

Islamic Banking & Finance Issues & Solutions

Edited by
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ISLAMIC BANKING & FINANCE
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Chapter One

Introduction

Dr. Umar Mohammed Idris

This book collects different unpublished and original researches in the area of Islamic banking and finance for the purpose of harmonizing and organizing them into themes and chapters. The book is spread over nine chapters, broadly categorized into three parts. Part one of the book deals with Islamic banking and finance issues. Part two focuses on the Islamic capital market and issues on Islamic bonds (sukuk), and lastly, part three focuses on corporate social responsibility in Islamic economics and financial matters. The authors of the first part include Associate Prof. Dr. Dzulfasri, Associate Professor Dr. Younes Soualhi, Muhammad Abduh, and Professor Dr. Omar Azmi. Part two was written by Dr. Rusni Hassan, Dr. Adnan Yusoff, Dr. Umar Mohammed Idris, and Dr. Ahcene Lahsasna. The last part was contributed by Sheila Nu Nu Htay, Mustafa et al.

In part one, Dzulfasri et al did an empirical study of one of the most controversial issues in Islamic Banking, particularly in Malaysia. The paper titled ‘Consumers’ Acceptance on Islamic Home Financing: Empirical Evidence on *Bai Bithaman Ajil* (BBA) in Malaysia’ deserve special attention by stakeholders not only because it focuses on Malaysia, but because of the pertinent issues raised, which are of daily concern to the customers of the Islamic banks, Muslims and non-Muslims alike. Supporting their position with scholars like Siddiqi (1983); Ahmad (1984); Siddiqui (2001); Rosly and Bakar(2003), who argue that a financial system that is built pre-dominantly around the debt based modes of financing cannot be superior to the existing interest-based system on the ground of equity, efficiency, stability and growth. The BBA is defined by the authors as a deferred installment of sale whereby bank capitalizes