

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

Complementary Courses prescribed for any Degree Programme approved by the Board of Studies in Islamic Finance

IFC1(2) C01 Islamic Finance: Theory and Practice – I,
IFC4(3) C01 Islamic Finance: Theory and Practice – II,
IFC1(2) C02 Fundamentals of Islamic Economics- I
IFC4(3) C02 Fundamentals of Islamic Economics- II

Project - IFC6 B15 (Pr)

As part of the requirements for BA Programme, regular students have an option to carry out 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 economic issues either theoretical or case study type.
3. The Project work should be completed by the end of the VI semester and a copy of the report (printed or typed) 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. 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 encouraged.
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. Presence of Student for viva-voce are compulsory for internal evaluation.

Basic Ingredients of a Project Design

The project work can be designed by considering the following elements.

1. Selection of a Topic
2. Pilot Survey – a trial run of questionnaire / interviews
3. Significance / relevance of the Study
4. Review of Related Literature
5. Formulation of Research Questions
6. Research Objectives (Minimum 2)
7. Coverage (Universe / Sample & period of study)
8. Data source (Primary/Secondary)
9. Methods of Analysis i.e., Tools and Techniques
10. Limitations of the study
11. Chapter outline
12. Data Analysis/Result Chapter(s)
13. Conclusion

Study Tour

A compulsory study tour is recommended as part of the paper entitled "Financial System" in the Fifth Semester and the tour report should be submitted to the Head of the Department soon after the tour.

Assessment and Evaluation

Mark system is followed instead of direct grading for each question. For each course in the semester letter grade and grade point are introduced in 10-point indirect grading system as per guidelines. The evaluation scheme for each course shall contain two parts: 1) Internal assessment 2) External Evaluation. 20% weight shall be given to the internal assessment. The remaining 80% weight shall be for the external evaluation.

Internal Evaluation: The internal assessment shall be based on a pre-determined transparent system involving written tests, Class room participation based on attendance in respect of theory courses and lab involvement/records attendance in respect of Practical Courses. Internal assessment of the project will be based on its content, method of presentation, final conclusion and orientation to research aptitude. Components with percentage of marks of Internal Evaluation of Theory Courses are- Test paper 40%, Assignment 20%, Seminar 20% and Class room participation based on attendance 20%.

For the test paper marks, at least one test paper should be conducted. If more test papers are conducted, the mark of the best one should be taken. To ensure transparency of the evaluation process, the internal assessment marks awarded to the students in each course in a semester shall be notified on the notice board at least one week before the commencement of external examination. There shall not be any chance for improvement for internal marks. The course teacher(s) shall maintain the academic record of each student registered for the course, which shall be forwarded to the University by the college Principal after obtaining the signature of both course teacher and Head of the Department. The Split up of of marks for Test paper and Class Room Paticipation (CRP) for internal evaluation are as follows.

Split up of marks for Test paper

Range of Marks in test paper	Out of 8 (Maximum internal marks is 20)	Out of 6 (Maximum internal marks is 15)
Less than 35%	1	1
35-45%	2	2
45-55%	3	3
55-65%	4	4
65-85%	6	5
85-100%	8	6

Split up of marks for Calss Room Participation

Range of CRP	Out of 4 (Maximum Internal marks is 20)	Out of 3 (Maximum Internal marks is 15)
50% \leq CRP <75%	1	1
75% \leq CRP <85%	2	2
85 % and above	4	3

External Evaluation

External evaluation carries 80% of marks. All question papers shall be set by the University. The external question papers may be of uniform pattern with 80/60 marks. The courses with 2/3 credits will have an external examination of 2 hours duration with 60 marks and courses with 4/5 credits will have an external examination of 2.5 hours duration with 80 marks. The external examination in theory courses is to be conducted by the University with question papers set by external experts. The project evaluation with viva can be conducted either internal or external which may be decided by the Board of Studies concerned. Guidelines are given in the syllabus. After the external evaluation only marks are to be entered in the answer scripts. All other calculations including grading are done by the University.

Evaluation of Audit courses: The examination shall be conducted by the college itself from the Question Bank prepared by the University. The Question paper shall be of 100 marks of 3 hour duration. For SDE/Private students it may be of MCQ/ fill in the blank type questions or Online question paper may be introduced.

