

Code: ECON-418

Title: Islamic Banking and Finance

Credit Hours: 03

Prerequisite: Principles of Microeconomics and Principles of Macroeconomics

Objectives:

Islamic banking course provides an opportunity to explore, investigate and become professionally competent. According to an estimate upto 20% of the world population utilizes or actively seeks Islamic banking services. With no previous financial experience or knowledge of banking required, students will be introduced to the concept of Islamic banking and the way in which it differs from traditional banking. It covers the primary and unique characteristics of Islamic finance, along with how Islamic law applies to and affects the financial dealings. It is based on the principles of socio-economic justice

Course Contents

Introduction of Islamic Banking

Provision of a comprehensive introduction to Islamic banking. Discovering the financial instruments offered by Islamic banks. Awareness of the theory behind Islamic banking practices

Basics of Islamic Banking and Finance

Exploring the philosophy of Islamic banking and financing alongwith the series of key alternative financing principles. Knowledge about Mudarabah, Musharkah, Murabaha-Mu'ajjal and Salam

Islamic Banking and Conventional Banking

Highlighting the key differences between Islamic banking and conventional banking. Islamic banking model and its comprehensive definition and overview of how the model work in a contemporary business setting. Exploration of the difference between Islamic banking and others and magnitude of difference from conventional western banking

Islamic Law of Contract

Contract laws under the rules of Islamic banking and representation of balancing situation. Explanation of the key elements of Islamic contracts, the various types of contracts relevant to Islamic banking and their framework

Islamic Financial Products

Deeper insight into specific Islamic financial products, touching upon Islamic financial institutions, investment banking, and introduction to Islamic principles in relation to stock and sukuk (Islamic bonds for the generation of returns to investors)

Islamic Business Ethics

Analyzing the Islamic business ethics, incorporating essential teachings on gentleness, honesty, legitimate earnings and justice

Globalization of Islamic Banking

Islamic banking and finance on a global basis and representation of the contemporary international Islamic financial institutions including the Islamic Financial Services Board and the International Islamic Rating Agency

Recommended Books:

- Ahmad, K. (1976). Islami Nazriya Hayat. Karachi: Institute of policy studies.
- Chapra, M. U. (1992). Islam and the economic challenge. Lahore: The Islamic foundation.
- Dar, A. H., & Akram, M. M. (2007). Islamic Economics. Lahore: Ilmi Kitab Khana.
- Mannan, M. A. (2006). Islamic Economics : theory and practice. Lahore: Sh. Muhammad Ashraf.
- Mulathawi, M. H. (1995). Muashiyat Islam. Karachi: Manghu Peer Sharif.
- Naqvi, S. N. H.(2003). Perspectives on Morality and Human Well-Being: A Contribution to Islamic Economics. UK: The Islamic Foundation.
- Naqshbandi, Q. M. A. Islamic Economics. Lahore: Iqra Books