



**UNIVERSITY OF CALICUT**

**Abstract**

General & Academic - Faculty of Humanities- Revised syllabus of BA Islamic Finance with Computer Applications Programme- Corrected Scheme & Syllabus- Implemented w.e.f 2017 Admission- Orders issued.

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**G & A - IV - B**

U.O.No. 7602/2020/Admn

Dated, Calicut University.P.O, 19.08.2020

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*Read:-*1. UO No.12501/2017/Admn dated 05.10.2017

2. UO Note No.14414/BA-CONF-ASST-2/2020/PB dated 28.07.2020

3. UO No. 6883/2017/Admn dated 01.06.2017

4. Remarks from the former Chairman, Board of Studies in Islamic Finance (SB) dt. 05.08.2020

5. Remarks of the Dean, Faculty of Humanities, dt. 17.08.2020

**ORDER**

1. The revised Syllabus of BA Islamic Finance with Computer Application under CUCBCSS- UG Regulation-2014 was implemented with effect from 2017 Admission onwards, vide paper read (1) above.
2. Pareeksha Bhavan has reported, vide paper read (2) above, certain complications while finalising the consolidated Grade Card of 2017 admission candidates of B.A. Islamic Finance with Computer Application Programme and also that of other UG candidates who have chosen the open course offered by BA Islamic Finance, due to some anomalies present in the syllabus.
3. As per the paper read (3) above, 22 credits are required for Common Course English for UG programmes. But in the syllabus of BA Islamic Finance with Computer Application, the English Common Courses are allotted only 20 credits (common courses A02 & A04 are given 3 credits instead of 4 credits). Also, for the open course offered in this Syllabus for other UG programmes in the Vth semester is given 3 credits instead of 2 credits. Further it is noticed that the credits allotted for the core courses are in excess of 2 credits which is also against the CUCBCSS UG 2014 regulation.
4. As the term of the Board of Studies in Islamic Finance has expired and the new Board has not yet been constituted, the matter was referred to the former Chairman, Board of Studies in Islamic Finance (SB) and the former Chairman, vide paper read (4) above, has offered the following solution and requested to make necessary corrections in the Syllabus:
  - The credits for Common Courses A02 and A04 are increased to 4 instead of 3.
  - The credit of Open Course in the fifth semester is reduced to 2 instead of 3
  - The credit of Core paper, Core I, IFC1 B01 and Core II, IFC2 B02 are reduced to 4 instead of 5, altogether the total credit of Core courses rearranged to 64 instead of 66.

5. The Dean, Faculty of Humanities, vide paper read (5) above, has approved the clarification offered by the former Board Chairman.
6. Considering the matter in detail, the Vice Chancellor has accorded sanction on 18.08.2020, to approve the clarification offered by the former Chairman, Board of Studies in Islamic Finance as approved by the Dean, Faculty of Humanities and to issue corrected Scheme and Syllabus for BA Islamic Finance with Computer Application programme w.e.f 2017 Admission
7. Sanction has, therefore, been accorded to implement the corrected Scheme & Syllabus of BA Islamic Finance with Computer Application Programme revised under CUCBCSS- UG Regulations 2014 with effect from 2017 Admission onwards.
8. Orders are issued accordingly. (corrected Syllabus is appended)

Arsad M

Assistant Registrar

To

The Principals of all Affiliated Colleges

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Section Officer

**CHOICE BASED CREDIT SEMESTER SYSTEM FOR UNDERGRADUATE  
PROGRAMME**

**Of**

**UNIVERSITY OF CALICUT**

**REVISED CURRICULUM**

**FOR**

**BA ISLAMIC FINANCE WITH COMPUTER APPLICATION**

**(2017 Admissions Onwards)**

**Corrected Syllabus**

**Prepared by**

**BOARD OF STUDIES IN ISLAMIC FINANCE**

**Under**

**Calicut University Regulations for  
Choice Based Credit Semester System  
For Under-Graduate Curriculum  
2014 (CUCBCSS UG - 2014)**

# **BA ISLAMIC FINANCE WITH COMPUTER APPLICATION**

## **SCHEME AND SYLLABUS**

The course BA Islamic Finance with computer Application is designed to familiarize the students the emerging industry of Islamic Finance. It helps the students to understand the fundamental concepts of Islamic economics and finance. It equips them to meet the requirements of the new generation banks, insurance companies and security markets. It also enables them to know the importance of the development of an interest-free economy to promote socio-economic justice in society. The syllabus is structured to describe the underlying principles of Islamic commercial contracts, to deal with the various Islamic financial products and the key operations of Islamic banks and the scope for co-operation between conventional and Islamic financial institutions. It also aims to analyse the financial market, Islamic financial markets, scope and instruments including the operations of venture capital, investment funds, unit trusts, sukuk and insurance in accordance with Islamic principles, to discuss the governance and transparency issues in Islamic financial institutions. It also equips the students to deal with the computers, internet and computerized accounting.

### **ELIGIBILITY CRITERIA**

The eligibility for higher studies in the Higher Secondary Examination or its equivalent is the eligibility for admission to the BA Islamic finance degree course.

The admission procedure, indexing and weightage are same as the case of other UG courses. Weightage will be given for commerce and economics, Islamic studies papers in indexing.

### **BA Islamic Finance with Computer Application Scheme and Syllabus**

Programme	:Undergraduate Level
Duration of the Course	:3 years
System to be followed	: Semester System
No. of Semesters	:Six Semesters
Mode of Evaluation	:Continuous Evaluation (Assignments, Seminars, Projects, Internal Examinations & End Semester Examinations.
System of Evaluation	: Grading System
Medium of Instruction	:English

**Table. 1. Details of Common, Core, Complementary and Open Courses in each semester:**

Semester	Course	Course code	Title of Paper	Hours per week	Credits			
						IE*	EE*	Total
I Semester	Common I	A01		4	3	20	80	100
	Common II	A02		5	4	20	80	100
	Common III	A07		4	4	20	80	100
	Core 1	IFC1 B01	Management concepts and Business ethics	6	4	20	80	100
	Complementary I	ECO1 C01	Essentials of Economics I-Micro	3	2	10	40	50
	Complementary II	BC1C 05	Managerial economics	3	2	10	40	50
II Semester	Common IV	A03		4	3	20	80	100
	Common V	A04		5	4	20	80	100
	Common VI	A08		4	4	20	80	100
	Core II	IFC2 B02	Islamic economic thought	6	4	20	80	100
	Complementary I	ECO2 C01	Essentials of Economics II-Macro	3	2	10	40	50
	Complementary II	BC2C 06	Marketing management	3	2	10	40	50
III Semester	Common VII	A05		5	4	20	80	100
	Common VIII	A09		5	4	20	80	100
	Core 3	IFC3 B03	Introduction to Computers, Office Automation & internet	5	4	20	80	100
	Core 4	IFC3 B04	Basics of Islamic finance	4	4	20	80	100
	Complementary I	ECO3 C01	Essentials of Economics III-Money, Banking, Finance and Trade	3	2	10	40	50
	Complementary II	BC3C 07	E-commerce management	3	2	10	40	50
IV Semester	Common IX	A06		5	4	20	80	100
	Common X	A10		5	4	20	80	100
	Core 5	IFC4 B05	Islamic banking theory and practice	5	4	20	80	100
	Core 6	IFC4 B06	Quantitative tools for	4	4	20	80	100

			financial analysis					
	Complementary I	ECO4 C01	Essentials of Economics IV- Indian Economy	3	2	10	40	50
	Complementary II	BC4C 08	Quantitative techniques for business	3	2	10	40	50
V	Core 7	IFC5 B07	Financial system	6	5	20	80	100
	Core 8	IFC5 B08	Fundamentals of Islamic economics	6	4	20	80	100
	Core 9	IFC5 B09	Fundamentals of accounting	5	4	20	80	100
	Core 10	IFC5 B10	Public finance in Islam	5	4	20	80	100
	Open (To choose 1 out of 3)	IFC5 D01	Islamic commercial law	2	2	10	40	50
		IFC5 D02	Fundamentals of accounting in Islamic finance					
		IFC5 D03	Islamic Economic system					
Project Work		To be continued in VI semester						
VI	Core 11	IFC6 B11	Corporate governance in Islamic finance	5	5	20	80	100
	Core 12	IFC6 B12	Computerized accounting with tally	5	5	20	80	100
	Core 13	IFC6 B13	Islamic insurance (takaful)	5	5	20	80	100
	Core 14	IFC6 B14	Islamic bonds (sukuk)	5	4	20	80	100
	Elective (To choose 1 out of 3)	IFC6 E01	Financial management	3	2	20	80	100
		IFC6 E02	Environmental economics					
		IFC6 E03	Islamic asset and fund management					
Project Work	IFC6 B15 (Pr)	Individual/Group activity	2	2	10	40	50	
Semester	<b>Total Credits</b>				<b>120</b>			

\* Internal Evaluation, \*\* External Evaluation

## CORE COURSES

Semester	Course	Course code	Title of Paper	Hours per week	Credits			
						IE	EE	Total
Sem 1	Core 1	IFC1 B01	Management concepts and Business ethics	6	4	20	80	100
Sem 2	Core 2	IFC2 B02	Islamic economic thought	6	4	20	80	100
Sem 3	Core 3	IFC3 B03	Introduction to Computers, Office Automation & internet	5	4	20	80	100
	Core 4	IFC3 B04	Basics of Islamic finance	4	4	20	80	100
Sem 4	Core 5	IFC4 B05	Islamic Banking theory and practice	5	4	20	80	100
	Core 6	IFC4 B06	Quantitative tools for financial analysis	4	4	20	80	100
Sem 5	Core 7	IFC 5B 07	Financial system	6	5	20	80	100
	Core 8	IFC5 B08	Fundamentals of Islamic economics	6	4	20	80	100
	Core 9	IFC5 B09	Fundamentals of accounting	5	4	20	80	100
	Core 10	IFC5 B10	Public finance in Islam	5	4	20	80	100
Sem 6	Core 11	IFC6 B11	Corporate Governance in Islamic finance	5	5	20	80	100
	Core 12	IFC6 B12	Computerized accounting with Tally	5	5	20	80	100
	Core 13	IFC6 B13	Islamic insurance (Takaful)	5	5	20	80	100
	Core 14	IFC6 B14	Islamic bonds (Sukuk)	5	4	20	80	100

## **Complementary Courses**

The following complementary courses are suggested with the option for choice. The syllabus for complementary courses of sister departments are prepared by the respective Boards of studies.

- |             |   |                    |
|-------------|---|--------------------|
| 1) ECO1 C01 | Essentials of Economics I-Micro                               | (BOS Economics UG) |
| 2) ECO2 C01 | Essentials of Economics II-Macro                              | „                  |
| 3) ECO3 C01 | Essentials of Economics III-Money, Banking, Finance and Trade | „                  |
| 4) ECO4 C01 | Essentials of Economics IV-Indian Economy                     | „                  |
| 5) BC1C05   | Managerial Economics  | (BOS Commerce UG)  |
| 6) BC2C06   | Marketing management  | „                  |
| 7) BC3C07   | E-Commerce management   | „                  |
| 8) BC4C08   | Quantitative techniques for business                          | „                  |

Colleges can choose from the above complementary courses offered by the University without affecting the existing workload.