Method of Indirect Grading

Evaluation (both internal and external) is carried out using Mark system. The Grade on the basis of total internal and external marks will be indicated for each course, for each semester and for the entire programme. Indirect Grading System in 10 -point scale is as below:

Percentage of Marks (Both Internal & External put together)	Grade	Interpretation	Grade point Average (G)	Range of grade points	Class
95 and above	O	Outstanding	10	9.5-10.0	First Class with Distinction
85 to below 95	A+	Excellent	9	8.5 -9.49	
75 to below 85	A	Very Good	8	7.5 -8.49	
65 to below 75	B+	Good	7	6.5 -7.49	First Class
55 to below 65	B	Satisfactory	6	5.5 -6.49	
45 to below 55	C	Average	5	4.5 -5.49	Second Class
35 to below 45	P	Pass	4	3.5 -4.49	Third Class
below 35	F	Failure	0	0	Fail
Incomplete	I	Incomplete	0	0	Fail
Absent	Ab	Absent	0	0	Fail

An aggregate of P grade (after external and internal put together) is required in each course for a pass and also for awarding a degree (A minimum of 20% marks in external evaluation is needed for a pass in a course. But no separate pass minimum is needed for internal evaluation). No separate grade/mark for internal and external will be displayed in the grade card; only an aggregate grade will be displayed. Also the aggregate mark of internal and external are not displayed in the grade card. A student who fails to secure a minimum grade for a pass in a course is permitted to write the examination along with the next batch.

CALICUT UNIVERSITY SOCIAL SERVICE PROGRAMME (CUSSP)

In this programme, a student has to complete 12 days of social service. This has to be completed in the first four semesters; 3 days in each semester. For the regular programme the student has to work in a Panchayath or Local body or in a hospital/ poor home or old age home or in a Pain & paliative centre or any social work assigned by the College authorities. Students who engaged in College Union activities and participate in sports and cultural activities in Zonal level have to undergo only 6 days of CUSSP during the entire programme. The whole documents regarding the student should be kept in the college and the Principal should give a Certificate for the same. The list of students (successfully completed the programme) must be sent to the University before the commencement of the fifth semester examinations. A College level Coordinator and a Department level Co-ordinator shall be appointed for the smooth conduct of the programme

External Examination Scheme

There shall be University examinations at the end of each semester. Each question should aim at – (1) assessment of the knowledge acquired (2) standard application of knowledge (3) application of knowledge in new situations. Different types of questions shall possess different marks to quantify their range. Project evaluation shall be conducted at the end of sixth semester. 20% of marks are awarded through internal assessment.

Question paper type 1

The external QP with 80 marks and internal examination is of 20 marks. Duration of each external examination is 2.5 Hrs. The pattern of External Examination is as given below. The students can answer all the questions in Sections A & B. But there shall be Ceiling in each section.

Section	Type of Question	No. of Questions	All Questions may be answered	Marks for each question	Ceiling of Marks	Total marks
A	Short Answer Type	15	15	2	25	25
B	Paragraph/problem type	8	8	5	35	35
C	Essay Type	4	2	10	20	20
	Total	27	25	--	80	80

Question paper type 2

The external QP with 60 marks and Internal examination is of 15 marks. Duration of each external examination is 2 Hrs. The pattern of External Examination is as given below. The students can answer all the questions in Sections A & B. But there shall be Ceiling in each section.

Section	Type of Question	No. of Questions	All Questions may be answered	Marks for each question	Ceiling of Marks	Total marks
A	Short Answer Type	12	12	2	20	20
B	Paragraph/problem type	7	7	5	30	30
C	Essay Type	2	1	10	10	10
	Total	27	25	--	80	60

Guidelines for the Evaluation of Projects

1. PROJECT EVALUATION- Regular

- Evaluation of the Project Report shall be done under Mark System.
 - The evaluation of the project will be done at two stages :
 - a) Internal Assessment (supervising teachers will assess the project and award internal Marks)
 - b) External evaluation (external examiner appointed by the University)
 - c) Grade for the project will be awarded to candidates, combining the internal and external marks.
2. The internal to external components is to be taken in the ratio 1:4. Assessment of different components may be taken as below:

Internal (20% of total)	External (80% of total)	
Component	Percentage of internal Marks	Components
Originality	20	Relevance of the Topic, Statement of Objectives
Methodology	20	Reference, Bibliography/Presentation, quality of Analysis/ Use of Statistical Tools
Scheme/organization of the report	30	Findings and recommendations
Viva-Voce	30	Viva-voce

4. External Examiners will be appointed by the University from the list of VI Semester Board of Examiners in consultation with the Chairperson of the Board.
5. The Chairman of the VI semester examination should form and coordinate the evaluation teams and their work.
6. Internal Assessment should be completed 2 weeks before the last working day of VI Semester.
7. Internal Assessment marks should be published in the Department.
8. In the case of Courses with practical examination, project evaluation shall be done along with practical examinations.
9. The Chairman Board of Examinations, may at his discretion, on urgent requirements, make certain exception in the guidelines for the smooth conduct of the evaluation of project.

