



FAKULTI PENGURUSAN DAN INDUSTRI HALAL

PROGRAM	Diploma in Halal Product Manufacturing
COURSE NAME	Islamic Financial System
COURSE CODE	DHM 5003
CREDIT HOUR	3
SYNOPSIS	This subject cover the financial system in Malaysia, introduction to Islamic banking, shariah contract for Islamic financial instruments, Islamic banking operations, takaful, currencies islamic trad financing instruments and issues related with islamic banking product.
COURSE STRUCTURE	
CHAPTER	TOPICS
1	Introduction to the Financial System in Malaysia 1.1 Banking system: 1.1.1 Focus in the services & functions, of the following institution: Bank Negara, Islamic banks, Investment Banks, Commercial Banks, Finance Companies, Discount Houses 1.2 Non-Bank Finance Intermediaries Development Finance Institution, Saving Institutions, Provident and Pension Fund, Insurance/Takaful Companies, Housing credit Institution 1.3 Financial market
2	Introduction To Islamic Banking 2.1 History of establishment Islamic Banking 2.2. Principle of Islamic banking 2.3. Goals and objective of Islamic Banking 2.4 Fundamentals prohibited elements in Islamic banking: Riba, Gharar, Maisir 2.5 Comparison between Islamic banking and conventional banking
3	Shariah Contract For Islamic Financial Instruments 3.1 Concepts of exchange based contract: 3.1.1 Murabahah 3.1.2 Bay istisna 3.1.3 Bay salam 3.1.4 Bay al dayn 3.1.5 Bay sarf 3.1.6 Bay Inah 3.1.7 Bay tawarruq



	3.1.8 Ijarah 3.1.9 Ijarah Thumma Al Bay 3.2 Partnership contracts in Islamic finance 3.2.1 Musyarakah 3.2.2 Mudharabah 3.3 Security contract 3.3.1 Kafalah 3.3.2 Rahn 3.4 Charitable contract 3.4.1 Hibah 3.5 Agency contract 3.5.1 Wakalah 3.6 Supporting contract 3.6.1 Hiwalah 3.6.2 Ibra' 3.6.3 Wa'd 3.6.4 Muqasah (set of)
4	Islamic Banking Operations 4.1 Banking Services 4.1.1 Deposit (Saving Account-I, Current Account-I, General Investment Account-I, Special Investment Account-i) 4.2 Remittances 4.2.1 Cash Order, Demand Draft, Telegraphic Transfer, Western Union 4.3 Financial services 4.3.1. Home Financing-I, Personal Financing-I, Hire Purchases-I, Education Financing-I 4.4 Modern Banking 4.4.1 Electronic Banking, ATMs, Auto phone, Islamic Credit/Debit cards; etc
5	Concept And Takaful Practices 5.1 Definition of Takaful 5.2 Basic principles of Takaful contract 5.3 Concept of Takaful contract 5.4 Takaful practices in Malaysia 5.5 Differences of operations between conventional insurance company and a Takaful operator 5.6 Retakaful
6	Foreign exchange 6.1. Definition of foreign exchange 6.2. Functions of foreign exchange 6.3. Types of exchange rate system 6.3.1 Fixed exchange rate, flexible exchange rate
7	Islamic Trade Financing Instruments And Practices 7.1 Definition of export and import



	7.2 Islamic Letter of Credit 7.3 Islamic trust receipt 7.4 Islamic bank accepted bills 7.5 Islamic bank guarantee 7.6 Islamic shipping guarantee
8	Current Issues Regarding on Islamic Banking 8.1. Education loan (PTPTN, MARA) 8.2. Product of financing (BBA, Bay Inah, AITAB, Musyarah Mutanaqisah) 8.3. A scenario of Islamic banking in Malaysia
References:	<ol style="list-style-type: none">1. "Islamic Financial System: Principles & Operations" 2nd Edition , ISRA. 2018.2. Prof. Dr. Zubair Hasan, 'Islamic Banking and Finance: An Integrative Approach". Oxford Fajar. 20133. Faleel Jamaldeen, "Islamic Finance For Dummies", John Wiley & Sons Inc. 2012