## **Open Courses**

During the Vth Semester three Open courses are offered to the students of other departments. Colleges can choose any one course from the three listed below

IFO5 D01 - Islamic commercial law

IFO5 D02 - Fundamentals of accounting in Islamic finance

IFO5 D03 – Islamic Economic system

## **Elective Courses**

During VIth Semester three elective courses are offered for BA Islamic Finance with Computer Application Programme. Colleges can choose any one course from the three listed below.

## **Assessment and Evaluation**

Assessment and evaluation of the course shall be according to the CUCBCSS UG-2014 Regulations of the University of Calicut. As per the regulations evaluation of the course shall contain two parts: Internal Evaluation and External Evaluation. The Internal examination shall have a weightage of 20% and the remaining 80% for external evaluation.



External Evaluation is done by the University through End Semester examination through indirect grading system based on 7-point scale (A+, A, B, C, D, E or F), as suggested by the Regulations 2014.

Internal assessment is done through the system of continuous assessment

### Question Pattern for External Evaluation (Core Course)

Type of Question	Questions to be Given	Questions to be Answered	Marks for each Question	Total Marks
Objective Type	12	12	$\frac{1}{2}$	6
Very Short Answer	12	10	2	20
Short Essay	8	6	5	30
Essay	4	2	12	24
Total	36	30		80

### Table 6. Question Pattern for External Evaluation (Open Course)

Type of Question	Questions to be Given	Questions to be Answered	Marks for each Question	Total Marks
Objective Type	8	8	$\frac{1}{2}$	4
Very Short Answer	7	5	2	10
Short Essay	6	4	4	16
Essay	2	1	10	10
Total	23	18		40

### Table 7. Question Pattern for External Evaluation (Complimentary Course)

Type of Question	Questions to be Given		Questions to be Answered		Marks for each Question	Total Marks	
	Part 1	Part 2	Part 1	Part 2		Part 1	Part 2
Objective Type	6	6	6	6	$\frac{1}{2}$	3	3
Very Short Answer	6	6	5	5	2	10	10
Short Essay	4	4	3	3	5	15	15
Essay	2	2	1	1	12	12	12
Total	18	18	15	15		40	40

## **Project - IFO6 B15 (Pr)**

As part of the requirements for BA Programme every student must do a project either individually or as a group, under the supervision of a teacher. Project work is meant for providing an opportunity to approach and study a problem in a systematic and scientific manner. It provides them an opportunity to apply the tools they have studied and learn the art of conducting a study and presenting the report in a structured way. The report of the project, completed in every respect, is to be submitted to the department for valuation by the examiners appointed by the University.

### **PROJECT GUIDELINES**

1. Project work may be done either individually or as a group of students not exceeding 5 in number.
2. The topic of the project should be on Islamic finance issues either theoretical or case study type.
3. Students should be properly oriented on the methodology of conducting a study during the Vth Semester, making use of the hours allotted for the purpose.
4. The Project work should be completed by the end of the VI semester and the report should be submitted to the Department before 31st March of the year concerned.
5. The project report should be either printed or typed in English.
6. A copy of the project report in English (printed or typed) should be submitted by the student/ team on or before 31 March of the year concerned.
7. The valuation of the project will be done at two stages:
  - a. Internal evaluation (supervising teachers will assess the project and award grades)
  - b. External evaluation (The team will comprise of an external examiner appointed by the University and the HOD of the institution concerned or his nominee)
  - c. Viva voce related to the project work will also be conducted by the external evaluation team. All candidates should undergo the Viva voce test individually.
  - d. Grades will be awarded to candidates combining the internal grade, team grade and Viva voce grade.
8. Length of the project report - 20 to 35 typed pages (Paper A4, Times New Roman, Font size 12, line spacing 1.5). The report may be organized in 3 chapters (minimum). The use of simple statistical tools in data analysis may be encourage
9. Project evaluation and the Viva voce should be conducted immediately after the completion of the regular classes /written examination.
10. The chairman of the VI semester exam should form and coordinate the evaluation teams and their work.
11. The project external evaluation should be completed before the commencement of the centralized valuation.
12. External Examiners will be appointed by the University from the list of VI semester Board of Examiners in consultation with the Chairman of the Board.
13. Student for viva-voce are compulsory for internal evaluation.
14. The internal to external is to be taken in the ration of 1:4. Assessment of different components may be done as given below.

### Details of the Assessment of Project Report

Internal (20% of total) % of Marks		External (80% of total)	
Components	% of Marks	Components	% of Marks
Punctuality	20	Relevance of the Topic, Statement of Objectives, Methodology (Reference/Bibliography) Statement of Objectives, Methodology	20
Use of Data	20	Presentation, quality of analysis of statistical Tools, Findings and recommendations.	30
Scheme/Organization of Report	30	Viva-voce	50
Viva-voce	30		

**Complementary Courses for other Programmes**  
**Complimentary Courses prescribed for any UG Programme**  
**approved by the Board of Studies in Islamic Finance**

**Islamic Finance: Theory and Practice**

<b>Semester</b>	<b>Course Code</b>	<b>Course Title</b>
Semester-I	IFC1 C05	Islamic Finance: Theory and Practice -I
Semester-II	IFC2 C05	Islamic Finance: Theory and Practice -II
Semester-III	IFC3 C05	Islamic Finance: Theory and Practice -III
Semester- IV	IFC4 C05	Islamic Finance: Theory and Practice -IV

**Fundamentals of Islamic Economics**

<b>Semester</b>	<b>Course Code</b>	<b>Course Title</b>
Semester-I	IFC1 C06	Fundamentals of Islamic Economics – I
Semester-II	IFC2 C06	Fundamentals of Islamic Economics – II
Semester-III	IFC3 C06	Fundamentals of Islamic Economics – III
Semester- IV	IFC4 C06	Fundamentals of Islamic Economics – IV

## Core Courses

### Detailed Syllabi

#### **IFC1 B01: MANAGEMENT CONCEPTS AND BUSINESS ETHICS**

##### **Objectives:**

To understand the process of business management and its functions, and

To familiarize the students with current management practices .

To understand the importance of ethics in business, and

To acquire knowledge and capability to develop ethical practices for effective management

##### **COURSE OUTLINE**

###### **Module I**

Nature and scope of Management; evolution of management- Schools of management thought; W. Taylor and Henry Fayol; principles of management; management as a science and an art; management process.

###### **Module II**

Functions of management- planning: types of plan; planning process; organizing: span of control , line and staff functions ; centralization and decentralization; delegation; staffing: manpower planning, recruitment, selection and placement;; directing: principles of direction; coordinating, and controlling.

###### **Module III**

Manager Vs leader; leadership and motivation; leadership styles; theories of Motivation.MBO;Management of performance; Understanding and managing group processes; characteristics of workgroup, work group behavior and productivity; team creation and management.

###### **Module IV**

Ethics, culture and values: Importance of culture in organisations; Indian ethos and value systems; Model of management in the Indian socio political environment; Work ethos; Indian heritage in production and consumption.

###### **Module V**

Business ethics: Relevance of values in Management; Holistic approach for managers in decisionmaking; Ethical Management: Role of organisational culture in ethics; structure of ethics management; Ethics Committee.

##### **Reference Books:**

1. Boatwright, John R: Ethics and the Conduct of Business, Pearson Education, New Delhi.

2. Sathish Modh: Ethical Management: Macmillan.
- 3 Koontz, H and Wechrick, H: Management, McGraw Hill Inc, New York.
- 4 Drucker, Peter, F: Management: Tasks, Responsibilities and Practices, Allied Publishers, New Delhi.
5. L.N Prasad : Principles of management.
6. R.S Davar ; Management Process
7. Rustum & Davan, Principles and practice of Management.
8. Srinivasan & Chunawalla, Management Principles and Practice.

## **IFC2 B02 ISLAMIC ECONOMIC THOUGHT**

### **Module 1 History of contemporary Islamic economic thought:**

Historical account of the Islamic economics – early economic thoughts – economic ideas in Muslim writings of history

### **Module 2 Evolution of Islamic economic thought:**

Economic institutions during the time of the Prophet and Right Guided Caliphs

### **Module 3 Islamic economic thought after Right Guided Caliphs:**

Development of economic institutions during Umayyad, Abbasid and later periods, Management of revenues, Kitab al amwal and Kitab al Kharaj

### **Module 4 Contribution of important scholars to Islamic economic thought**

Imam Gazzali and Ibn Thaimiyyah, Abu Yousuf-Abu ubaid-Yahiya-ibin Adam-Qudama ibin Jaffer-ibin al muquaffa

### **Module 5 Contemporary development in Islamic economic thought:**

Islamic revivalism of the twentieth century - Development of Islamic economics in modern era – contemporary Islamic Economic thinkers - Mohammad Abdul Mannan - Dr. Mohammed Nejatullah Siddiqui - Syed Nawab Hyder Naqvi - Monzer Kahf - Syed Mohammad Teleghani - Mohammad Baqir as-Sadr – their contributions

References:

1.S.M. Gaznafar, *Medieval Islamic Economic Thought*, RotledgeCursow, London & New York, 2003

Abbas Mirakhor, The Muslim Scholars and the History of Economics; a need for consideration, American Journal of Islamic Social Service Vol:4 1987

Abdul Azim Islahi: *History of Economic thought in Islam*, Dept. of Economics A.M.U Aligarh, 1996

Spangler J.J ; *Economic Thought of Islam* : Ibn Khaldun, Comparative Studies in Society and History (Haque) 1964 Vol.16

Abul Hasan M Sadeq&AiditGhazali (ed) : *Readings in Islamic economic Thought*, Longman Magazine 1992 Chapters 1,5,6,7,8,9,10,12 and13

Dr.SabaduddinAzmi : *Islamic Economics*, Good Word Books, 2002

SileAhammedGusau : Economic Thought of Ibn Khaldun, Journal of Islamic Economics Vol.3, 1993

Contributions of Muslim Scholars to Economic Thought and Analysis – Abdul Azim Islahi-King Abdul Aziz Univesity KSA

Mohammed Aslam Haneef: Contemporary Islamic Economic Thought “A Selected Comparative Analysis” Ikraq 11,Jalan 11/4 E 46200, Pataling, Jaya, Selangor. 1995

## **IFC3 B03 INTRODUCTION TO COMPUTERS, OFFICE AUTOMATION & INTERNET**

### **Module I**

Introduction to Computers: Types of Computers - DeskTop, Laptop, Notebook and Netbook. Hardware: CPU, Input / Output Devices, Storage Devices – System - Software - Operating Systems, Programming Languages, Application Software - Networks - LAN, WAN - Client - Server.

### **Module II**

Documentation Using a Word Processor (Open Office Writer / M.S. Word) - Introduction to Office Automation, Creating & Editing Document, Formatting Document, Auto-text, Autocorrect, Spelling and Grammar Tool, Document Dictionary, Page Formatting, Bookmark, Advance Features - Mail Merge, Macros, Tables, File Management, Printing, Styles, linking and embedding object, Template.

### **Module III**

Electronic Spread Sheet (OpenOffice Calc/MS-Excel) - Introduction to Spread Sheet, Creating & Editing Worksheet, Formatting and Essential Operations, Formulas and Functions, Charts, Advanced features - Pivot table & Pivot Chart, Linking and Consolidation.

