



International Islamic University Chittagong

Faculty of Shari'ah & Islamic Studies

Part A: Fundamental Information about this Course

Course Title: Principles of Islamic Economics	أصول الاقتصاد الإسلامي
Course Code: ECE-2301	Course Type: Economics
Credit Hours: 3 (Three)	Contact Hours: 3 (Three)
Pre Requisite of this Course: N/A	Code of that course: N/A
Next Course: ECE-2402	Semester: Third
Program: B.A. (Hon's)	

Course Assessments	CIE: Continuous Internal Evaluation	Attendance	10 Marks
		Class test/ Assignment/ Quizzes	10 Marks
		Midterm	30 Marks
	SFE: Semester Final Examination		50 Marks

Part B: Course Objectives

This course will serve students with a basic understanding of the concept and principles of Islamic Economics. This course introduces normative analysis of micro and macroeconomic concepts, to enable students to understand how Islam and Islamic worldview permeate all aspects of life including economics and to realize the actual theory of Islamic economics based on Islamic Shariah.

Part C: Course Outcomes (COs)

S/N	Course Outcomes (COs): Upon the successful completion of the course, students will be able to	Corresponding POs	Bloom's taxonomy domain/level
CO-1	Explain the major ideas that lie at the heart of economics.	PO-1 & PO-2	Cognitive/ Understanding
CO-2	Define two different nature of economic theories-micro and macro.	PO-3	Cognitive/ Remembering
CO-3	Recognize and interpret the introduction to Islamic economics.	PO-1 & PO-4	Cognitive/ Applying
CO-4	Define Comprehend the conventional, Islamic and effective demand and supply for a good and explain how that demand and supply together determine equilibrium price, & quantity in Islamic economy. Distinguish between perfect competition and imperfect competition. The student will be able to explain the views of Islamic economics on the theory market.	PO-2 & PO-4	Cognitive/ Remembering

CO-5	Understand the theory of production and the differences between profit-maximizing firms and Islamic firm. Understand the consumer theory, Islamic pricing policy, utility vs. Maslahah theory, Islamic consumption, fiscal and monetary theory, theory zakat, interest and banking. Finally, the student will be able to explain the difference between Islamic and conventional economic system and operations	PO-1	Cognitive/ Analyzing
CO-6	Explain the Islamic rationale for prohibition of Riba, Concept of Profit, Islamic attitude towards profit, Difference between Riba and profit, Difference between Riba and Rent, Disadvantages of Riba. Role of Islamic State in Zakat collection and distribution, Items on which Zakat is payable, Nisab and rates of Zakat, Legality of raising taxes in addition to Zakat. Zakat and Poverty Alleviation, concepts of tax, principles and difference of Zakat and tax. Economic impact of Zakat.	PO-2	Cognitive/ Understanding

Part D: Mapping of Course Outcomes to Program Outcomes

	PO1	PO2	PO3	PO4	PO5	PO6
CO1	3	3	2		3	1
CO2			3			
CO3	3			3		1
CO4		3		3		
CO5	3					
CO6		3				

Part E: The Course Contents

SL	COURSE CONTENT	Hrs	COs
Section-A (Mid-term: 30 Marks)			
01	<p>Introduction to Islamic Economics: Definitions, development of Islamic economic thought, Islamic Economic Worldview, Basis of Islamic economics, goals or objectives of Islamic economics, assumptions of Islamic economics, main sources of knowledge of Islamic economic study, importance of Islamic economics.</p> <p>Economic systems: Comparative Economic System: Laissez – faire economy, market economy, command economy, mixed economy, differences between Islamic economy and capitalistic economy.</p> <p>Consumer Behavior in Islam: Some basic concepts: need</p>	9	CO-1, CO-2

