Methodology:

Class preparation and participation:

Students are required to read assigned material before coming to class. The instructor will assess student's level of preparation by raising questions on the assigned topics.

Examinations:

As per the University policy

Assignments and Presentations:

All assignments for formal evaluation must be typed and submitted by the specified due dates. Topics of assignments would be assigned by the course instructor from the given topics. Each student will be required to make fifteen minutes class presentation on the topic assigned.

Class Attendance:

Attendance policy of the university would be strictly followed.

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation	Marks in percentage
Quizzes	10
Assignments	10
Mid Term	20
Attendance & Class Participation	05
Term Project	15
Presentations	05
Final exam	35
Total	100

Recommended Text Books:

“Islamic Law of Contracts and Business Transactions” by Dr. Muhammad Tahir Mansoori, Shariah Academy, International Islamic University, Islamabad.

Supplementary Material:

Additional reading /review material will be handed out in class or placed on reserve in the university library to supplement class lectures and the text book. This material will form an integral part of the course and the students will be tested on this as well.

Calendar of Course contents to be covered during semester

Course Code: IB - 650

Course Title: Islamic Laws and Contracts

Week	Course Contents	Reference Chapter(s)
1	Fundamental of Shariah <ul style="list-style-type: none">– Islam and Shariah– Sources of Shariah Introduction of Islamic Contract Law <ul style="list-style-type: none">– Objective of Islamic Laws– Concept of Contract (Aqd) in Islamic Law– Prohibitions in Muamalat (Riba, Gharar, Maisir)– General Principals of Contracts and transactions in Islamic Law	

2	<p>Types of Commitments / Promises / Contracts</p> <ul style="list-style-type: none"> - Unilateral Promise - Bilateral Promise - Difference between a Promise and Contract - Promises do not constitute contracts - Enforceability of Promises <p>Meaning and Types of Contract</p> <ul style="list-style-type: none"> - What is meant by Aqd? - Perquisite of Shariah Contracts - Elements of Contract –Form, Subject Matter, contractual capacity, Parties, wording, compensation - Offer & Acceptance in Contract - Consideration - Termination of Offer 	
3	<p>Validity of Contracts and Conditional Contracts</p> <ul style="list-style-type: none"> - Validity of Contracts-Valid Contract, Void Contract, Voidable contract - Sale of prohibited things - Conditions in Contracts - Conditional Contracts - Kinds / classification of valid contract (Contracts of exchange (mu’awadat);Contracts of security (tawthiqat);Contracts of partnership (shirkah);Contracts of safe custody (wadi’ah);Contracts pertaining to the utilization of usufruct (manfa’ah); and Contracts pertaining to do a work - Causes of irregularity and invalidity of contracts 	
4	<p>Contracts and Element of Uncertainty-Gharar</p> <ul style="list-style-type: none"> - Definition of Gharar - Forms of gharar - Impact of Gharar in Contracts - How this affects the validity of contracts - Insurance contract- with respect to the element of Gharar - Islamic mode- Takaful and with respect to Gharar <p>Element of Riba affecting the validity of Contract</p> <ul style="list-style-type: none"> - What is meant by Riba - Riba in Quran and Sunnah - Kinds of Riba - Why Riba is prohibited 	

5	<p>Conditions and their effect on the validity of Contract</p> <ul style="list-style-type: none"> - Irregular conditions - Void conditions - Views of jurists about conditional contracts <p>Islamic Law of Options (Khiyars)</p> <ul style="list-style-type: none"> - Buyer's Options - Option to rescind - Option of inspection - Option of defect - Option of quality - Option of Price 	
6	<p>Element of Mistake and its impact on validity of Contract</p> <ul style="list-style-type: none"> - Definition of Mistake under Islamic Law - Mistake, Fraud, Ghabn, Coercion - Classification of Mistake - Mistake related to the object and subject matter of the contract <p>Contracts which are void by Shariah</p> <ul style="list-style-type: none"> - Gambling Contracts –Maisir or Qimar - Restraint of Trade and Fraud 	
7	<p>Shariah contracts in trade and commerce and their application in Islamic Banking & Finance</p> <p>Basic Shariah principals of Business contracts Types of Contracts used in Islamic Banking</p> <ul style="list-style-type: none"> - Compensatory or financial contracts - Non compensatory or social contracts <p>Classification of contracts according to their application</p> <p>1)-Trading contracts</p> <ul style="list-style-type: none"> - Immediate Payment - Deferred Payment <p>2)-Participating / Investment contracts</p> <ul style="list-style-type: none"> - Musharakah <ul style="list-style-type: none"> • Nature and classification of Musharaka • Types of Musharaka - Mudharabah <ul style="list-style-type: none"> • Restricted and unrestricted Mudarabah <p>3)-Supporting contracts</p> <ul style="list-style-type: none"> - Rahn, Kafalah, Wakalah, Wadi'ah, Qardh, Hiwalah, Tabarru, Waqaf & Hibah, Ibra & Muqasah - Essential Elements and Necessary conditions 	