## **Module IV**

Presentation using (Open Office Impress/MS-Power Point): Presentations, Creating, Manipulating & Enhancing Slides, Organizational Charts, Charts, Word Art, Layering art Objects, Animations and Sounds, Inserting Animated Pictures or Accessing through Object, Inserting Recorded Sound Effect or In-Built Sound Effect.

## **Module V**

Introduction to networking and the internet - What is Networking – LAN – WAN – Wireless networks – Benefits of Networking – file sharing – sharing of printers – examples – networking in an office – in an internet cafe. The Internet- HTMLwebsites – blogs – search engines –e-mail chat – social networking – Security issues – Hacking – Phishing - Wikis-file sharing – net banking – shopping on internet- online knowledge resources- Encyclopedias – libraries – book sites – journals

## **References:**

1. Michael Miller, *Absolute Beginner's Guide to Computer Basics*, Prentice Hall.
2. Russell A. Stultz, *Learn Microsoft Office*, BPB Publication.
3. H.M.Deitel, P. J. Deitel, et al., *Internet & World Wide Web - How to program*, Prentice Hall.

## **IFC3 B04 BASICS OF ISLAMIC FINANCE**

### **Course Objectives**

To familiarize students with basic concepts used in Islamic finance

To provide basic understanding of working of Islamic banks and financial institutions

To introduce Islamic finance instruments used in shariah compliant transaction

### **Module I: Introduction**

Islamic financial system: an overview – financial function - types of markets and products- financial instruments - Shariah law – maqasidu sharia (objectives of sharia) - Sources and Development-Important concepts and principles of Fiqh-Major norms in Islamic finance

### **Module II: Islamic Financial Contracts**

Conditions of contract: Waad, Muwaada, Aqd- Elements of contract: Contracting parties, subject matter, offer and acceptance-Types of contracts

### **Module III: Islamic Commercial Banking**

Islamic appraisals of conventional banking-Operating structure of Islamic banks- Models of Islamic banking; Sources and application of funds



## **Module IV: Islamic Capital Market**

Introduction to capital market-Types of market & kinds of products- Islamic appraisal of capital market- Stock market: shariah screening methods, purification and zakah- Islamic securities (Sukuk)

## **Module V: Islamic Insurance (Takaful)**

Islamic appraisal of conventional insurance- Structure and models of Islamic insurance-Types of insurance products. General and family takaful. Reinsurance and re-takaful.

## **Module VI: Islamic Microfinance**

Introduction to micro finance - The significance of micro finance services - Micro finance models - Islamic Microfinance - Products in Islamic microfinance

### References:

1. Iqbal, Munawar and Molyneux, *Thirty Years of Islamic Banking: History, Prospects and Performance*, Philip, 2005.
2. Iqbal, Zubair and Mirakhor Abbas, 'Islamic Banking', *International Monetary Fund*, Washinton DC: (Occasional Paper No.49), 1987
3. Khan, S. Mohsin, 'Islamic Interest Free Banking: A Theoretical Analysis', *International Monetary Fund Staff Papers*, (Washington DC), Vol. 33, No, 1, 1986.
4. Mills, Paul S. and John R. Presley, *Islamic Finance: Theory and Practice*, London, Macmillan, 1999.
5. Obaidullah, Mohammad, *Islamic Financial Services*, Islamic Economics Research Center, King Abdul Aziz University (Jeddah, Saudi Arabia, 2005.
6. Siddiqi, M.N., *Riba, Bank Interest and the Rationale of its Prohibition*, IRTI, IDB, 2004.
7. Usmani, M., Taqi, *An Introduction To Islamic Finance*, Karachi, Idaratul Ma'arif, 1998.
8. Introduction to Islamic microfinance, Dr. Mohammed Obaidullah
9. Contemporary practices of Islamic financing techniques-Dr. Ausaf Ahmad
10. Islamic economic institutions and elimination of poverty- dr. Munavvar Iqbal
11. Islamic microfinance and poverty alleviation- Dr. Mohammed Obaidullah

## IFC4 B05 ISLAMIC BANKING THEORY AND PRACTICE

### Module I : Evolution of Islamic banking

History and evolution of Islamic banking - classical partnership to modern Islamic banks - development of Islamic/interest free banks in 20<sup>th</sup> century- The Global Islamic Finance Development Center – Islamic banks a global overview

### Module II: Principles of Islamic finance

Principles of Islamic finance- Major prohibitions and promotions- Prohibition of *riba*, *gharar* and *mysir*- different types of *riba* and basis of its prohibition- prohibition of interest in other religions-prohibition of certain commodities and services- permission of trade and its norms

### Module III: Functioning of Islamic banks

Introduction to the functioning of Islamic banks- Deposit products in Islamic banks-current account, savings account and investment account- Its principles in Islamic finance-*al wadiah*, *qard* and *mudaraba* principles- special investment account and general investment account- difference between conventional banking and Islamic banking

### Module IV: Financing products of Islamic Banks - I

Equity based products- *mudaraba*, *musharaka* and diminishing *musharaka*-its issues in product management-combination of *mudaraba* and *musharaka*- uses of these techniques in finance operation- difference between conventional equity finance and participatory finance

### Module V: financing products of Islamic Banks - II

Debt based financial products:- *murabaha*- conditions and steps for *murabaha* practice- *murabaha* and *musawama*- *bai muajjal* - Issues in product management and its area of application

Forward sales:- *bai'salam* and *isthisnah*- method of operation and practice of *salam* contract- parallel *salam*- *Isthisnah* –conditions for practice- difference between *salam* and *isthisnah*-area of application.

Leasing contract:- *ijara*-basic rules of leasing-leasing as a mode of financing-permanent leasing and *ijara wa iqthinah* –securitization of *ijarah* –Uses of *ijara*

Other products in Islamic banks:- *Qard hasana*, *a'rahn*, *wakala* , fee based services of Islamic commercial banks- practicing of *hibah* in Islamic banks and its conditions

Ref:

Dr. Mohammed Obaidullah- Islamic financial services- King Abdul Azeez University Jeddah

Mufti Taqi Usmani- an introduction to Islamic finance

Iqbal, Munawar and Molyneux, *Thirty Years of Islamic Banking: History, Prospects and Performance*, Philip, 2005

Khan, S. Mohsin, 'Islamic Interest Free Banking: A Theoretical Analysis', *International Monetary Fund Staff Papers*, (Washington DC), Vol. 33, No, 1, 1986.

4. Mills, Paul S. and John R. Presley, *Islamic Finance: Theory and Practice*, London, Macmillan, 1999.

Siddiqi, M.N., *Riba, Bank Interest and the Rationale of its Prohibition*, IRTI, IDB, 2004.

## **IFC4 B06 QUANTITATIVE TOOLS FOR FINANCIAL ANALYSIS**

### **Introduction**

Students of Islamic Finance should have sound quantitative skills to, analyse and interpret empirical data. They also require these skills for advanced studies in finance and economics..

### **Objectives**

This course is intended to provide students an introduction to quantities methods and tools that are used in the undergraduate level. The aim of this course is to develop

skill in statistical techniques that are required for a meaningful understanding of Islamic finance and for carrying out empirical research.

### **Learning Outcome**

Students are expected to acquire statistical skills that are necessary for further studies. However, it should be kept in mind that the students who study this course have limited quantitative skills. Their limitations and peculiarities should be considered while preparing questions paper, particularly for problems.

### **Syllabus**

#### **Module I: Meaning of Statistics and Description of Data**

Definition, Scope and Limitations of Statistics-Frequency distribution- Representation of data by Frequency polygon, Ogives and Pie Diagram.

#### **Module II Measures of Central tendency**

Arithmetic Mean, Median, Mode, Geometric Mean and Harmonic Mean-Weighted averages- Positional values- Quartiles, Deciles and Percentiles-Business Averages Quadratic Mean and Progressive Average- Measures of Dispersion: Absolute and Relative measures of Range,

Quartile Deviation, Mean Deviation and Standard Deviation- Lorenz Curve- Gini Coefficient- Skewness and Kurtosis.

### **Module III: Correlation and Regression Analysis**

Correlation-Meaning, Types and Degrees of Correlation- Methods of Measuring Correlation- Graphical Methods: Scatter Diagram and Correlation Graph; Algebraic Methods: Karl Pearson's Coefficient of Correlation and Rank Correlation Coefficient - Properties and Interpretation of Correlation Coefficient-Simple linear regression Meaning, Principle of Ordinary Least Squares and Regression Lines.

### **Module IV: Index Numbers**

Index Numbers: Meaning and Uses- Unweighted and Weighted Index Numbers: Laspeyre's, Paasche's, Fisher's

Reference:

1. Lind D.A., W.G. Marchal and S.A Wathen., Statistical Techniques in Business and Economics, Tata Mc Graw Hill, New Delhi.
2. Gupta S. P, Statistical Methods, Sultan Chand and Sons, New Delhi.

## **IFC5 B07 FINANCIAL SYSTEM**

### **Module I: Financial System:**

Meaning and Significance-Functions of the financial system - Financial Assets- Financial markets- Classification-Financial instruments-weakness of Indian Financial System.

### **Module II: Money market:**

Definition, Features, Objectives and Importance of Money market-Composition of Money market-Operations and Participants- Money market Instruments-features of Indian money market-Recent developments.

### **Module III: Capital Market:**

Capital market- Primary market – Secondary market- New issue market-meaning-functions- methods floating new issue - intermediaries in the new issue market-merchants bankers and their functions -Recent trends in new issue market - Stock Exchanges-Functions-Structure of stock exchanges-BSE-NSE- listing of securities-Advantages of listing-methods of trading in stock exchanges-on line trading-stock indices

#### **Module IV: Financial Institutions:**

Commercial banks- development financial institutions- Nonbanking financial corporations- Mutual Funds, insurance companies – Objectives and functions (only a brief outline). 15 Hours

#### **Module V: Regulatory Institutions –**

RBI – Role and Functions. The Securities and Exchange Board of India-objectives-function-powers-SEBI guidelines for primary and secondary market. 08 Hours

Reference Books:

1. Kohn, Meir: Financial Institutions and Markets, Tata McGraw Hill.
2. Bhole L.M: Financial Institutions and Markets, Tata McGraw Hill.
3. Desai, Vasantha: The Indian Financial System, Himalaya Publishing House.
4. Machiraju.R.H: Indian Financial System, Vikas Publishing House.
5. Khan M.Y: Indian Financial System, Tata McGraw Hill.
6. Varshney, P.N., & D K Mittal, D.K.: Indian Financial System, Sulthan Chand & Sons
7. Gordon E. & Natarajan K.: Financial Markets & Services, Himalaya Publishing House.
8. Pathak, V. Bharati: Indian Financial System, Pearson Education

### **IFC5 B08 FUNDAMENTALS OF ISLAMIC ECONOMICS**

Objective

To define the scope and significance of Islamic Economics with special reference to the central problems of economic choice.

To explain the ethical character of Islamic Economics within the context of the current debate on economic methodology, particularly the positive/normative characterization of Islamic Economics.

