

Islamic Banking & Finance in West Asia

CBCS Course for M.A. Semester III

Centre for West Asian Studies

Jamia Millia Islamia New Delhi

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Course Description

The interest-free financing and investments based on Shariah principles have emerged as an alternate financial system with the risk-sharing modes of financing rather than risk-transferring mechanism attached to the conventional banking and finance. This course aims to provide an understanding of the Shariah based interest-free financial intermediation with special focus on the theoretical as well as practical developments in Islamic banking and finance in the post-oil West Asia.

Course Content:

Unit 1: Basic Concept

- Evolution and Expansion of Islamic Finance
- Islamic Critique of Conventional Money, Banking and Finance
- Shariah-based Modes of Finance

Unit 2: Theoretical Foundations

- Equity and Debt-based Financings
- Differences between conventional and Islamic banking
- Recent Financial Innovations

Unit 3: Experiments in Islamic Banking and Finance

- Banking, Equity Funds and Takaful
- Inter-Banks Cooperation
- Regulations and Supervisions of Islamic Finance

Unit 4: Institutional Development

- Islamic Development Bank (IDB), Islamic Economics Institute (Jeddah),
- Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI),
- International Islamic Financial Market (IIFM),

READING LIST

Books

1. Ayub, Muhammad, *Understanding Islamic Finance*, John Wiley & Sons, 2009, Pp.542
2. CHAPRA, M. Umer, *The Future of Economics – An Islamic Perspective*, Leicester, UK: The Islamic Foundation, 2000, 446pp.
3. HASSAN, Kabir M. and Mervyn K. Lewis, (eds.), *Handbook of Islamic Banking*, Cheltenham, UK: Edward Elgar Publishing Limited, 2009.
4. HOSSEIN Askari, Zamir Iqbal, Abbas Mirakhor, *Introduction to Islamic Economics: Theory and Application*, John Wiley & Sons, 2015, Pp.256
5. SIDDIQI, M. Nejatullah, *Riba Bank Interest and Rationale of Its Prohibition*, New Delhi: Markazi Maktaba Islami, 2005, 162pp.
6. USMANI, Muhammad Taqi, *An Introduction to Islamic Finance*, New Delhi: Idara Ishaat-IDiniyat, 2009, 246pp.
7. WILSON, Rodney (ed.) *Islamic Financial Markets*, Routledge, 2012, pp.242
8. WILSON, Rodney, *History of Islamic Economics*, Leiden: E.J. Brill, 2008

Research Papers:

1. Mr. Sami Ben Naceur, Mr. Adolfo Barajas, Mr. Alexander Massara, *Can Islamic Banking Increase Financial Inclusion?* (IMF Working Papers, Issues 15-31) Washington, DC: International Monetary Fund, 2015, Pp.41.
2. Martin Cihák, Heiko Hesse, *Islamic Banks and Financial Stability: An Empirical Analysis* (Issues 8-16 of IMF Working Papers), International Monetary Fund, 2008, Pp.29
3. Inwon Song, Carel Oosthuizen, *Islamic Banking Regulation and Supervision: Survey Results and Challenges*, (Issues 14-220 of IMF Working Papers), International Monetary Fund, 2014, Pp.42

Websites:

[Islamic Banking in the Middle-East and North-Africa - IRTI](http://www.irti.org/English/Research/Documents/IES/040.pdf)
www.irti.org/English/Research/Documents/IES/040.pdf

www.ey.com > ... > Banking & Capital Markets

Method of Instruction:

Lectures and tutorial would be held on a weekly basis. Questions, discussion and debate during classes will be strongly encouraged. Students are expected to keep informed of the current events in the region.

Method of Assessment:

A mid-term exam would consist of essay questions based upon the topics covered up to that point. In addition, a term paper addressing an appropriate question and/or issue, submitted on the last day of the class, will form a part of the final assessment. A final exam will be held at the end of the semester.