8	<p>Islamic Deposit Contracts used in Islamic Banks</p> <ul style="list-style-type: none"> – Introduction – Saving and current accounts – Shariah contract of Wadiah (Safe Custody) – The Shariah contract of Mudarabah – Commodity Murabaha – Application of Islamic Deposit Products 	
9	<p>Islamic Financing Facilities</p> <ul style="list-style-type: none"> – Application of Muamalat Contracts – Essential elements and necessary conditions in contract – Asset based financing – Equity based financing – Supporting contracts 	

10	<p>Specific Contracts Used in Islamic Banking & Finance-1</p> <ul style="list-style-type: none"> – Contract of Sale – Types of sale – Valid sale (<i>Bai Sahih</i>) – Void/Non existing Sale (<i>Bai Baatil</i>) – Existing sale but void due to defect (<i>Bai Fasid</i>) – Valid but disliked sale (<i>Bai Makrooh</i>) – Types of sales contracts according to time of delivery, method of payment and nature of sale – Prohibited Sale Contracts – Wisdom for the prohibition 	
11	<p>Specific Contracts Used in Islamic Banking & Finance-2</p> <ul style="list-style-type: none"> – Contract of Murabaha – Essential elements of validity of Murabaha sale, risk involved, risk mitigates – Contract of Salam – Essential elements of validity of Salam Sale, risk involved, risk mitigates – Contract of Istisna – Essential elements of validity of Istisna Sale, risk involved, risk mitigates 	

12	<p>Specific Contracts Used in Islamic Banking & Finance-3</p> <ul style="list-style-type: none"> - Contract of Ijarah - Operational Lease - Operating Lease + transfer of ownership - Contract of Musharakah - Theory of Mal (Property) in Shariah - Theory of Milkiyyah (Ownership) in Shariah - Nature of Ownership - Law of possession - Contracts of transfer of ownership - Islamic law of partnerships and partnership contracts - Profit & loss sharing contracts in Islamic Finance 	
13	<p>Specific Contracts Used in Islamic Banking & Finance-4</p> <ul style="list-style-type: none"> - Contract of Mudarabah - Essentials of Mudarabah Contract, risk factors - Application of Mudarabah in asset / deposit side of Islamic Banks - Contract of Kafalah (Suretyship) - Essentials and application in Islamic Banks - Contract of Hawalah (Assignment of debt) - Essentials and application in Islamic Banks - Contract of Rahan (Pledge) - Essentials and application in Islamic Banks 	
14	<p>Islamic Trade Financing and Contracts used-1</p> <ul style="list-style-type: none"> - The needs for Islamic Trade finance products - Wakalah Letter of Credit - Wakalah Inward Bills under Letter of Credit - Kafalah Bank Guarantee - Kafalah Shipping Guarantee - Murabaha Trust Receipt <p>Islamic Trade Financing and Contracts used-2</p> <ul style="list-style-type: none"> - Wakalah Inward Bills Collection - Wakalah outward bills collection –under LC / Not under LC - Islamic accepted Bill - Bai’ Al-Dayn Bills Purchased (BBP) not under LC - Bai’ Al-Dayn Credit Bills Negotiation (BCBN) - Interest Free Export Credit Refinancing - Wakalah Letter of Credit Advising 	

