

**Course Name : Islamic Finance**  
**Course Code : FIN309**

**Credit Hours : 03**  
**Total Week : 16**  
**Semester : 8<sup>th</sup>**  
**Total Marks : 100**

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### Week 1

Introduction to Islamic Finance

- Difference between Conventional and Islamic Banking.
- Concept of Riba
- Why Riba is prohibited in Islam.

### Week 2

Musharikah

- Introduction
- The Concept of Musharikah
- Management of Musharikah
- Basic rules of Musharikah
- Termination of Musharikah without closing the business.

### Week 3-4

Mudaraba

- Basic Rules of Mudaraba
- Difference between Musharikah and Mudaraba

### Week 5-6

Project Financing .

Securitization of Musharikah.

Financing of the working capital.

Sharing in the gross profit only.

Running Musharikah Account on the basis of daily products.

Some objections on Musharikah financing.

### Week 7

Diminishing Musharikah.

House Financing on the basis of Diminishing Musharikah.

Diminishing Musharikah for carrying business of services.

Diminishing Musharikah in trade.

### Week-8

Murahaba

- Some basic rules of sale
- Bai' Mu'ajjal (Sale on deferred payment basis)
- Murahaba as mode of financing and its basic features.

### Week-9

Some issues involved in Murahaba.

Different pricing for cash and credit sales.

The use of interest rate as benchmark.

Promise to Purchase.

Securities against Murahaba price .

Guaranteeing the Murahaba.

### Week10

Penalty of default.

The alternative suggestion.

Calculation of cost in Murahaba .

Subject matter of Murahaba .

Securitization of Murahaba.

Some basic mistakes in Murahaba financing.

### Week11

Ijarah.

Basic rules of leasing.

Penalty for late payment of rent.

Termination of lease.

Insurance of the assets.

Sub-lease

### Week12

Salam and Istisna.

Meaning of Salam.

Conditions of Salam.

Salam as mode of financing.

Some rules of parallel Salam.

### Week13

Istisna.

Difference between Istisna and salam .

Difference between Istisna and Ijarah.

Time of delivery.

Istisna as a mode of Finance.

#### **Week14**

Islamic Investment Funds.

Principles of Shari'ah governing Islamic Investment fund.

Conditions for Investment in Shares.

Ijarah Fund.

Commodity Fund.

Murahaba Fund .

Bai' -al-dain.

Mixed Fund.

#### **Week15**

The principle of Limited Liability.

Waqf.

Baitul-Mal .

Joint Stock.

Inheritance under debt.

The limited liability of the master of a slave.

#### **Week 16**

The performance of the Islamic Bank. A realistic evaluation.

Suggested Readings:

An Introduction to Islamic Finance

By Justice Mufti Muhammad Taqi

Usmani.