A comparative understanding of conventional economic thought and Islamic economics

#### **Module I: Introduction to Islamic Economics**

Nature and scope of Islamic Economics- Faith in One God and its economic implications - Freedom of choice with accountability - Islam's view of property as a trust- Freedom of enterprise -Role of state in ensuring a minimum realization of norms- Sources of Islamic Economics

## **Module II: Principles of Islamic Economics**

Principles of Islamic Economics- Riba, bank interest and rationale of its prohibition-Gharar (hazard ) and the prohibition of gambling- Competition and cooperation, their relative scopes- Risk sharing verses risk shifting-Economic stability and the significance of abolition of interest

## **Module III: Theory of firm and Consumer Behavior Islamic perspective**

Theory of the Firm- Behavior of firm - Producer behavior - Objectives of production - concept of 'maslaha' - the possibility of taking social good into consideration- Role of cooperative ventures at the industry level- Public sector policy goals- Environmental protection, - Allocative efficiency- Consumer behavior: directions on consumption - Moderation in consumption - welfare function - ends and values - self interest with ethical constraints

## **Module IV: Principles of Distribution in Islamic Economics**

Equitable distribution of income and wealth- major policy considerations - Universal need fulfillment, social solidarity and economic strength, major goals of public finance in Islam- Zakat, and the share of the have-nots -Awqaf, their emergence in early Islam and their role in modern economy

## **Module V: Market and Price in Islamic economics**

Market structures : Islamic view – The condemnation of monopoly - Information made available to both buyers and sellers - The condemnation of future contracts if the quantity of the object is not known - Islamic view on pricing – Price taking – market determined price – price control – government determined price

Suggested Reading:

1. Ahmad, Habib (eds), *Theoretical Foundation of Islamic Economics*, Islamic Research and Training Institute, Islamic Development Bank, 2002.
2. Chapra, M .U, *What is Islamic Economics*, Jeddah, IRTI, IDB, 1996.
3. Khan, W. Masood, *Towards an Interest Free Islamic Economic System*, Leicester, UK: The Islamic Foundation, 1985.
4. Siddiqi, M.N, *Some Aspects of Islamic Economy*, Delhi, M. M. I. Publishers, 2002.

## IFC5 B09 FUNDAMENTALS OF ACCOUNTING

### Course Objectives

To familiarize students with basics of financial, cost and management accounting

To equip them techniques of business decisions based on accounting information

To use financial data in decision making

### **Module I: Introduction**

Meaning, definition and needs of accounting business decisions; forms of accounting and users of accounting information; accounting standardisation and role of AICPA; framework of accounting postulates; principles, conventions, concepts, procedures, methods etc; accounting equations and types of accounts, rule of recording business transactions.

### **Module II: Preparation Basic Accounting Records**

Preparation of basic accounts - journal to trial balance, income statement, position statements (P&L A/C and Balance Sheet) and adjustment entries; presentation of financial statements in other useful forms, i.e. common sized statement; comparative statement and trend percentages; legal requirements relating to accounting, Reading of annual report

### **Module III: Financial Statement Analysis**

Ratio analysis, its meaning and uses; study of liquidity ratios and leverage ratios; study of profitability ratios and activity ratios; meaning, uses and preparation of functions flow statements; meaning, uses and preparation of cash flow statements.

### **Module IV: Islamic Accounting Norms**

Objectives of financial accounting in Islam. Basic assumptions and criteria for Islamic accounting. The prescribed general layout of the balance sheet in Islamic banks. Accounting Standards of Islamic Financial Institutions: Analysis of the Balance Sheet Structure.

### **Module V: AAOIFI Norms of Islamic Accounting**

AAOIFI Norms for accounting of Islamic financial products; mudaraba, musharaka, murabaha, ijarah, salam, istisna. Norms of Islamic corporate governance.

### Suggested Readings:

1. AAOIFI, (Accounting and Auditing Organization for Islamic Financial Institutions), *Accounting and Auditing Standards for Islamic Financial Institutions*, Manama, Bahrain, 1997.
2. AAOIFI, Accounting Auditing and Governance Standards for Islamic Financial Institutions, Manama, Bahrain, 2002.

3. Dearden J and Bhattacharya SK, *Accounting for Management– Text and Cases*, Vikas Publishing House Private

Ltd, New Delhi, 2005.

4. Hingorani, Ramnathan and Grewal, *Management Accounting*, S. Chand & Sons, New Delhi, 2005.

5. Pandey, I.M. *Management Accounting*, Vikas Publishing House Private Limited, New Delhi, 200

## **IFC5 B10 PUBLIC FINANCE IN ISLAM**

### **Module 1-Nature and scope of public finance**

Nature, definition and scope of public finance-role of public finance in economic development- Main sources of revenue-public expenditure-public debt and its implications-budget and economy-fiscal policy and economic stability

### **Module II: Development of public finance in Islam**

Meaning and nature of public finance in Islam-nature of Islamic state-provision of social good-supply of social good-through voluntary sector-functions of the state. The executive-defense-social security-economic activities of the state-economic development-distribution function.

### **Module III-Sources of revenue for the Islamic state**

Zakah –zakah in holy Quran and hadith Sources of Zakah-Jizya or poll tax in Islam- Islamic treatment of religious minorities-Kharaj Tax on land-during prophet and in the caliphate of Ummar-fai’ - spoils of war-the ushr in Islam.

### **Module IV-Public treasury of Islamic state**

Public expenditure-zakah funds-the eight groups of poor and very poor people. zakah and other religions -zakah and employment – Public sector and Islamic state-

### **Module V: Role of the state in contemporary economy**

Contemporary perception of public goods - the functions of the Islamic State - Public choice and its relationship to public fiscal decision making (the Shu'ra, the public interest) objectives of public intervention of the state-poverty-education-health-protection of environment – policy and measures.

### **References**

Budget deficit and public borrowing instruments in Islamic economic system; Dr. Monzer Kahf 1994



Islamic economics Dr. Shabahuddin Azmi

Fiscal policy in the Islamic state; Abdullah Jumah Saeed Sa'adi –Layme Books Ltd

Islamic economics theory and practice MA Mannan

Economic functions of early Islamic state Hasanuzzaman SM International publishers Karachi 1990

## **IFC6 B11 CORPORATE GOVERNANCE IN ISLAMIC FINANCE**

### **Objective**

To understand the importance of corporate governance in different kinds of business organization.

To describe the ethical elements of Islamic Finance

### **COURSE OUTLINE**

#### **Module – 1**

Corporate Governance– concepts – scope – the significances of constitutions for corporate entities - difference between governance and management – corporate governance in sole trading concern, partnership and companies.

#### **Module – 2**

International Corporate Governance Guidelines [including SEC guidelines] and their applicability to Islamic Banks - Corporate Governance at IFIs – Corporate Governance In Islam - Corporate Governance processes and policies in Islamic Banks – Guiding principles for Corporate Governance at Islamic Banks.

#### **Module – 3**

The Shariah Supervisory Board - Fit and proper requirements and the selection process - Internal Shariah Advisor/Officer - Roles and Responsibilities - Monitoring, reporting and Audit structures Assessment of effectiveness - Separation of parties (Shareholders Vs. Management)

#### **Module – 4**

Conventional Banking Regulation and Supervision requirement [ BASEL, BOFIA, etc Principles and Guidelines] - Microfinance Legal Frameworks, Regulations and Policy -

How the overall regulatory framework affects the integrations of microfinance institutions into

the financial system - Banking regulation and supervisions in an Islamic framework – Information disclosure, The Role, Functions and Challenges Of Central Banks In Regulation And Supervision Of Islamic Banks. Comparative Study of Islamic Banking And Islamic Banking Regulations And Supervisions in U.K ,Malaysia - Shariah Advisory Board quality of Islamic Banking Supervision and Regulation.

Reference

Corporate Governance: Principles, Policies and Practices By Bob Tricker – Oxford Publications

An Islamic Perspective on Governance By Zafar Iqbal, Zafar Iqbal, Mervyn Lew

## **IFC6 B12 COMPUTERISED ACCOUNTING WITH TALLY**

Objective : To enable the students to acquire basic knowledge in the computerized accounting systems and its applications in the area of business. Both theory and practical

### **Module I**

Introduction to Accounting: Accounting basis and terms - Branches of accounting - Mode of accounting - Manual accounting - Computerized accounting fundamentals.

### **Module III**

Inventory Management with Tally - Stock groups - Stock items - Stock category - Unit of measures - Godown inventory vouchers (Pure inventory and inventory vouchers).

### **Module IV**

Integration of Accounting with Inventory : Bill wise details - Invoicing - Voucher entry - Cost centre - Cost category - Budget and control - Bank reconciliation - Interest calculation - Order processing - Stock valuation methods - Reorder levels - Tracking numbers - Bill of material - Inventory ageing

### **Module V**

Tax Application in Tally - Introduction to VAT - VAT activation and classification - VAT computation - Composite VAT - Input VAT on capital goods - CST introduction - Central Excise Tax - Interstate transfer - Service tax.

### **Module VI**

Accounting and Inventory Reports - Trading, Profit and loss A/c - Balance Sheet - Ledgers - Cost centre and budget reports - Cash book and bank book - Inventory reports - Decision supporting tools - Ratio analysis - Cash flows - Fund flow - Budgeting system - Printing of reports - Voucher and bill printing etc.

## **Module VII**

Technology Advantage of Tally - Tally audit - Tally vault - Back up, restore, merge and split of database - ODBC interface – Export and import of data - web enabled reporting – On line support of software.

## **Module IV:**

Islamic Accounting Norms - Objectives of financial accounting in Islam. Basic assumptions and criteria for Islamic accounting. The prescribed general layout of the balance sheet in Islamic banks. Accounting Standards of Islamic Financial Institutions: Analysis of the Balance Sheet Structure- AAOIFI Norms of Islamic Accounting- mudaraba, musharaka, murabaha, ijarah, salam, istisna. Norms of Islamic corporate governance.

### References:

1. A.K. Nadhani and K.K. Nadhani, Implementing Tally 6.3, 1/e BPB Publications, New Delhi.
2. Namrata Agarwal, Tally 6.3 , 2004 Edition , Dream Tech. , New Delhi.
3. Sridharan, , Narmadha Publications, May 2003.
4. AAOIFI, (Accounting and Auditing Organization for Islamic Financial Institutions), Accounting and Auditing Standards for Islamic Financial Institutions, Manama, Bahrain, 1997.
5. AAOIFI, Accounting Auditing and Governance Standards for Islamic Financial Institutions, Manama, Bahrain, 2002.

## **IFC6 B13 ISLAMIC INSURANCE (TAKAFUL)**

### Objectives:

To provide students with a knowledge and understanding of the development of Islamic insurance and its modern day use and application.

Explain concepts associated with insurance as discussed in shariah such as Riba, gharar or juhala, qimar or maysir.

Describe the different models of Islamic insurance services.

