



Selective Studies In Arabic Literature

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 Economics: Theory and Practice

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	



Islamic Financial Econometrics

Course Outline

Learning Objective:

This course provides an introduction to principles of econometric analysis that may help students understand finance theories and their empirical applications. In addition, it also equips students with appropriate statistical techniques for doing applied financial research. The emphasis will be on developing and applying both time series & cross sectional data analysis. Their usefulness will also be examined in the light of financial studies.

Learning Outcomes

After completion of the course, students

- Will be able to understand the basic principles, concepts and time series models in econometric analysis.
- Will be able to apply the econometric techniques discussed in the class to analyze the financial market.
- Will be able to use the basic econometrics computer software SPSS & Eviews.

Learning Methodology:

Class lectures, home assignments, quizzes, term papers and presentations by students. Concepts and theories will be taught in the class. Problems and applications will be discussed in Tutorials. Hands-on experience will be practiced in computer lab.

Quizzes

There will be 2 quizzes. The quiz questions will be closely related to homework problems.

Assignments

Homework assignments will be evaluated on the basis of relevant material and students must make independent effort to understand all concepts on the basis of guidelines provided by recourse person. Late submission will get negative marking.

Regression Project

Students are supposed to practice regression analysis on any of the selected topic. Writing material of the paper must be self created after reading worthwhile and relevant articles.

Detected plagiarism will bring them to disciplinary actions (negative marking or unaccepted). Paper is required to be typed in double-space, 5-10 pages (excluding figures and tables). Finished article should consist of an introduction, short literature review, data description, empirical method, estimation results, and main conclusions.

- Students are supposed to select a topic from their area of interest and chose appropriate variables.
- Literature review is required to be most relevant with selected topic.
- After collecting the required data, students are supposed to apply most appropriate data analysis technique by using SPSS or Eviews.
- Results discussion and conclusion must be relevant and brief.

Grade Evaluation Criteria

Following is 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:

Basic Econometrics, by Gujarati, D. (McGraw-Hill, 2009), 5th Ed.

Business Statistics – A Decision Making Approach, by Kent D. Smith & Phillips C. Fry 7th Ed.

Reference Books:

Analysis of Financial Time Series, by Ruey S. Tsay (John Wiley, 2010), 3rd Ed., ISBN 0-470-41435-4

Introductory Econometrics for Finance, by Brooks, C. (Cambridge University Press, 2008), 2nd Ed.

Calendar of Course contents to be covered during semester

Session	Activity	Recommended Readings	Expected Quizzes Assignments and Problems	Learning objective of topic
1	<p>Introduction of Statistics</p> <ul style="list-style-type: none"> ➤ Types of statistics <ul style="list-style-type: none"> • Descriptive statistics • Inferential statistics ➤ Types of variables ➤ Levels of measurement <ul style="list-style-type: none"> • Nominal-level data • Ordinal-level data • Interval-level data • Ratio-level data ➤ Constructing frequency distribution ➤ Graphic presentation of a frequency distribution 	Ch # 1	Lecture and class discussion	This topic is designed to conceptualize the basics of Statistics. It will make the students able to differentiate between descriptive & inferential statistics and create a frequency distribution for a data set.
2	<p>Describing Data: Numerical Measures</p> <ul style="list-style-type: none"> • Concept of central Tendency • Mean, Median & Mode <p>Measure of Dispersion</p> <ul style="list-style-type: none"> • Mean deviation • Variance • Standard Deviation 	Ch # 2&3	Lecture, class discussion Assignment # 1 & practice in Lab.	To sound students skills about the concepts of central tendency and measure of dispersion. It will make the students able to compute and interpret Mean, variance, standard deviation etc
3	<p>One-Sample Test of Hypothesis</p> <ul style="list-style-type: none"> • What is Hypothesis testing? • Five-Step procedure for hypothesis testing • One-tailed & two-tailed tests of significance • P-value in hypothesis testing <p>Two-sample Test of Hypothesis</p> <ul style="list-style-type: none"> • Comparing means with unknown population 	Ch#10, 11&12	Lecture, class discussion & practice in Lab.	This topic will help students to conceptualize & formation of hypothesis development and also to carry out tests of hypothesis in Research paper.

