

**UNIVERSITI UTARA MALAYSIA
SEKOLAH KEWANGAN DAN PERBANKAN**

COURSE CODE	: WB3053
COURSE NAME	: ISLAMIC BANKING MANAGEMENT
CREDIT HOURS	: 3
PRE-REQUISITE	: -

1.0 SYNOPSIS

This course will discuss about the history and the development of Islamic banking system, the concept and theory, as well as the operational and application of Islamic banking. In particular, students will be exposed to other topics such as laws and regulations, the concept of interest, usury and riba, Islamic capital market, Islamic insurance and al-Rahnu. This course also enumerates some current issues and challenges facing Islamic banking system today.

2.0 OBJECTIVES

The aim of this course is to:

- 2.1 Explain the history and the development of Islamic banking system, the concept and theory and the applications of Islamic banking system.
- 2.2 Enable students to compare between the Islamic banking system and the conventional banking system.
- 2.3 Familiarize students with the principles of Syariah and the various products and services offered by Islamic banking.
- 2.4 Explain the concept of riba, capital market, insurance and mortgage from Islamic perspective.
- 2.5 Enable students to discuss on current issues about Islamic banking system.

3.0 REFERENCES

- 3.1 BIMB Institute of Research & Training Sdn. Bhd (BIRT) (1998). **Konsep Syariah Dalam Sistem Perbankan Islam**. BIRT. Kuala Lumpur.
- 3.2 BIMB Institute of Research & Training Sdn. Bhd (BIRT) (1994). **Islamic Banking Practice (From The Practitioner's Perspective)**. BIRT. Kuala Lumpur.
- 3.3 Muhammad Nejatullah Siddiqi (1983). **Banking Without Interest**. The Islamic Foundation. Leicester.
- 3.4 Nor Mohamed Yakcop (1996). **Teori, Amalan dan Prospek Sistem Kewangan Islam Di Malaysia**. Utusan Publications & Distributors Sdn Bhd. Kuala Lumpur.
- 3.5 Sudin Haron dan Bala Shanmugam (1997). **Islamic Banking System. Concepts and Applications**. Pelanduk Publications Sdn. Bhd. Kuala Lumpur.

4.0 TEACHING METHOD

This course will be conducted using several methods such as series of lectures, in-class discussion on related issues, project assignment and presentation.

5.0 COURSE EVALUATION

Coursework	: 60%
Final Exam	: 40%
Total	:100%

6.0 COURSE CONTENT

NO	TOPICS	CH
1.	1.0 History And Development Of Islamic Banking System 1.1 Introduction 1.2 The structure of financial system in Malaysia 1.3 The defination and the types of bank 1.4 History and development of Islamic banking 1.5 Development of Islamic banking sistem in Malaysia 1.6 Conclusion	3
2.	2.0 Concepts And Theory Of Islamic Banking 2.1 Introduction 2.2 The Objectives of Islamic banking 2.3 The philosopy of Islamic business 2.4 The principles of Islamic banking operation 2.4.1 Al-Mudharabah 2.4.2 Al-Musyarakah 2.4.3 Al-Murabahah 2.4.4 Al-Ijarah 2.4.5 Al-ijarah thumma al-Bai' 2.4.6 Bai' al-Inah 2.4.7 Bai' al-Dayn 2.4.8 Al-Qard al-Hasan 2.4.9 Al-Wadiah 2.4.10 Bai' al-Salam 2.4.11 Bai' Al-Istisna' 2.4.12 Bai' Al-Istijrar 2.4.13 Al-Bai' bithaman Ajil 2.4.14 Al-Rahnu 2.4.15 Al-Hiwalah 2.4.16 Al-Kafalah 2.4.17 Al-Sarf 2.5 Conclusion	6
3.	3.0 Operational Aspects And The Practices Of Islamic Banking System 3.1 Introduction 3.2 The activities of Islamic banking 3.2.1 Deposit activities 3.2.2 Financing activities 3.2.3 Local and international trade financing activities 3.2.4 Other banking activities 3.3 Conclusion	6

4.	4.0 Laws And Regulations Of Islamic Banking System 4.1 Introduction 4.2 Syariah laws in Islamic banking system 4.3 Sources of Syariah laws 4.3.1 Al-Quran 4.3.2 Al-Hadith 4.3.3 Al-Ijma' 4.3.4 Al-Qiyas 4.4 National syariah supervisory board 4.5 The positive laws and ragulations in Islamic banking system 4.6 The functions of Central Bank in Islamic Banking System 4.7 The accounting polices in Islamic bank 4.7.1 The basic comparison 4.7.2 The history of Islamic accounting system 4.7.3 The differences between Islamic accounting system and conventional accounting system 4.7.4 The practices of accounting policies in Islamic banking 4.8 The sources and uses of funds in Islamic Bank 4.8.1 Sources of funds 4.8.2 Uses of funds 4.9 Conclusion	6
5.	5.0 The Concepts Of Interest, Usury And Riba 5.1 Introduction 5.2 Definition of riba 5.3 The prohibition of riba 5.4 The differences between riba and profit 5.5 The concept of interest rate, usury, loan sharking and riba 5.6 Types and classifications of riba 5.7 Conclusion	6
6.	6.0 Islamic Capital Market 6.1 Introduction 6.2 Definition of Islamic capital market 6.3 Capital market from the Syariah point of view 6.3.1 Element of riba 6.3.2 Speculation activities 6.3.3 Short selling activities 6.3.4 Insider trading activities 6.3.5 Margin trading activities 6.4 Developments of Islamic capital market 6.5 Islamic equity market 6.6 The principles in the issuance of Islamic bon 6.7 Conclusion	6

7	7.0 Islamic Insurance 7.1 Introduction 7.2 The opinion of Islamic scholars about insurance concepts 7.3 The development of takaful 7.4 Theoretical and conceptual aspects of takaful 7.5 The differences between takaful and insurance 7.6 Conclusion	3
8	8.0 Al-Rahnu 8.1 Introduction 8.2 Background of mortgage in Malaysia 8.3 The concepts of al-Rahnu 8.4 The development of al-Rahnu in Malaysia 8.5 The difference between al-Rahnu and mortgage 8.6 Conclusion	3
9	9.0 Current issues in Islamic Banking System	3
	Total Credit Hours	42