### **Module I: Introduction**

Position of Islam regarding insurance. The origins of Islamic insurance; The nature of a Takaful undertaking and the need to avoid gharar (uncertainty) through Tabarru' (donation) and riba (interest) through the use of non-interest bearing assets-The structure of Takaful undertakings: non-profit and commercial

## **Module II: Basic Characteristics**

Types of Takaful: general and life (family) including the nature of Family Takaful using 'endowment' type policies- Differences between conventional proprietary insurance, conventional mutual insurance and Takaful- The structure of Takaful:-i. Separation of participants' funds from those of the Takaful operator-ii. The role of Qard (interest free loan)

## **Module III: Takaful Models**

Mudaraba-Wakala- the combined model-Structuring and practice

## **Module IV: Management of Takaful**

Underwriting and managing the investments- Distribution of underwriting surpluses in Takaful;- The definition of an underwriting surplus-The nature and allocation of technical provisions-The rules for distributing underwriting surpluses- Risks associated with Takaful claims and their mitigation

## **Module V: Reinsurance (Retakaful)**

How reinsurance operates in Islamic insurance-The funding of reinsurance- The place of Re-Takaful-Responsibility of the Takaful operator for Shariah compliance

## Referemces

1. Ahmed, Salahuddin, Islamic Banking, Finance and Insurance: A Global Overview, Kuala Lumpur, 2006.
2. Aly, Khorshid, Islamic Insurance: A Modern Approach to Islamic Banking, London, Routledge, 2004
3. Jaffer, Sohail, Islamic Insurance: Trends, Opportunities and the Future of Takaful, Euromoney Books,2007.

## **IFC6 B14 ISLAMIC BONDS (SUKUK)**

### Objectives:

- To provide students with a knowledge and understanding of Islamic bonds.
- To highlight issues involve in structuring and shariah compliance of sukuk
- To enable and encourage students develop different types of sukuk meeting various economic requirements.

## **Module I Sukuk the alternate of Bonds**

Principles of securitisation: Conventional and Islamic-Overview of sukuk market- The shariah requirement of securitization- AAOIFI Standards of Sukuk- Role and importance of Sukuk in Islamic Capital Market

## **Module II The Basic structures and parameters of Sukuk**

Evolution & Definition-Essential difference between conventional Bonds & *Sukuk*-Risk Factors-**Ratings of Sukuk**

## **Module III Types of sukuk**

Sukuk al Ijarah-Sukuk al Salam- Sukuk al Istisna-Sukuk al Mudaraba-Sukuk al Musharaka

## **Module IV Issues and shariah concerns of Sukuk**

Conclusive rates of return; purchase undertaking, profit distribution-Sale and lease back- Trading of sukuk-Guaranteeing sukuk return

## References

1. Adam, J. Nathif and Thomas, Abdulkader, Islamic Bonds: Your Guide to Structuring, Issuing and investing

*in Sukuk*, Euromoney Publications, 2005.

2. Ayman H. Abdel-Khaleq and Christopher F. Richardson, “New Horizons for Islamic Securities: Emerging

Trends in Sukuk Offerings”, Chicago Journal of International Law, Vol. 7 No. 2, 2007.

3. Ayub, Mohammad, Securitisation, Sukuk and Fund Management Potential to be Realized by Islamic

*Financial Institutions*, State Bank of Pakistan, 2005.

4. Haneef, Mohamed Rafe, Recent Trends and Innovations in Islamic Debt Securities: Prospects for Islamic

*Profit and Loss Sharing Securities*, Proceedings of Seventh Harvard University Forum on Islamic Finance, Harvard Law School, 2006.

## IFC6 E01 FINANCIAL MANAGEMENT

### Course Objectives

To familiarize students with basic concepts used in FM

To provide basic understanding of working capital management

To introduce project appraisal mechanism and basics of dividend decisions

### **Module I: Introduction**

Introduction, Meaning, scope and development of financial management; finance function; Indian financial System, Risk and Return, Valuation of securities, legal, regulatory and tax framework related to financial management; Time value of money and its relevance.

### **Module II: Working Capital Management**

Working Capital Management, overall considerations in WCM; determinants and determination of W.C. requirements; management of cash; management of receivables; management of inventories.

### **Module III: Investment Decisions**

Management Long-term Capital, Tax considerations in investment appraisal; methods of project appraisal; payback period method; average rate of return method; accounting rate of return method; net present value method; internal rate of return method; capital rationing.

### **Module IV: Financing Decisions**

Cost of Capital and Capital Structure, Cost of debt and preferred stock; cost of equity, retained earning and overall cost of capital; financial and optimum capital structure; theories of capital structure; M.M hypothesis on capital structure.

### **Module V: Dividend Decisions**

Issues in Financial Management, Overview of dividend policy; dividend policy and share valuation; practical considerations and legal requirements on dividend; lease financing in India, contemporary issues in financial management.

### **References**

1. Chandra Prasanna, *Financial Management: Theory and Practice*, Tata McGraw I, New Delhi, 2005.
2. Khan, Y.M. and Jain PK, *Financial Management – Text and Problems*, Tata McGraw Hill Publishing Company Ltd, New Delhi, 2007.
3. Van Horn James C, *Financial Management and Policy*, Prentice Hall of India, New Delhi, 2000.

## **IFC6 E02 ENVIRONMENTAL ECONOMICS**

**OBJECTIVE:** In the recent years pollution is increasing due to industrialization and urbanization. The problem of global warming rose from the pollution. This paper provides a deep understanding about the effect of pollution and measures to control pollution.

### **Module I : Environment and Ecology:**

Environment - ecology linkage. Environment as a necessity and luxury, Population - environment linkage. Valuation of environmental damages; Land, water, air and forest.

### **Module II : Pollution:**

Water pollution, Land pollution, Air pollution, Forest pollution and its impacts on human life.

### **Module III : Pollution Control**

Prevention, Control and abatement of pollution; Choice of policy instruments in developing countries; Environment legislation; Indicators of sustainable development; Environmental accounting.

### **Module IV : Environmental Problems:**

Pollution- Environment linkage; Environmental use and environmental disruption as an allocation problem; Market failure for environmental goods; Environment as a public goods; the commons problem; property right approach to environmental problem.

### **References**

- 1) Boserup, E. (1991), Population and Technological Change :A Study of Long Term Change, Chicago University Press, Chicago.
- 2) Ehrlich, P.A. and J. Holden (1997), Economics, Population, Resources and Environment, W.H. Freeman, San Francisco.
- 3) Hemple, L.C. (1998), Environmental Economics; The Global Challenge, First East West Press, Edinburgh.
- 4) Hirsch, A.O. (1958), The Strategy of Economic development, Yale University Press, New Haven.
- 5) Kuik, O.J. et. Al. (eds) (1997), Environment Policy, Pollution Control in the South & North: A comprehensive Assessment
- 6) Approach in India and Netherlands, Indo Dutch Studies on development Alternatives, Sage Publications, New Delhi.

## **IFC6 E03 ISLAMIC ASSET AND FUND MANAGEMENT**

### **Objectives:**

To provide students an understanding of the working of Islamic financial market.

To highlight working of the Islamic equity market.

To enable student evaluate Islamic capital market instruments.

To provide student an in-depth understanding of the shariah screening norms for investments and wealth management.

### **Module I Introduction**

The Capital market: Functions and objectives-The Capital market in India- Risk Return principle in Islam-Cost of Capital- Choice between Capital and Debt financing-Agency problem-Shariah Principles for Capital Market

### **Module II Islamic Stocks and Wealth Management**

Equity Shares and equity funds- Business and structure of Islamic enterprise- Indebtedness of the enterprise-Earnings from impermissible activities- Cash and receivables/payables

### **Module III Norms for shariah screening in Islam**

Dow Jones Islamic investment criteria-Securities Commission Malaysia norms-FTSE and TII Norms used in India- Norms used in India, Pakistan and Middle East

### **Module IV Critical Assessment of Islamic screening Norms**

Screening Norms relating to nature of business- Screening Norms relating to financial ratios  
Suitability of Market cap- Purification and zakah

### **Module V Islamic Real Estate and Project financing**

Characteristics of Real estate- Islamic REITS & REMFs- Islamic Unit Trusts and Mudaraba Certificates

### **Refernces**

1. Ahmed, Osman Babikir, Islamic Equity Funds: The Mode of Resource Mobilization and Placement, Islamic Research and Training Institute, Islamic Development Bank, 2001.
  2. Ali Salman, Syed, Islamic Capital Market Products: Developments and Challenges, Islamic Research and Training Institute, Islamic Development Bank, 2005.
  3. Ali Salman, Syed (eds), Islamic Capital Markets: Products, Regulation and Development, Islamic Research and Training Institute, Islamic Development Bank, 2008.
- Usmani, M, Taqi, Principles of Shari'ah Governing Islamic Investment Funds, Pakistan.



**COMPLEMENTARY COURSES FOR B A ISLAMIC FINANCE PROGRAM**  
**PREPARED BY ECONOMICS AND COMMERCE BOARD OF STUDIES**

From Economics Board of Studies

**Semester I**

**ECO1 C01 Essentials of Economics I-Micro**

No. of Credits: 2 No. of Contact Hours: 54

**Module I: Introduction to Economics**

What Economics is about? – Importance of the study of economics, relation with other social sciences (History, Political Science, Law, Psychology, Sociology). Basic Problems. Micro versus Macro

**Module II: Theory of Demand**

Utility, utility function, marginal utility, law of diminishing marginal utility, demand, law of demand. Elasticity of demand and its types.

**Module III: Theory of Supply**

Cost, cost function, opportunity cost, variable cost, fixed cost, total cost, marginal cost, average cost, supply, supply function, supply curve, Elasticity of supply and its types. Equilibrium Price, market and its classification

**Module IV: Theory of Production**

Production function, types of production function (short run and long run), economies of scale.

**Reference:**

1. Dominick Salvatore \_Microeconomic Theory‘, Schuam‘s Outline Series

**Semester II**

**ECO2 C01 Essentials of Economics II -Macro**

No. of Credits: 2 No. of Contact Hours: 54

**Module I: National Income Concepts and Meaning**

GDP and GNP, NDP and NNP. GDP at factor cost and market price, GNP at market price and factor cost, NDP at market price and factor cost, NNP at market price and factor cost. Personal Income, disposable income, per-capita income. Importance of the estimation of national income, difficulties in estimation of national income.

**Module II: Major Classical Postulates**

Say’s Law of Market, Full employment, wage-price flexibility, laissez-faire

### **Module III: Major Keynesian Concepts**

Effective demand, consumption, savings, under-employment equilibrium, wage price rigidity

#### **Reference**

1. Diwedi DN \_Macroeconomics Theory and Policy| Tata Magragel

### **Semester III**

#### **ECO3 C01 Essentials of Economics III -Money, Banking, Finance and Trade**

No. of Credits: 2 No. of Contact Hours: 54

#### **Module I: Money**

Definitions and functions of money, demand for and supply of money, Fischer's quantity theory of money, inflation and deflation

#### **Module II: Banking**

Role and functions of commercial banks and central bank, monetary policy and its instruments, credit instruments (cheque, draft etc)

#### **Module III: Public Finance**

Public revenue and its sources, public expenditure, public debt, deficit financing, fiscal policy, budget, finance commission.

#### **Module IV: Trade**

Internal and External Trade, Why international trade?, balance of trade and balance of payment, foreign exchange rate, devaluation, revaluation, depreciation, appreciation.

#### **Reference**

1. Diwedi DN \_Macroeconomics Theory and Policy| Tata Magragel
2. Salvator D and EA Diulio – Principals of Economics Schuam's Outline Series
3. Salvator D – International Economics Schuam's Outline Series

### **Semester IV**

#### **ECO4 C01 Essentials of Economics IV -Indian Economy**

No. of Credits: 2 No. of Contact Hours: 54

#### **Module I: India as a Developing Economy**

Major Issues: poverty, unemployment and inequality - causes and remedies

#### **Module II: Major Sectors of Indian Economy**

Importance, contribution and problems of agricultural sector, green revolution, land reforms, Industry: importance, contribution and problems. Services: contribution to the national economy. Impact of economic reforms on major sectors.