	vs demand, Islamic concept of need, want-utility vs need-maslahah, Characteristics of consumer in an Islamic economy, differences between capitalist and Islamic consumer's behavior, Objectives of consumption in Islam.		
02	<p>Market Mechanism from Islamic Perspective: Islamic theory of effective need-based demand and potential capacity-based supply, Market Mechanism: Determination of Price and Quantity, Islamic Approach to Market Prices- Islamic pricing policy- Three policy options: Desirable policy option in Islam.</p> <p>Consumption function in Islam: Concept of consumption: <i>Halal</i> and <i>Haram</i>, Objectives of consumption, Behavior of Islamic consumer under Islamic influence, Principles of consumption, Islamic consumption function, Determinants of Islamic consumption function, Debate regarding APC and MPC, Expected income hypothesis of consumption, Capitalistic vs Islamic norms of consumption.</p>	9	CO-3
Section-B (SFE-50 Marks)			
03	<p>Market structure in an Islamic framework: Definition of Market, types of market, Definition of Perfectly competitive Market, applications of Perfectly competitive Market in Islamic economics, Definition of Monopoly, Anti-social phenomenon of Monopolist, Positive role played by monopolist deeply influenced by Islamic spirit, Islamic dimension of the absence of unique price-quantity relationship, Evaluation of the lesser output and higher prices under monopoly from the Qur'anic point of view, Price discrimination, Difference between price discrimination and price differentiation, Price discrimination in Islam.</p> <p>Theory of Production in Islam: Objectives of Production, the goals of the firm- Profit Maximization VS Sales Maximization, Factors of Production and Their Pricing: Islamic Perspective. Characteristics of an Islamic Firm, Theory of Islamic Firm: Metwally Model, Differences between firms in an Islamic society and in a non-Islamic society, understanding of the concept of profit and profit share in Islam. Satisfying behavior, Advertising in Islam.</p>	9	CO-4 CO-5
04	<p>Riba and Islamic banking system : Definition of Riba, Conditions for Riba, Types of Riba, Islamic rationale for prohibition of Riba, Concept of Profit, Islamic attitude towards profit, Difference between Riba and profit, Difference between Riba and Rent, Disadvantages of Riba.</p> <p>Riba and PLS system: Superiority of profit-loss sharing system over interest-based system, Requirements for eliminating Riba from the economy, Definition of Islamic</p>	9	CO-5

	banking, Objectives of Islamic banking, Features of Islamic banking.		
05	Public Finance in Islam: Meaning of Islamic public Finance, Principles, Sources of revenue and expenditure in an Islamic state, Fiscal policy and role of Zakat: Concept of Zakat: Definition, types, principles, objectives of Zakat. Role of Islamic State in Zakat collection and distribution, Items on which Zakat is payable, Nisab and rates of Zakat, Legality of raising taxes in addition to Zakat. Zakat and Poverty Alleviation, concepts of tax, principles and difference of Zakat and tax. Economic impact of Zakat.	9	CO-6

Part F: Text & References

1. Hamid, M. A. (2009), Islamic Economics – An Introductory Analysis, English edition, Ahsan Publications, Dhaka, Bangladesh.
2. Mannan, M. A. (1984), The Making of Islamic Economic Society
3. Sayyid Tahir, Aidit Ghazali, Syed Omar Syed Agil (1992), Readings on Microeconomics: An Islamic Perspective, Petaling Jaya : Longman Malaysia
4. Chaudhry, Muhammad Sharif (2003), Fundamentals of Islamic Economic System, 1st edition, Burhan Education and Welfare Trust, 198-N Samanabad, Lahore, Pakistan
5. Journal: Thoughts on Islamic Economics by Islamic Economics Research Bureau, Dhaka, Bangladesh

Part G: Course Assessment Pattern (Theoretical Courses)

Bloom's Category		Evaluations out of 100 marks				Remarks
		CIE (50 marks)			SEE (50marks)	
Cognitive learning	Affective Learning	Mid-term: (30)	Assignment/ Class Test: (10)	Attendance Marks (:10)	Written Exam: (50)	Course teachers may change the magnitude of marks in Bloom's category(Both for CIE and SEE), but he/she will have to keep in mind that the % of higher order learning mode must be about 60% or more and all the Bloom's categories to be addressed during the Semester.
Remember	-	5	-	-	5	
Understand	-	-	5	-	10	
Apply	-	5	-	-	05	
Analyze	-	5	-	-	10	
Evaluation	-	10	5	-	15	
Create	-	5	-	-	05	
x	Responding	x	x	10		

Note: CIE=Continuous Internal Evaluation SFE= Semester Final Examination.

A. Delivery methods & activities: Lecture, White Board Writing, Questions and Answers, Discussions Power point Presentation,

B. Assessment tools: Class Attendance, Class test, Quizzes/ Assignment, Mid-Term, Final Exam and Viva.

Prepared by **Dr. Md. Arif Billah**¹

¹ Associate Professor of Economics, Faculty of Shariah at IIUC, Executive Member of research panel at Islamic Economics Research Bureau (IERB) & President of Poverty Reduction Economic Movement (PREM).