15	Financing Documentation in Islamic Banking <ul style="list-style-type: none">- Regulatory framework- Legal framework governing Islamic Banks- Documentation- Overview of problems with legal documentation in Islamic banking and finance; most-commonly used Islamic banking and finance structures- Common mistakes and issues in Islamic Legal documentation Mitigation of Risk in Islamic financing documentation	
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Current Issues in Islamic Banking and Finance

IB – 736

Program	PhD in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Talat Hussain
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	talat.hussain@umt.edu.pk

Course Outline

*The course is divided into 5 modules which are being taught by 5 different resource persons

Grade Evaluation Criteria

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Marks Evaluation

Marks in percentage

Quizzes	10
Assignments	05
Mid Term	25
Term Project & Presentations	20

Class participation	05
Final exam	35
Total	100

Recommended Text Books:

Books are recommended at the end of each faculty member course outline.

Reference Books:

Reference books are recommended at the end of each faculty member course outline.

Course Outline

week	Topic	Activities	Helping/Extra Material
1	Introduction	<ul style="list-style-type: none"> • Foundational Concepts • Islam's Concept of Justice • Shari'ah—the Law • Islamic Economic and Financial Systems • Modern History of Islamic Banking and Financial Services 	Handouts & Research Articles
2	An Introduction to Shari'ah	<ul style="list-style-type: none"> • Brief introduction to Shari`ah , Fiqh and Usul Al-Fiqh • The Qur`an. Characteristics of Qur`anic legislation • Sunnah. Its place in Islamic legislation • Ijtihad. Its Meaning and techniques • Ijma` and other sources • Qiyas 	Handouts & Research Articles
3	Sources of Fiqh:	<p>Textual Sources:</p> <ul style="list-style-type: none"> • The Qur`an. Characteristics of Qur`anic legislation • Sunnah. Its place in Islamic legislation • Ijtihad. Its Meaning and techniques • Ijma` and other sources • Qiyas 	Handouts & Research Articles

		<ul style="list-style-type: none"> • 	
4	Objectives of fiqh	<ul style="list-style-type: none"> • Theory of Maqasid • The aims and purposes of Fiqh and Usul Al-Fiqh 	Handouts & Research Articles
5	Financial Instruments	<ul style="list-style-type: none"> • Transactional Contracts • Financing Contracts • Intermediation Contracts • Appendix B: Islamic Instruments: Historical Background 	Handouts & Research Articles
6	Riba vs. Rate of Return	<ul style="list-style-type: none"> • The Concept of Riba in Islam • Definition of Riba • Rationale for the Prohibition of RIBA • Promoting Profit and Risk Sharing • Lack of Theory of Interest • Appendix A: Usury, Riba and Interest: A Historical Perspective • Islam and Interest 	Handouts & Research Articles
7	Legal Capacity	<ul style="list-style-type: none"> • Legal Maxims: • Significance and scope. • Major sources on legal maxims. • Study of five legal maxims. 	Handouts & Research Articles
8	Mid-Term		
9	Capital Markets	<ul style="list-style-type: none"> • Stock Markets and Islamic Funds • Development of Equity Markets • Securitized Market: Sukuk • Non Bank Financial intermediation 	Handouts & Research Articles
10	Performance of Islamic Financial Services	<ul style="list-style-type: none"> • The Efficiency of Islamic Banks • Performance of Islamic Capital Markets • Corporate Social Responsibility • Performance in Crisis Period 	Handouts & Research Articles