### **Module III: Planning**

Economic planning and its objectives; five year planning in India – achievements and failures

### **Module IV: Kerala Economy**

Unique features, sectoral contribution, land reforms, decentralized planning, people's planning, achievements and challenges in Health and Educational Sectors, Role of Migration and remittances, tourism and development

### **Reference**

1. Uma Kapila – (Ed) Indian Economy Since Independence – Academic Foundation – New Delhi
2. Keralapadhamam - KSSP Kozhikode

SYLLABI FOR COMPLIMENTARY COURSES - BA Islamic Finance with

Computer Application from Bcom Board of studies

## **BC1C05 MANAGERIAL ECONOMICS**

Lecture Hours per week: 3 Credits: 2 Marks: 50 (Internal: 10, External: 40)

Objectives: To enable the students to understand micro and macroeconomic concepts relevant for business decisions. To help the students to understand the Application of economic principles in business management.

### **Module I**

Introduction - Definition of Managerial Economics – Objectives -Characteristics - Uses - Decision making and forward planning – Basic economic tools in management economics.

### **Module II**

The Concept of Demand and Elasticity of Demand - Demand curve: Individual demand curve - Market demand curve - Movement along Vs shifts in the Demand curve - Elasticity of Demand: Price, Income and cross - Demand estimation and demand forecasting - Concept of Revenue: Average Revenue and Total Revenue - Marginal Revenue and Incremental Revenue.

### **Module III**

Production: Fixed and Variable inputs - Production function - Total, Average and Marginal Product - Law of variable proportions – Linear homogeneous production function - Production isoquant - Marginal rate of technical substitution - Optimal combination of resources - Return to scale - Cost of production - Social and private cost of production – Difference between economic and accounting cost - Long run and short run cost of production - Economies and diseconomies of scale. Different Market Structures: perfect competition, monopoly and monopolistic competition

Reference Books:

1. R.L. Varshney and K.L. Maheswari, Managerial Economics
2. D.N. Dwivedi, Managerial Economics
3. Dr. S. Sankaran, Managerial Economics
4. DM Mithani: Business Economics
5. Seth M L Text Book of Economic Theory
6. K K Dewett: Economic Theory
7. Petersen &. "Lewis: Managerial Economics
8. Mote V L peul. S & Gupta G S: Managerial Economics
9. H. Craig Petersen & W. Cris lewis: Managerial Economics
- 10 Dr. P.N. Reddy and H.R, Appanaiah : Essentials of Business Economics
- 11 Barry Keating and J. Holton Wilson: Managerial Economics

## **BC2C06 MARKETING MANAGEMENT**

Lecture Hours per week: 3 Credits: 2    Marks: 50 (Internal: 10, External: 40)

Objectives:

To provide basic knowledge about the concepts, principles, tools and techniques of marketing.

To impart necessary knowledge which help the student to choose a career in the field of marketing. To expose the students to the latest trends in marketing.

### **Module I**

Marketing: Meaning and definition - Scope and importance - Evolution of marketing concepts - Modern concept of marketing - Marketing mix - Marketing environment - Consumer behaviour - Buying motives – Consumer buying process - Factors influencing consumer buying decision – Market segmentation - Basis-target marketing - Product positioning – Importance and bases

### **Module II**

Product: Meaning and importance – Classification - Concept of product mix – Packaging - Branding - Brand loyalty and brand equity – Labeling – Product life cycle - New product development – Pricing - Factors influencing product price - Pricing policies and strategies

### **Module III**

Physical distribution: Meaning and importance - Levels of marketing channels - Wholesaling and retailing - Types of retailing - Factors influencing choice of distribution channel - Promotion: Meaning and importance - Promotion mix – Advertising - Personal selling – Sales promotion – Public relation - Factors affecting promotion mix decisions

Reference Books:

1. Marketing Management, S.A. Sherlakar ,. Himalaya.

2. Fundamentals of Marketing, William J Stanton, Me Graw Hill Publishing Co, New York
3. Marketing by Lamb. Hair, Me Dannel - Thomson.
4. Marketing by Evans & Berman, 2/e, Biztantra.
5. Marketing - Concepts, strategies by William M Pride. O C Fewell. Biztantra.
6. Marketing Management, Ramaswamy & Namakumari, Macmillan.
7. Marketing Management, Arun Kumar & "Meenakshi. Vikas.
8. Principles of Marketing, Philip Kotler, Armstrong, Pearson Education.

### **BC3C07 E-COMMERCE MANAGEMENT**

Lecture Hours per week: 3 Credits: 2 Marks: 50 (Internal: 10, External: 40)

Objectives:

To enable the student to understand basics of E – Commerce

To Gain a practical orientation to E-Commerce and E- Business management

#### **Module I**

Introduction to E- commerce : Meaning and concept - E – commerce V/s Traditional Commerce - E- Business & E- Commerce - History of E - Commerce - EDI - Importance , features & benefits of E- Commerce - Impacts. Challenges & Limitations of E Commerce - Supply Chain Management & E – Commerce - Business Models of E - Commerce: Business to Business - Business to customers - Customers to customers - Business to Government- Business to employee

#### **Module II–**

E-Business Infrastructure -The internet -Intranets and Extranets – World Wide Web - Voice over IP (VoIP) - The Internet Standards - The HTTP Protocol - Audio and Video Standards - Managing E- Business Infrastructure - Web services - New access devices – Marketing strategies & Ecommerce : Website - Components of website - Concept & Designing website for E- Commerce - Corporate Website - Portal - Search Engine - Internet Advertising - Emergence of the internet as a competitive advertising media - Models of internet advertising - Mobile Commerce

#### **Module III**

Electronic Payment System : Introduction - Online payment systems - Prepaid and postpaid payment systems - E- cash - E- Cheque - Smart Card - Credit Card - Debit Card - Electronic purse - Security issues on electronic payment system - Solutions to security issues - Biometrics - Types of biometrics.

Reference Books:

1. Turban, Efraim, David King et. el.: Electronic Commerce: A Managerial Perspective, Pearson Education Asia, Delhi.
2. Dave Chaffey: E-Business and E-Commerce Management, Pearson Education.
3. Kalakota, Ravi: Frontiers of Electronic Commerce, Addison – Wesley, Delhi.

4. Rayport, Jeffrey F and Jaworksi, Bernard J: Introduction to E-Commerce, Tata McGraw Hill, New Delhi.
5. Smantha Shurety: E-Business with Net Commerce, Addison - Wesley, Singapore.
6. Rich, Jason R: Starting an E-Commerce Business, IDG Books, Delhi.
7. Laudon, Kenneth C and Carol Guercio Traver: E-Commerce Business, Technology, Society, Pearson Education, Delhi.
8. Stamper David A, and Thomas L. Case: Business Data Communications, Pearson Education, New Delhi.
9. William Stallings: Business Data Communications, Pearson Education, New Delhi.

### **BC4C08 QUANTITATIVE TECHNIQUES FOR BUSINESS**

Lecture Hours per week: 3 Credits: 2 Marks: 50 (Internal: 10, External: 40)

Objective:

To familiarize student with the use quantitative techniques in managerial decision making.

#### **Module I**

Quantitative Techniques – Introduction - Meaning and definition – Classification of QT - QT and other disciplines – Application of QT in business – Limitations- Correlation and Regression Analysis : Meaning and definition of Correlation - Karl Pearson's co-efficient of correlation - Rank correlation - Regression – Types - Determination of simple linear regression – Coefficient of determination

#### **Module II**

Set Theory - Probability: Concept of probability - Meaning and definition - Approaches to probability - Theorems of probability - Addition Theorem - Multiplication Theorem - Conditional probability - Inverse probability - Baye's Theorem.

#### **Module III**

Theoretical Distribution: Binomial distribution – Basic assumptions and characteristics – Fitting of binomial distribution – Poisson distribution – characteristics - Fitting of Poisson distribution – Normal distribution – Features and properties – Standard normal curve. 15 Hours

Reference Books :

1. Richard I. Levin and David S. Rubin, Statistics for Management, Prentice Hall of India, latest edition.
2. S.P.Gupta, Statistical Methods, Sultan Chand, latest edition
3. Sanchetti and Kapoor, Statistics, Sultan Chand.
4. G.C.Beri, "Statistics For Managemet", Tata Mc Graw Hill, 2003.
5. J.K. Sharma, "Business Statstics:", Pearson, 2004
6. Anderson Sweeney Williams, "Statistics for Business and Economics", Thomson.

7. R.P.Hooda, “Statistics for Business”, Mc Millan.
8. Levine Krebiel & Bevenson, “Business Statistics”, Pearson edition, Delhi

### Complementary Courses for other Programmes

#### **Complimentary Courses prescribed for any BA Programme approved by the Board of Studies in Islamic Finance**

#### *IV. Islamic Finance: Theory and Practice*

#### **Semester I**

#### **Islamic Finance: Theory and Practice – I**

Course Category: Complementary Course

Course Title and Code: Islamic Finance: Theory and Practice – I, IFC1 C05

No. of Credits: 2

No. of Contract Hour: 54

**a. Introduction:** A just and Balanced economy which neither despises wealth nor takes it as a god; it acknowledges its value and importance, without exaggerating its status. It differs from old fashioned religious asceticism, which regards wealth as something evil which contaminated the soul and prevents it from reaching perfection; it also differs from modern doctrines which make economics the central axis of life and make money ultimate goal of life. The Islamic view on wealth is based on its view of the value of wealth and its importance in life as befits human beings not as a source of temptation (fitna) that drags him to the depth of extravagance, luxury, greed and misguidance.

**b. objective**

This course is intended to provide students a clear idea of Islamic view of wealth and its methodology. The main objective of this course is to equip students with a wider idea on the economical dealings of Islam. The difference between the Islamic economic system and others

**c. learning outcome**

With this course students are expected to learn the distinct and moderate economic system that Islam put forth

#### **Syllabus**

**Module 1:** The Islamic view of wealth and economics – private ownership and its purity – prohibition of *riba*(usury), hoarding, deceased, trading in *haram* things and extravagance-Islamic command to work and war on unemployment – Prohibition of ill-gotten gains – prohibition on taking public funds – warning against taking advantage of one’s position.

**Module 2:** The difference between Islamic system and others and the reasons – Basic aims of Islamic economy: Achieving self-sufficiency for the society –improved use of conservation of resources – coordinating and integrating production – focusing on areas of need in the society –

making up shortcomings – prioritizing the needs – precedence of essentials over the optional extras – cultivation of essential items – cultivation of plants that are harmful to the individual or the society - Putting money to work and not keeping it or hoarding it – moderation in spending.

**Module 3-:** – Establishing social balance between the classes – Narrowing the gap between rich and poor – organization of the collection of *zakat* and its distribution to the poor – Establishing social security and taking care of it – inheritance and redistribution of wealth – setting out a plan to increase and develop wealth- prominent features of the economy in the society.

