

MT-458 Islamic Banking & Financial System

The fundamentals of Islamic finance: meaning and objectives, beliefs, norms and ethical foundations, framework. Basic principles of Islamic finance: the prohibitions of interest (riba), uncertainty (gharar) and gambling (maysir), sources of Islamic finance law. The functionality of Islamic banking: operation of Islamic banks, differences between conventional and Islamic banking, and Islamic law of contracts. Sources of funds used by Islamic banks: deposit products, how funds are put to be used by Islamic banks, equity-based products, types of Islamic debt financing: Part 1 - housing finance, Part 2 - consumer finance e.g. motor vehicle and equipment leasing and 'cost plus' finance, Islamic equity (mutual) funds and fund management, Islamic banking & finance in different countries.

Recommended Books:

1. "Understanding Islamic Finance", Ayub, M , John Wiley & Sons Ltd., 2007.
2. "Islamic Banking: A Practical Perspective", Khir, K., Gupta, L., &Shanmugam, Kuala Lumpur: Pearson Longman, 2009.
3. "Islamic Financial Services", Obaidullah, M ,Jeddah: King Abdul Aziz University. Ch. 4 Journal articles detailed in lecture notes, 2006.