2. PASS CONDITIONS

- Submission of the Project Report and presence of the student for viva are compulsory for internal evaluation. No marks shall be awarded to a candidate if she/ he fails to submit the Project Report for external evaluation.
- The student should get a minimum P Grade in aggregate of External and Internal.
- There shall be no improvement chance for the Marks obtained in the Project Report.
- * In the extent of student failing to obtain a minimum of Pass Grade, the project work may be re-done and a new Internal mark may be submitted by the Parent Department. External examination may be conducted along with the subsequent batch.

Complementary Courses for other Programmes

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Complementary-I course 1

Semester I /II

IFC1(2) C01 - Islamic Finance: Theory and Practice – I

Course Category: Complementary Course

Course Title and Code: Islamic Finance: Theory and Practice – I, IFC1(2) C01

No. of Credits: 4

No. of Contract Hour:

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 economic system, development, 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

Module 1 Concept of Economic system and Economic development:

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

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

Basic aims of Islamic economy: Achieving self-sufficiency–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.– 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 2 Distributive justice and Welfare

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*

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 3: wealth in Islam: The Islamic view of wealth– 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.

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

Module 4 Sources of Public revenue

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

References:-

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

Complementary- I course 2

Semester III/IV

IFC4(3) C01 - Islamic Finance: Theory and Practice – II

Course Category: Complementary Course

Course Title and Code: Islamic Finance: Theory and Practice – II, IFC4(3) C01

No. of Credits: 4

No. of Contract Hour:

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 of financial transaction, trade based on sharia principles. These rules apply to any market or other types of financial system, trading, trading in shares, derivatives, insurance and other forms financial dealings.

c. Learning outcome

Passing out this course the students are expected to learn the business ethics and lawful and unlawful business deals and management of sharia compliant financial transaction.

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. **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. **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 *mudharabah*

Module - 2: 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 *musharkah* for carrying business of services – diminishing *musharakah* in trade

Module – 3: 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 ijarah* – *sukuk al wakalah* – *sukuk al murabahah* – *sukuk al istisna* – *sukuk al salam*- AAOIFI *sukuk* standards

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

Module –5: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*

References:-

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

Complementary- II course 1

Semester - I/II

IFC1(2) C02 - Fundamentals of Islamic Economics – I

Course Category: Complementary Course

Course Title and Code: Fundamentals of Islamic Finance – I, IFC1(2) C02

No. of Credits: 4

No. of Contract Hour:

a. Introduction:

To provide an introductory overview to the theoretical framework and 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 concepts and economic thought.

Module 1 : 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 - The Islamic concept of money – concept of wealth – philosophy of wealth – work and wealth

Module 2: Consumer behavior, Production and markets 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.

Factors production - incentive for production, population and economic development – role of Behavior of firms in an Islamic Economy – comparison of firms behavior in conventional Economics – pricing production of firms in an Islamic Economy.

Module 3: History of contemporary Islamic economic thought:

Historical account of the Islamic economics – early economic thoughts – economic ideas in Muslim writings of history - Economic institutions during the time of the Prophet and 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 - 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 - 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

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

Complementary- II course 2

Semester III/IV

IFC4(3) C02 Fundamentals of Islamic Economics – II

Course Category: Complementary Course

Course Title and Code: Fundamentals of Islamic Economics– II, IFC4(3) C02

No. of Credits: 4

No. of Contract Hour:

- 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: Zakath, Spending and Charity:- 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: The meaning of the word zakat (linguistic and terminological) – history and evolution – Exhortation to give and punishment for denying – who is obliged to pay – *zakatable* wealth in terms of amount and their ratio (*nisab*) - *zakat* owed by deceased-*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 3: 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 4: Prohibited form of business - cartels and monopolies - speculative business based on selfish interest - interest transactions - Transactions similar (in nature) to gambling – lottery – *unabadha* and *mulamasa* – *mozabana* or exchange of fresh fruits for dry ones - *mu'awama* - *bai' al-gharar* - mortgage

Module 5: 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 Awwam'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 6: 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. 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. Fiqh al Zakat by Dr. Yusuf al Qaradawi.
8. Fiqh al Sunnah by SayyidSabiq
9. How to Calculate Inheritance: A Simple Approach by Shakil Ahmad Khan
10. Kitab al fara'idh by Abdussamad al Katib Pub. Islamic University al Madina

OPEN COURSES (Semester Five)

(for Non- Islamic Finance Students)

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