**Module 4:** Guidelines to the financial reform - money: grace and blessing; test and trial - misuse of money for putting obstacle in the way of right and goodness- money must be preserved and neither be squandered nor wasted – spending money for the sake of goodness – the means of life of the society – Pride of nation – welfare of mankind - Obligatory duties and representations of money – financial reforms in Islam

Books for reference:

1. The Ideal Muslim Society as Defined in the Quran and Sunnah by Dr. Muhammed Ali Al Hashimi, published by International Islamic Publishing House, Riyadh. (1 chapter, A Balanced Economy).
2. Economic Objectives of the Quran by Muhammad Rasheed Ridha (*Al wahy al muhammadi, chapter - al Irshadila al islah al mali*)
3. Introduction Banking and Finance: Principles and Practices (Maarif Academy) Chapter 1: Introduction to Islamic Economics and Finance.

## Semester II

### Islamic Finance: Theory and Practice – II

Course Category: Complementary Course

Course Title and Code: Islamic Finance: Theory and Practice – II, IFC2 C05

No. of Credits: 2

No. of Contract Hour: 54

#### a. Introduction

Honesty in commercial dealings is an important factor behind a successful society. A Just social milieu censures political chicanery and economic exploitation as strongly as social excesses and individual dishonesty. Indeed, a true society is based upon honesty, justice and fraternity, and is absolutely intolerant of dishonesty in all its forms. That is the reason why perfect honesty in business and truthfulness in trade are much emphasized by the Prophet Muhammed who urged his followers to adopt trade as their profession and exhorted them to observe truthfulness and honesty in their business transactions. His teachings emphasized on food earned through unlawful means.

#### b. Objective

This course gives a clear idea of the rules on trading based on the sayings of Prophet Muhammed with a focus on what deals are permissible (“*Halal*”) or forbidden



("Haram"). These rules apply to any market or other types of trading. Trading in shares, derivatives, insurance and other forms of risk are also covered.

**c. Learning outcome**

Passing out this course the students are expected to learn the business ethics and lawful and unlawful business deals according to the sayings of the Prophet.

**d. Syllabus**

**Module-1: Islamic Law of contract:**

Principles of Islamic business – the Islamic law of contract: *wa'ad*(promise) *muwa'ada*(bilateral promises) and *'aqd* (contract) –classification of contracts: *sahih*, (valid), *fasid*(voidable) and *batil*(invalid) – unilateral and bilateral contracts.

**Module-2:Types of contracts:**

Elements of contracts: contracting parties – offer and acceptance – subject matter – consideration – contract of exchange – *musawamah*, *murabahah*, *muqayada*, *sarf*, *salam*, *istisna*, *arbun*, and *bai' mu'ajjal*, contract allowing the transfer of the usufruct – partnership contract: *mudaraba* and *musharaka* - security contract: *hawala*, *kafala* and *rahn* –foreign exchange contract (*sarf*) – standard of *sarf* – use of modern means for currency trading.

**Module-3: Musharaka and Mudharaba:**

Concept of *musharakah* – the basic rules of *musharakah*– distribution of profit – ratio of profit – sharing of loss – nature of capital – management and termination of *musharakah*– business of the *mudharaba*– distribution of profit – termination of *mudharabah* – combination of *musharakah* and *mudarabah*

**Module-4: Security contracts**

*Rahn* (pledge): important principle, structure, mechanism and application – *kafala*(guarantee): important principle, structure, mechanism and application – *hawala*(transfer of debt): important principle, structure, mechanism and application – *wadi'a*(deposit in care of others): important principle, structure, mechanism and application – *arbun*(earnest money): important principle, structure, mechanism and application – *wa'ad*(promise): structure and application – *qard*(loan): important principle, structure, mechanism and application

**Books for reference:**

1. Islamic Finance Qualification, Securities and Investment Institute, 2006
2. Islamic law of Contracts & Business Transactions by MT Mansuri, Adam Publishers & Distributors, 2006
3. Introduction Banking and Finance: Principles and Practices (Maarif Academy) Chapter 1: Introduction to Islamic Economics and Finance.
4. Fundamentals of Islamic Money and Capital Markets By Azmi Omar, Muhammad Abdul, Raditya Sukman

## Semester III

### Islamic Finance: Theory and Practice – III

Course Category: Complementary Course

Course Title and Code: Islamic Finance: Theory and Practice – III, IFC3 C05

No. of Credits: 2

No. of Contract Hour: 54

#### Syllabus

##### **Module - 1: *Musharaka and Mudharaba as modes of financing***

Securitisation of *musharaka* – financing of single transaction – financing of working capital – risk loss – dishonesty – secrecy of the business – clients' unwillingness to share profits – house financing on the basis of diminishing *musharaka* – diminishing *musharakah* for carrying business of services – diminishing *musharakah* in trade

##### **Module – 2: *Sukuk*(Islamic bonds):**

Definition – difference between Islamic bond (*sukuk*) and conventional securities – categories: based on asset and debt – different types of *sukuk*: *sukuk al musharakah* – *sukuk al mudharabah* – *sukuk al ijaarah* – *sukuk al wakalah* – *sukuk al murabahah* – *sukuk al istisna* – *sukuk al salam*- AAOIFI *sukuk* standards

##### **Module – 3: *Takaful* (Islamic insurance)**

Basic concept of *takaful* – the main features of *takaful*: cooperative risk sharing – clear financial segregation – *sharia* compliant policies and strategies - conventional insurance – uncertainty (*gharar*) gambling (*maisir*) interest (*riba*) – core principles of *takaful* – history – *takaful*: theory and law – *ta'awun* – *tabarru'* – *sharia* guidelines — difference between insurance and *takaful*

##### **Books for reference:**

1. An introduction to Islamic Finance by Mohammad TaqiUsmani, Adam Publishers, New Delhi.
2. Islamic Finance Qualification, Securities and Investment Institute, 2006
3. Introduction Banking and Finance: Principles and Practices (Maarif Academy)
4. Introduction to Islamic Banking and Finance: Principles and practice by Dr. M. Kabir Hasan, Rasem. N. Kayed, Phd and Omar AOseni,Phd. Pearson Education Ltd. Harlow, England. 2013
- 5.

## Semester IV

### Islamic Finance: Theory and Practice – IV

Course Category: Complementary Course

Course Title and Code: Islamic Commercial Law and Contract – IV, IFC4 C05

No. of Credits: 2

**Module 1 Concept of Economic system:**

Constituent elements of economic system – classification of alternative economic systems, features of Islamic economic system and how it differs from other Economic systems – performance of system – evaluation criteria – performance of Islamic economics in comparison with Socialism and Capitalism.

**Module 2 Economic development:**

Mainstream approach– sustainable development – development an Islamic perspective – resource mobilization and resource allocation in Islamic system – Islamic strategy for Economic development

**Module 3 Distributive justice:**

Conflict between growth and distributive justice – failure of trickle down effect – distributive justice Capitalist, Socialist, and Islamic views. Islam’s measures for ensuring distributive justice – role of *Zakat*

**Module 4 Welfare Economics:**

Criteria of welfare in conventional economics – Islamic methods of attaining welfare – *zakat*, *sadaqa*, interest-free loans, welfare implications of production and consumption in Islam in comparison with other systems

**Module 5 Sources of revenue**

Tax and non-tax revenue – *zakat*, *Fay*, *ghaneemah*, *kaffarah* etc., heads of expenditure in conventional Economics and Islamic Economics

***Books for reference:***

1. Islamic Economics: Theory and Practice (Chapter on Islam and other economic system) by M.A. Mannan
2. Economic Doctrines of the Quran: A System Framework in Ausaf Ahmed and Abdul Azim Islahi (ed.) P. Ibrahim
3. Economic Development in an Islamic Framework, Studies in Islamic Economics.
4. Some Aspects of Islamic Economy, by M.N. Siddiqui.
5. Economic Development in Muslim Countries: A Strategy for Development in the Light of Islamic Teachings IIIT
6. Distributive Justice in an Islamic Economy, ed. Munawwar Iqbal
7. Distributive Justice in an Islamic Economy, P. Ibrahim, Dec. 1992
8. Islamic Economics: A Welfare Approach, NayyarManzoor

## *V. Fundamentals of Islamic Economics*

### **Semester I**

#### **Fundamentals of Islamic Economics – I**

Course Category: Complementary Course

Course Title and Code: Islamic Commercial Law and Contract – I, IFC1 C06

No. of Credits: 2

No. of Contract Hour: 54

#### **Module 1: Concept of Money and Wealth:**

The Islamic concept of money – concept of wealth – philosophy of wealth – work and wealth

#### **Module 2: Nature and scope of Islamic Economics:**

Assumption – principles of Islamic economics – Economic Man v/s Islamic Man – the world view of Islam, approach of Islamic Economy – difference with mainstream economics – sources of Islamic Economics Quran, Hadith and works of Muslim jurists

#### **Module 2 Consumer behavior in Islam:**

Islamic concept of preference – self-interest and social interest (selfishness v/s altruism), utility maximization. The concept of market in Islam- Early Islamic thought on market mechanism (Ibn Taymiyyah and others)- Role of government in controlling market.

#### **Module-3 Production:**

Factors production - incentive for production, population and economic development – role of capital and entrepreneurship- differences with mainstream Economics.

#### **Module-4 Prices and markets:**

Behavior of firms in an Islamic Economy – comparison of firms behavior in conventional Economics – pricing production of firms in an Islamic Economy.

#### **References:**

1. Islamic Economics: Theory and Practice A Comparative Study, M.A. Mannan
2. An Introduction to Islamic Economics, by Muhammed Akram Khan
3. Studies in Islamic Economics by Khurshi Ahmed (ed.)
4. The Islamic Economy by Dr. ManzoorKahf
5. Islamic Economics an Overview by Muhammad Amin Al Qattan
6. Islamic Perspective on Market Prices and Allocation by Mohammed Abdul Mannan

### **Semester II**

#### **Fundamentals of Islamic Economics – II**

Course Category: Complementary Course

Course Title and Code: Fundamentals of Islamic Economics –II, IFC2 C06

No. of Credits: 2

No. of Contract Hour: 54

#### **a. Introduction:**

To provide an introductory overview to the development of Islamic economics, from the era of the Prophet Muhammad to the most contemporary Islamic economic thinking

**b. Learning outcome:**

This course aims to enable students to clearly understand the roots of and main frameworks behind both classic and contemporary Islamic economic thought.

**c. Syllabus**

**Module 1 History of contemporary Islamic economic thought:**

Historical account of the Islamic economics – early economic thoughts – economic ideas in Muslim writings of history

**Module 2 Evolution of Islamic economic thought:**

Economic institutions during the time of the Prophet and Right Guided Caliphs

**Module 3 Islamic economic thought after Right Guided Caliphs:**

Development of economic institutions during Umayyad, Abbasid and later periods, Management of revenues, Kitab al amwal and Kitab al Kharaj

**Module 4 Contemporary development in Islamic economic thought:**

Islamic economics and its relevance in the current financial climate and successful experiments in the Islamic world and elsewhere

**Module 5 Implementation of Islamic economics concept worldwide:**

Case study - General overview of the spread of Islamic finance worldwide in the last decade - Successful financial experiments based on Islamic economics worldwide - with special reference to Malaysia, Egypt and the UK. Expression of interests in Islamic finance even from non-Islamic countries

**Module-5 Islamic economics in future:**

Future course of the interest-free Islamic economic system as an alternative model, its survival in a system that totally dependant on usury and speculation

***Books for Reference:***

1. Readings in Islamic Economic Thought (ed.) Abu Hasan M. Sadiqet *el*
2. Islamic Economics: Public Finance in Early Islamic Thought by ShahabuddinAzmi
3. Contribution of Muslim Scholars to Economic Thoughts and Analysis by Abdul Azim Islahi (King Abdul Azeez University, Jeddah)
4. Islamic Banking Movement in the Muslim World and its Prospects in India by Dr. F. R. Faridi (ed.)
- 5.

