Islamic Banking and Finance Against Conventional

Edited by
Saim Kayadibi

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Contents

Preface ................................................................................................................................. 6

Chapter 1 ............................................................................................................................ 8
Islamic banking and finance – an on-going underground war against the norm of Islam ................................................................................................................................. 8

Chapter 2 ............................................................................................................................ 36
Conventional and Islamic Banking System in Malaysia ......................................................... 36

Chapter 3 ............................................................................................................................ 57
Differences between Islamic Credit Card and Conventional Credit Card ................................................. 57

Chapter 4 ............................................................................................................................ 73
The Application of Credit Cards in Islam .............................................................................. 73

Chapter 5 ............................................................................................................................ 85
Takaful As an Alternative to Conventional Insurance ................................................................. 85

Chapter 6 ............................................................................................................................ 95
Malaysia Airline And Airasia Share-Swap Deal: In Islamic Perspective ......................................... 95

Chapter 7 ........................................................................................................................... 108
Concept of Zakat in a Broader Sense ....................................................................................... 108

Chapter 8 ........................................................................................................................... 124
Islamic Bond (Sukuk) in the Contemporary Economic and Finance Life ........................................ 124

Chapter 9 ........................................................................................................................... 140
Wakalah and Multilevel Marketing (MLm) .............................................................................. 140

Chapter 10 ........................................................................................................................ 150
Tawarruq in Islamic Finance .............................................. 150
Chapter 11 .................................................................. 157
The Legality Of Bay Bithaman Ajil And Its’ Issues ............ 157
Chapter 12 .................................................................. 173
Bay’ Al-,Einah: View of Scholars And Specification On Malaysia Context .................................................. 173
Chapter 13 .................................................................. 186
The Contract of Sale: From The Perspective Of Buying Commodities Online .............................................. 186
Chapter 14 .................................................................. 206
Conventional Insurance: Is It Shariah Compliance? ........ 206
Bibliography ................................................................ 218
Chapter 6

Malaysia Airline And AirAsia Share-Swap Deal: In Islamic Perspective

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Introduction

Malaysia’s airline industry has been around for decades. Throughout the years, many companies have come and go. Among those companies that are still surviving in this industry are the national carrier; Malaysia Airlines and low cost carriage juggernaut; AirAsia.

In the recent years, as a premium airline, Malaysia Airlines undergoes several difficulties to perform well at what they are doing; technically and financially. The airline has recorded operating losses for several years due to several factors including economic downturn and the increasing operating costs mainly affected from increase in price level.

On the other hand, AirAsia as a low-cost airline has become a household name in the Asian region. Famous for its low airfares offerings and its ability to operate at minimum costs. AirAsia has recorded good performances for the last 3 years, proven by constantly producing operating profit from year to year. One of the many factors contributes to the stunning achievement is the fact that consumers prefer to save cost during economic recession.

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