	<p>standard deviation</p> <ul style="list-style-type: none"> • Two-sample pooled t-test • Analysis of variance (ANOVA) 			
4	<p>Correlation and Linear Regression</p> <ul style="list-style-type: none"> • Correlation coefficient • Testing the significance of correlation coefficient • Assumptions of Regression • Regression Analysis • Testing the significance of slope • Evaluating the regression equation's ability to predict • Coefficient of determination 	Ch # 13	<p>Lecture, class discussion</p> <p>Assignment # 2</p> <p>& practice in Lab.</p>	<p>To let the students know that what are dependent and independent variables. How to apply regression analysis to estimate the linear relationship between variables.</p>
5	<p>Multiple Regression Analysis</p> <ul style="list-style-type: none"> • Evaluating a multiple regression equation • The ANOVA table • Testing the assumptions of linear regression • Testing the violations of Regression • Goodness of Fit Test 	Ch # 14	<p>Lecture, class discussion</p> <p>& practice in Lab</p>	<p>To let the students know that how to compute and interpret measures of association in multiple regression. And also about how to conduct residual analysis & effects of correlated Independent variables.</p>
6	<p>Qualitative Response Regression Models</p> <ul style="list-style-type: none"> • Panel Data Regression Models • Fixed Effect • Random Effect • Hausman Test 		<p>Lecture, class discussion</p> <p>& practice in Lab</p>	<p>To let the students learn about how to handle both time series and cross sectional data at the same time.</p>

7	Factor Analysis <ul style="list-style-type: none"> • Cross Sectional Data Collection • Data Entry into SPSS • Reliability of Scale • Factor Reduction • EFA & CFA • Interpretation 		Lecture, class discussion & practice on SPSS	This topic will help students to Differentiate Factor analysis techniques from other multivariate techniques.
8	Topic selection for Term paper + Revision			
9	MIDTERM			
10	Introduction to Econometrics and Time Series Data Analysis <ul style="list-style-type: none"> • Econometric Modeling • Simultaneous equation Model • Time series Econometrics • Stochastic Process • Integrated Stochastic Process • Tests of Stationarity 		Lecture, class discussion & Practice on Eviews	This topic will help students of finance to make their time series data ready to work on i-e; stochastic.
11	Cointegration (Long run relationship among variables) <ul style="list-style-type: none"> • Data entry on Eviews • Johansen Test of Cointegration • Vector Error Correction Model (VECM) • Wald Test • Interpretation 		Lecture, class discussion & Practice on Eviews	This topic is one of the most important techniques which students are supposed to go through. As, the students of finance are required to find out the long term relationship among variables.
12	Vector Autoregression (IRF & VDC) <ul style="list-style-type: none"> • VAR analysis on Eviews • Diagnostic Tests after VAR application • Interpretation 		Lecture, class discussion & Practice on Eviews	To let the students get aware of working on simultaneous equation model, when all the variables will be

				treated as dependent variable.
13	ARDL(Autoregressive Distributed Lag) <ul style="list-style-type: none"> • Long run & short run relationship • Diagnostic Tests • Measuring Volatility in Time series (ARCH & GARCH) • Interpretation 		Lecture, class discussion & Practice on Eviews	This topic will help the students in finding out both long run and short run relationship among variables.
14	Term Paper Presentation			
15	End Term Exam on Eviews & SPSS			



Islamic Banking and Finance

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 of 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%
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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 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 • Judaism and Interest • Christianity and Interest • Islam and Interest • Interest and Modern Economics 	Handouts & Research Articles

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 	Handouts & Research Articles

		<ul style="list-style-type: none"> • Appendix C Potential Applications of Financial Engineering • Synthetic Currency Forward Contract • Currency SWAP • Rate-of-Return Swap • Development of an Islamic Benchmark 	
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

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 Ahmad1*, 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

Jasim Al-Ajmi, Hameeda Abo Hussain, Nadhem Al-Saleh, (2009), "Decisions on capital structure in a Zakat environment with prohibition of Riba The case of Saudi Arabia ", *The Journal of Risk Finance*, Vol. 10 Issue: 5 pp. 460 - 476

M. Mansoor Khan, (2008), "Main features of the interest-free banking movement in Pakistan (1980-2006)", *Managerial Finance*, Vol. 34 Iss: 9 pp. 660 - 674

Murabaha

Khalil Mohammed Khalil, ZurinaShafii 2012) ""Commodity Murabaha: The Theory-Practice Gap" *Journal of Advanced Social Research* Vol.2 No.3, pp 126-138

Gholamreza Zandi1, NorainiMohd. Ariffin (2011) "Some Issues on Murabahah Practices in Iran and Malaysian Islamic Banks " irep.iium.edu.my

YousifAshour (20XX) " The Importance of Murabaha in Long Term Finance Programs in Islamic Banking Industry" *The American Journal of Islamic Social Sciences*

Mudaraba

MasudulAlam Choudhury (2001) "Islamic venture capital :A critical examination" *Journal of Economic Studies*, Vol. 28 No. 1, 2001, pp. 14-33.