**Semester III**

**Fundamentals of Islamic Economics – III**

Course Category: Complementary Course

Course Title and Code: Fundamentals of Islamic Economics– III, IFC3 C06

No. of Credits: 2

No. of Contract Hour: 54

- a. Introduction:** This course expands on the necessary requirements to effect communal transformation on the basis of verses from 261 to 283 from Sura al Baqara the first chapter of the Quran. It focuses on two agents of social change, one positive and one negative: charity and usury. Quran the first and foremost source of Islamic law is concerned that the man understands the nature and purpose of charity: there are right and wrong ways in which it can be dispensed. Charity is an obligation towards the fellow human beings. The most fundamental basis of Quranic vision is that man cannot be good in isolation. The objective of charity to create a world of justice and equity, of opportunity to all whereas usury deepens poverty and widens the gap between the haves and have-nots. An important principle of the Law of dealings, or the Law of Contracts in modern legal terminology, has also been taken up in the course.
- b. objective**  
This course is intended to provide students a clear idea of what the early Islamic sources say on usury and charity, the day-to-day economic activities in every society.
- c. learning outcome**  
With this course students are expected to learn the importance of charity and harmful effects of usury on the society.

### **syllabus**

**Module 1:** The likeness of those who spend their wealth in the path of common good- - spending wealth in order to flaunt by reminding of generosity of causing offense – giving the inferior portion in alms – charity is not the giving away of the cast-offs - relation between poverty and sin – charity should go the poor – charity should not highlight the distinction between the haves and have-nots - *Zakat* is obligatory -*zakat* is to be used for social welfare purposes – Charity is distinct from *zakat* – paying of *zakat* is not the end of the obligation to society - A middle community in its economic activities– neither miserly nor extravagant – making society and all its citizens prosper - expenditure and investment has to be accompanied by physical or intellectual labour – basis of distributive outlook of the Quran

#### **Module 2: Islamic ruling *Riba*(usury)**

Definition of *Riba* – linguistic meaning – *sharia* meaning – types of *riba* –*riba* on credit –*riba al fadl* – *riba al nasiya* – evidence for its prohibition in *Quran* and *Hadith* – difference between *riba* and trade – why is *riba* haram? – Prophetic explanation – rational explanation

**Module 3:** Honesty, justice and fraternity in commercial dealings - food earned through lawful means – believers do not consume one another's wealth unjustly but only [in lawful] business by mutual consent - nasty food spoils spiritual and physical health- Ibn Awf's model of earning and business - legal (*halal*) and illegal (haram) things are obvious - one who does not care from where he earns- money exchange. He replied, 'If it is from hand to hand, there is no harm in it; otherwise it is not permissible. Whosoever deceives us is not one of us - give just measure and weight – do not withhold from the people the things that are their due- do not commit evil on the earth with the intent of doing mischief - the buyer and the seller, should be truly sympathetic and considerate towards each other -

mutual co-operation for the cause of goodness and piety - goods not to be sold before obtaining their possession - goods to be bought in the open market

**Module 4:** Prohibited form of business - cartels and monopolies - speculative business based on selfish interest - interest transactions - Transactions similar (in nature) to gambling – lottery - *munabadha* and *mulamasa* – *mozabana* or exchange of fresh fruits for dry ones - *mu'awama* - *bai' al-gharar* - mortgage

***Books for reference:***

1. Holy Quran from verse no. 261 to 283 of the Chapter 2 Al Baqara
2. *Sahih Bukhari* , The Book of Trade
3. *Ribain Islam: Mohammad Razi Toronto Canada 2008 part III & IV*
4. *Fiqh al Sunnah* by SayyidSabiq, Chapter *Al Buyu'*
5. Reading The Quran by ZiauddinSardar (one chapter, Al Baqara Charity and Usury)
6. *Tafsir Al Manar* by Muahammed Rashid Ridha (Commentary of verses 261 to 283 of Chapter 2 Al Baqara)
- 7.

**Semester IV**

**Fundamentals of Islamic Economics – IV**

Course Category: Complementary Course

Course Title and Code: Fundamentals of Islamic Economics – IV, IFC4 C06

No. of Credits: 2

No. of Contract Hour: 54

**a. Introduction**

*Zakat* is an obligatory act ordained to be performed by every adult and able bodied Muslim. It is an important pillar among the five pillars of Islam. *Zakat* is a part of the wealth and property that believer must pay annually, to help the poor of their community. One of the main purposes of *zakat* is to keep those who are wealthy clean, monetarily, from sin. It is a form of *sadaqah* (charity) which is obligatory on believers. *Zakat* is one of the Five Pillars of Islam. It refers to alms-giving, which is obligatory for all believers who meet a minimum wealth requirement (called the *nisab*).

**b. Objective**

This course is intended to provide students basic idea of *zakat* and its implications as a means of poverty eradication. The main objective of this course is to equip students with a thorough knowledge of *zakat system*

**c. Learning outcome**

Passing out this course the students are expected to learn the total system of collecting *zakat*, its distribution etc.

## Syllabus

**Module 1** The meaning of the word zakat (linguistic and terminological) – history and evolution – poor in ancient civilization – concerns of religion for the poor – benevolence of Islam in dealing with problem of poverty- feeding the poor is a requirement of faith - Encouragement to take care of the indigent

**Module-2** Exhortation to give and punishment for denying – who is obliged to pay – *zakatable* wealth in terms of amount and their ratio (*nisab*) – zakat on the holding of infants and mentally retarded- insolvent debtor –

**Module -3** *zakat* owed by deceased- property from which zakat is paid- zakat on gold and silver – zakat on banknotes and notes – zakat on jewelry – zakat on mahr – on house rent- zakat on trade – how is zakat on trade money to be paid – zakat on fruits and plants

**Module 4** *zakat* on buried treasure and precious minerals – zakat on wealth extracted from the sea- acquiring property through profit or increase (*mal al mustafad*) – payment of value instead of item itself- recipient of zakat – the poor and needy (*faqir and miskin*) – the person who can work – owner who lacks self sufficiency – employees of zakat (*amilunalaiha*) – reconciliation of hearts (*mu'allafatulqulub*) – *riqab* and fee *sabeel*

**Module 5:** Significance of the law of inheritance – rights related to *tarika* (legacy) causes and conditions of inheritance - impediment to inheritance- *dhawilfardh* (fixed shares) –heirs and their shares- residuary (*asabah*)- types of residuary - *hijb* (exclusion) - doctrine of *awl* and *radd* - calculating the property of deceased

### ***Books for reference:***

1. Fiqh al Zakat by Dr. Yusuf al Qaradawi.
2. Fiqh al Sunnah by SayyidSabiq
3. How to Calculate Inheritance: A Simple Approach by Shakil Ahmad Khan
4. Kitab al fara'idh by Abdussamad al Katib Pub. Islamic University al Madina



**OPEN COURSES**  
(for Non- Islamic Finance Students)

**Semester Five**

**I**  
**IFC5 D01 ISLAMIC COMMERCIAL LAW**

**Module I**

Fundamentals of Islamic finance – Islamic Sharia- sources and Objectives of Islamic shariah- wealth and ownership in Islamic perspective.

**Module II**

Goals of economic activities in Islamic perspective - Business ethics in Islamic economics and finance- fair dealing-justice-mutual co operation, fair pricing- The Main Prohibitions and promotions.

**Module III**

Islamic law of contract-evolution of Islamic commercial law- general framework of contract-elements of contracts-offer and acceptance - elements of subject matter-mutual consent- Prohibition of Two Mutually Contingent Contracts- rules for validity of a contract - Types of Contracts -Valid Contracts -Voidable (Fasid) Contracts and Void (Batil) Contracts- commutative and non commutative contracts

**Module IV**

Trading in Islamic commercial law-legality of trading-requirements of a valid sale contract-conditional sales and two bargain in one sales- ethics of sale contract

**Module V**

Loan and debt in Islamic commercial law-rules of debt contract- the substance of loans-time value of money in loans and debts- termination of a loan contract- Bai‘ al Dayn

Ref: Understanding Islamic finance Muhammed Ayyub; Wiley Publishers John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex PO19 8SQ, England

**II**  
**IFC5 D02 FUNDAMENTALS OF ACCOUNTING IN ISLAMIC FINANCE**

**Module I**

Fundamentals of Islamic accounting-accounting objectives and Islamic world view- Islamic perspective of accounting- elements of financial statements- ethics in accounting

**Module II**

Financial statements of Islamic banks-principles of accounting- Islamic accounting standard- important accounting standards issued by AAOIFI-general disclosure in the financial statements- statements of financial position

**Module III**

Financial reporting in Islamic financial institutions- Accounting for Islamic Deposit and Investment Account- Accounting for Mudarabah Financing and Accounting for Musharakah Financing

**Module IV**

Accounting for Murabahah Financing and Accounting for Ijarah Financing-ijara wa iqthinah

**Module V**

Accounting for securities financing-accounting measurement issues- accounting disclosure requirements-

Ref: Dr. Abdul Rahim Abdul Rahman, The introduction to Islamic accounting theory and practice; IIUM Malaysia

**III**

**IFC5 D03 ISLAMIC ECONOMIC SYSTEM**

**Module 1:**

Features of Islamic economic system-what is economic system-features of Islamic economic system-Divine ownership-human trusteeship-concept of permitted and non permitted-ban of hoarding wealth and interest-policy of moderation-equity and not equality

**Module II:**

Objectives of Islamic economic system-achievement of well being-fair and equitable distribution-provision of basic human needs-establishment of justice-brotherhood and unity-moral and material development-circulation of wealth-elimination of exploitation

**Module III:**

Principles of Islamic economic system-God determines right and wrong-principle of use-principle of moderation-economic freedom-principle of justice

**Module IV:**

Islamic economic system and capitalism: Capitalism-features-absents of planning-consumer sovereignty -free choice of occupation-free enterprise-freedom of save and invest-competition and monopoly-exploitation-Demerits of capitalism-comparison with Islamic economic system-distributive justice-ownership-exploitation

**Module V:**

Islamic economic system and socialism: Socialism-presence of planning –income distribution-public enterprise-competition and socialism. Incentive and socialism-socialism and family-merits of socialism-comparison with Islamic economic system-ownership-materialism-equality-totalitarianism

References:

- 1) Islamic economics theory and practice (comparative study) MA Mannan
- 2) Islam, poverty and income distribution; Islamic Foundation Ziaudheen Ahmed
- 3) Some Aspects of Islamic economy Dr. MN Siddiqui
- 4) Studies in Islamic economics Khurshid Ahmad
- 5) Islam and other economic systems Khazi M Navas

**The End**