		<ul style="list-style-type: none"> • Bank Failures 	
11	Financial Engineering	<ul style="list-style-type: none"> • Financial Engineering in the Islamic Financial System • Lessons from the Financial Crisis • Challenges for Financial Engineering in Islamic Finance • Conclusion • Appendix C Potential Applications of Financial Engineering • Synthetic Currency Forward Contract • Currency SWAP <ul style="list-style-type: none"> • Rate-of-Return Swap • Development of an Islamic Benchmark 	Handouts & Research Articles
12	Regulation of Islamic Financial Institutions	<ul style="list-style-type: none"> • Introduction • Distinctive Features of Regulating IFIs • IFIs as Universal Banks • Capital Adequacy Requirement for IFIs • Bank Supervision and Market Discipline • Regulation of IFIs: Looking Forward • Post-Crisis Regulatory Environment and Impact on IFIs 	Handouts & Research Articles
13	Corporate Governance	<ul style="list-style-type: none"> • An Islamic Perspective: Stakeholder-Oriented Governance • The Significance of Trust • Corporate-Governance Issues of IFIs • Lessons from the Current Financial Crisis 	Handouts & Research Articles
14	Globalization and its Challenges/Issues and Challenges	<ul style="list-style-type: none"> • Development of Theoretical Foundation • Development of Economic Institutions • Reluctance to Promote Risk Sharing • Financial System, Architecture and Infrastructure • Limited Market-Based Financial Intermediation • Expanding Scope of Financial Intermediation • Wealth Management • Risk Management Framework • Regulatory and Governance Issues 	Handouts & Research Articles



**Global Capital
Market- A Critical
Survey
IB 880**

Program	PhD in Islamic Banking
Semester	Spring 2017
Resource Person	Dr. Talat Hussain
Credit Hours	03
Counseling Hours	
Course Management System	www.lms.umt.edu.pk
Contact	talat.hussain@umt.edu.pk

Course Outline

INTRODUCTION

In an Islamic capital market (ICM) market transactions are carried out in ways that do not conflict with the conscience of Muslims and the religion of Islam. Here, there is assertion of religious law so that the market is free from activities prohibited by Islam such as usury (riba), gambling (maisir) and ambiguity (gharar).

The ICM is a growing component of the overall international capital market. It plays an important role in generating economic growth for the country. The ICM functions as a parallel market to the conventional capital market, and plays a complementary role to the Islamic banking system in broadening and deepening the Islamic financial markets in Pakistan and other countries.

Today, various capital market products are available for Muslims who only seek to invest and transact in the ICM. Such products include the SC list of Shariah-compliant securities, sukuk, Islamic unit trusts, Shariah indices, warrants (TSR), call warrants and commodity futures contract etc.

Over, this course will discussion on the underlying principles and philosophy of Islamic capital markets. It then examines Shariah-compliant instruments including short- and long-term debt, equities, investment funds, and derivatives, and the Islamic Interbank Monetary Market.

OBJECTIVES

The main objective of this course to introduce students with the current role of Islamic finance products in global capital market. Over the years, various Islamic financial instruments have been introduced and rapidly gaining their market share. New products of Sukuk bonds have been offered by both private and public enterprises under different umbrella of Islamic financial contracts

LEARNING OUTCOMES

- Learning capital markets landscape
- Risk-sharing Philosophy and Framework
- Islamic capital market products
 - Shares and equity
 - Ijrah sukuk (risk factors and structuring)
 - Sukuk issuance and structuring
 - Islamic depository receipts
 - Shariah equity screening process
 - Sukuk pricing and valuation
- Role of Islamic financial instruments on internal capital market and economy
- Risk mitigation through Islamic financial derivatives

MODULE BREAKDOWN

Part 1: Over view of Capital Market.

Part 2: Islamic Financing Contracts.

Part 3: New Product Development.

Part 4; Funding Short Term Needs

Part 5: Islamic Equities and Shariah Compliant Derivatives

SCHEDULE FOR SESSIONS

<u>Week</u>	<u>Topic</u>	<u>Home work/ Assignment</u>
Week 1	Overview of Capital Markets <ul style="list-style-type: none">• Role and Function of Capital Markets• Capital Markets and Development – What Ails Capital Markets?	<i>Assignment current and future role and functions of Islamic capital markets</i>