WasimulRehman, Prof. Dr. Chaudhary Abdul Rehman , Prof. DrHafeezurRehman, Ayesha Zahid (2011) "Intellectual Capital Performance and its impact on Corporate Performance: an empirical evidence from MudarabaSector of Pakistan." *Australian Journal of Business and Management Research* Vol.1 No.5 [08-16] |

Hasan, Zubair(2002) "Mudaraba as a mode of finance in Islamic banking: theory, practice and problems"MPRA Paper No. 2951, <http://mpra.ub.uni-muenchen.de/2951/>

Musharaka

Gaffar Abdalla Ahmed, (2008), "The implication of using profit and loss sharing modes of finance in the banking system, with a particular reference to equity participation (partnership) method in Sudan", *Humanomics*, Vol. 24 Iss: 3 pp. 182 - 206

Masudul Alam Choudhury (2001) "Islamic venture capital :A critical examination" *Journal of Economic Studies*, Vol. 28 No. 1, 2001, pp. 14-33.

Anjum Siddiqui, (2008), "Financial contracts, risk and performance of Islamic banking", *Managerial Finance*, Vol. 34 Iss: 10 pp. 680 - 694

Diminishing Musharaka

Rosylin Mohd Yusof, Salina H. Kassim, M. Shabri A. Majid, Zarinah Hamid, (2011), "Determining the viability of rental price to benchmark Islamic home financing products: Evidence from Malaysia", *Benchmarking: An International Journal*, Vol. 18 Iss: 1 pp. 69 - 85

Dzuljastri Abdul Razak, Fauziah Md Taib, (2011) "Consumers' perception on Islamic home financing: Empirical evidences on Bai Bithaman Ajil (BBA) and diminishing partnership (DP) modes of financing in Malaysia", *Journal of Islamic Marketing*, Vol. 2 Iss: 2, pp. 165 – 176

IJARA

Fahad Zafar, (2012), "Ijarah Contract: A Practical Dilemma", *Journal of Islamic Accounting and Business Research*, Vol. 3, Iss: 1 pp. 67 - 69

Rusni Hassan* and Aishath Muneeza** Adnan Yusoff (2011) "*Legal stains in the Malaysian Islamic banking practices of al Ijarah Thumma Al Bai' (AITAB)*" <http://www.wbiconpro.com/606-Aishath.pdf>

Ros Aniza Mohd. Shariff and Abdul (2003) "An Exploratory Study Of Ijarah Accounting Practices In Malaysian Financial Institution"s. *American Journal of Islamic Social Sciences* Vol. 5 No. 3

ISTISNA

M. Mansoor Khan, M. Ishaq Bhatti, (2008), "Development in Islamic banking: a financial risk-allocation approach", *The Journal of Risk Finance*, Vol. 9 Iss: 1 pp. 40 - 51

Muhammad Anas Zarqa (1997) "Istisna' financing of infrastructure projects" *Islamic Economic Studies* vol. 4, no. 2, may 1997

Islamic financial system

Alsadek Gait, Andrew Worthington, (2008), "An empirical survey of individual consumer, business firm and financial institution attitudes towards Islamic methods of finance", *International Journal of Social Economics*, Vol. 35 Iss: 11, pp. 783 - 808

Abdul Ghafar b. Ismail, Ismail b. Ahmad "Does the Islamic financial system design matter?" *Humanomics*, Vol. 22 No. 1, 2006 pp. 5-16

Ismail Wisham, Aishath Muneeza, Rusni Hassan, (2011), "Special legal features of the Islamic <IT>wa'd</IT> or pledge: Comparison with the conventional law on promise within the sphere of Islamic finance", *International Journal of Law and Management*, Vol. 53 Iss: 3 pp. 221 - 234

Sherin Galal Abdullah Mouawad, (2009), "The development of Islamic finance: Egypt as a case study", *Journal of Money Laundering Control*, Vol. 12 Iss: 1 pp. 74 - 87

Stability /Risk Management of Islamic Finance

Martin Čihák and Heiko Hesse (2008) "Islamic Banks and Financial Stability: An Empirical Analysis" © 2008 International Monetary Fund WP/08/16

Abdul Rahman Zaki, Abdul Sattar, Muhammad Manzoor (2011) "Risk Mitigation in Islamic Finance through Policies and Regulatory Model- A Way to Long-Term Stability" *International Research Journal of Finance and Economics*

Islamic Financial Intermediation

Badrul Hisham Kamaruddin, a Mohammad Samaun Safab and Rohani Mohdc, (2008) "Assessing Production Efficiency of Islamic Banks and Conventional Bank Islamic Windows in Malaysia" *International Journal of Business and Management Science*, 1(1): 31-48,