Week 2	<ul style="list-style-type: none"> • Real & Financial Sectors; Linkages • Discussion – Capital Market Problems - (Japan, US & EU) • Underlying Shariah Principles & Philosophy - Fiqh Muamalat - The roots of Islamic Finance - Key prohibitions and justifications - Common threads and requisites 	<i>Modern issues in conventional capital markets how Islamic finance can bridge that gap</i>
Week 3	<p>Similarities Between Islamic Finance and Ethical Investment</p> <ul style="list-style-type: none"> • Risk-sharing Philosophy and Framework • Risk-sharing Relative to Conventional Financing - Impact of risk-sharing on leverage, incentive structure and returns 	<i>Bring Mind mapping of major Islamic financial contract for next class discussion</i> <i>Musharakh</i> <i>Mudarabah</i> <i>Murabah</i> <i>Ijrah</i> <i>Istisna</i>
Week 4	<p>Islamic Financing Contracts –</p> <ul style="list-style-type: none"> • Profit & loss-sharing contracts (Musharakah) • Mudarabah • Sale / deferred sale contracts - Murabahah, • Ijarah and other common Islamic Finance contracts • Islamic Finance – Regulatory • Supervisory Institutions and their role <p>Discussion / Exercise</p>	<i>Role of Islamic financial regulatory bodies in the sustainability and development of Islamic capital market</i>
Week 5	<p>Funding Short Term Needs</p> <ul style="list-style-type: none"> • Islamic Interbank Monetary Market (IIMM) • The Need for IIMM • Components of IIMM 	<i>Structure and functions of Inter Bank Monetary Market</i>
Week 6	<ul style="list-style-type: none"> • Instruments Traded in IIMM • Pricing IIMM Instruments • Determining Interbank Deposit Rates • Discussion – Issues of Risk in IIMM • Bursa Suq Al Sila • The Commodity Murabaha • Raising Funds Using Commodity Murabaha • The Liquidity Management system 	
Week 7	<p>Sukuk</p> <ul style="list-style-type: none"> • The Sukuk Issuance Process <p>Sukuk Players Types of Underlying Contracts of Sukuk Differences Amongst Sukuk by Contracts Sukuk Contracts and Ratings Sukuk Term Sheets</p>	<i>Current practicing Sukuk structures in world</i>
Week 8	<p>Discussion – Sukuk Structures</p> <ul style="list-style-type: none"> • Ijarah, Murabaha and Combination Structures • Evaluation of Sukuk Structures • Sukuk Structure and Cash Flows • Alternative Sukuk Structures and Risk Profiles • Exercise – Identifying Appropriate Sukuk Structure 	<i>Cash management and Sukuk bonds</i>

Week 9	New Sukuk Design Structures GDP Linked Sukuk Sukuk Linked to Export Earnings The Esham Structure	<i>Impact of Islamic bonds on economic performance</i>
Week 10	Pricing and valuation of sukuk <ul style="list-style-type: none"> • Valuing Sukuk with Fixed Cash Flows • Valuing Sukuk with Variable Cash Flows and Unknown Redemption Amount • Valuing Sukuk with Embedded Options • Exercises / Mini Case on Sukuk Issuance / Valuation 	<i>Sukuk valuation</i>
Week 11	Islamic Equities and Shariah Compliant Derivatives Islamic Equity Markets Components of Islamic Equity Market Stock Screening Methodology Dow Jones vs SAC Screening Methods Comparison of Alternative Stock Screening Methodology	<i>Shariah equity screening process by Shariah advisory Board</i>
Week 12	Islamic REITs Structure of Islamic Reits Islamic ETFs (Exchange Traded Funds) Islamic Private Equity Funds	
Week 13	Shariah Compliant Derivative Instruments Islamic Finance Instruments with Features of Derivatives Instruments <ul style="list-style-type: none"> ➤ Bai Salam, Istisna and Joa'la contracts ➤ The Istijrar Contract 	<i>Shariah derivative structuring models with examples</i>
Week 14	Managing Asset – Liability Mismatches of Islamic Banks Islamic Profit Rate Swap Shariah Compliant Instruments for Managing Exchange Rate Risk Islamic Currency Forward Islamic Currency Option Exercises – Mini Cases / Problem Solving	
Week 15	Revision	

EVALUATION PLAN

Attendance	Quiz	Assignment	Mid-Term Exam	End-Term Exam	Total Marks
TBD					

RECOMMENDED TEXT:

- **Islamic capital markets: A comparative Approach**, Editor(s): Obiyathulla Ismath Bacha, Abbas Mirakhor, Published Online: 12 SEP 2015 01:51AM EST, Print ISBN: 9781118465141

RESEARCH PAPERS

These will be handed over in class