M. Shahid Ebrahim Tan Kai Joo (2001) "Islamic banking in Brunei Darussalam" *International Journal of Social Economics*, Vol. 28 No. 4, pp. 314-337

Khadidjakhaldi, Amina Hamdouni (2011) "Islamic Financial Intermediation: Equity, Efficiency and Risk"

International Research Journal of Finance and Economics, Issue 65

Islamic Capital Market

Tarek H. Selim, (2008), "An Islamic capital asset pricing model", *Humanomics*, Vol. 24 Iss: 2 pp. 122 – 129

Rodney Wilson, (2008), "Innovation in the structuring of Islamic <IT>sukuk</IT> securities", *Humanomics*,

M. Shabri Abd. Majid, Rosylin Mohd. Yusof, (2009), "Long-run relationship between Islamic stock returns and macroeconomic variables: An application of the autoregressive distributed lag model", *Humanomics*, Vol. 25 Iss: 2 pp. 127 - 141

Performance of Islamic Financial services

Anjum Siddiqui, (2008), "Financial contracts, risk and performance of Islamic banking", *Managerial Finance*, Vol. 34 Iss: 10 pp. 680 - 694

Rehana Kouser, Irum Saba (2012) "Gauging the Financial Performance of Banking Sector using CAMEL Model: Comparison of Conventional, Mixed and Pure Islamic Banks in Pakistan" *International Research Journal of Finance and Economics* Issue 82

Kablan, Sandrine and Yous_, Ouidad (2011) "Performance of Islamic Banks across the world: an empirical analysis over the period 2001-2008 MPRA Paper No. 28695

Islamic Financial Engineering

Alsayed, N. (2009). Islamic Financial Engineering and Methodology In Achieving Therapeutic Process of Global Financial System: Shari'Ah Objectives vs. Industry Practitioners. Retrieved from [http://mpa.ub.uni-](http://mpa.ub.uni-muenchen.de/20081/1/ISLAMIC_financial_engineering_and_Economics.pdf)

muenchen.de/20081/1/ISLAMIC_financial_engineering_and_Economics.pdf

M. ShahidEbrahim Tan Kai Joo (2001) "Islamic banking in BruneiDarussalam" International Journal of SocialEconomics, Vol. 28 No. 4, ,pp. 314-337.

Mohammed Obaidullah (1998) " FinancialEngineering with Islamic Options" Islamic Economic Studies

Vol. 6, No. 1

IFIs Regulations

Emily Sarah Hersh (2011)" Islamic Finance and InternationalFinancial Regulation" Journal of International Service

Dahlia El -Hawary, WafikGrais,Zamir Iqbal (2004) "Regulating Islamic Financial Institutions:The Nature of the Regulated"World Bank Policy Research Working Paper 3227, March 2004

Islamic Corporate Governance

MasudulAlam Choudhury, Mohammad ZiaulHoque, (2006) "Corporate governance in Islamic perspective", Corporate Governance, Vol. 6 Iss: 2, pp.116 – 128

RachaGhayad, (2008) "Corporate governance and the global performance of Islamic banks", Humanomics, Vol. 24 Iss: 3, pp.207 – 216

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Case Studies and Seminars in Islamic Banking and Finance

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
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<p>1</p>	<p>Introduction</p> <p>Islamic Banking Products: Regulations, Issues and Challenges.</p> <p>The Case study of Malaysia</p>	<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
<p>2</p>	<p>Islamic Banking: Interest Rate Free or Interest Rate in Another Name- A study on Islamic Banking</p>	<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
<p>3</p>	<p>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.</p>	<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/
<p>4</p>	<p>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.</p>	<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
<p>5</p>	<p>Case Study 6. Islamic Mortgages for Home Finance. Case Study 7. Sources of Finance for Islamic Banks: An Application of Profit and Loss Sharing. 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
<p>6</p>	<p>Midterm++</p>	

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	<p>A Roundtable or Seminar on</p> <p>Pool Management & Distribution of Profit and Loss in financial reporting of Islamic Banks</p>	
10	<p>Outcome of the Seminar, Reporting and launching</p>	
11	<p>An empirical study on the effect of bad loans on banks' lending potential and financial performance:</p>	<ul style="list-style-type: none"> • J. o. asantey & S. tengey. Impact: International journal of research in business management (impact:

	the case of SMEs lending in Ghana	ijrbm) 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>
<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.



Current Issues in Islamic Banking and Finance

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 &	20
Presentations	
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 style="text-align: center;">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
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 • 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 	Handouts & Research Articles

		<ul style="list-style-type: none"> • Development of an Islamic Benchmark 	
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