

## COURSE OUTLINE

<b>Department &amp; Faculty:</b> Department of Mechanical Engineering & Management Centre for Diploma Studies, SPACE, UTM	<b>Page :</b>
<b>Course Code :</b> Islamic Financial System (DDWW 2223) <b>Total Contact Hours : 4 hours x 14 weeks</b> Lecture 3 hrs Tutorial 1 hour	<b>Semester :</b> <b>Academic Session :</b>

<b>Lecturer</b> : En. Redzuan Abdul Rahman <b>Room No.</b> : V406E <b>Telephone No.</b> : 013-2792878 <b>E-Mail</b> : redzuan@utmspace.edu.my	<b>Synopsis</b> : This course covers economic and financial systems, market, function and Islamic economic and financial system structure, riba', comparison between interest and riba', classifications of riba', concept of riba in bay' contract and qard, justification for the existence of riba', history of riba', riba' in the Quran and Sunnah, analysis of the forbiddance of riba', controversial issues regarding riba', Islamic banking ,Islamic financial instruments, Islamic equity market, equity and loan financing, Islamic financial institutions such as Tabung Haji, Bank Islam, Interest-free Banking System, Takaful and Al-Rahn Scheme.
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### LEARNING OUTCOMES

By the end of this course, students should be able to:

No.	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Taxonomy and Soft skills Levels	Assessment Methods
1.	Identify basic components and functions of Islamic financial system and indentify the needs for Islamic financial system within a conventional system.	PLO1	C1	Quiz, Test, Final Exam
2.	Explain terms and concepts, the importance and advantages of Islamic financial system.	PLO1	C2	Quiz, Test, Final Exam
3.	Explain Islamic and conventional financial system instruments. Identify the roles and differences between Islamic financial institutions	PLO1 PLO6	C2 LL1	Test Assignment Final Exam
4.	Give clear and confident presentation in accordance with target audience. Analyze towards decisions or conclusion in problem solving relating to issues of ethics.	PLO4 PLO8	P3, CS1-3 A2, EM1-2	Assignment & Presentation

<b>Prepared by (Head of Programme)</b> <b>Name</b> : Hasliza Husin <b>Signature</b> :	<b>Certified by (Head of Department)</b> <b>Name</b> : Mohamad Shafie Abdul Rashid <b>Signature</b> :
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### STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (Hours)
1. Face to face Learning <ul style="list-style-type: none"> <li>a. Lecture</li> <li>b. Tutorial</li> <li>c. SCL Activities</li> </ul>	35 14 7
2. Independent Study <ul style="list-style-type: none"> <li>a. Non Face to face learning or SCL</li> <li>b. Revision</li> <li>c. Evaluation</li> </ul>	34 15 9
3. Formal evaluation <ul style="list-style-type: none"> <li>a. Tests</li> <li>b. Quizzes</li> <li>c. Final examination</li> </ul>	2 1.5 2.5
<b>Total</b>	<b>120</b>

### TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Individual/Group Assignment, Presentation

### WEEKLY SCHEDULE

<b>Week 1</b> : <b>1.0 Concepts of Islamic Financial System</b> 1.1 Islamic Economic System 1.2 Islamic Financial System 1.3 Prohibited Elements in Muamalat
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<b>Week 2</b>	<b>: 2.0 Concepts and System of Riba'</b> 2.1 Definition of Riba 2.2 Ribawi Item and Illah 2.3 Classification of Riba'
<b>Week 3</b>	<b>: 2.3 Concept of Riba' in Bay' and Qard Contracts</b> 2.4 Riba in Conventional Bank
<b>Weeks 4-5</b>	<b>: 3.0 Islamic Financial System</b> 3.1 Islamic Banking 3.2 Concept and Theory of Islamic Banking 3.3 Model of Islamic Banking
<b>Week 6</b>	<b>4.0 Syariah Principles in Islamic Financial Financing I</b> 4.1 Sale-Based Contracts
<b>Week 7</b>	<b>5.0 Syariah Principles in Islamic Financial Financing II</b> 5.1 Loan Financing
<b>Week 8</b>	<b>6.0 Syariah Principles in Islamic Financial Financing III</b> 6.1 Equity-Based Contracts
<b>Week 9</b>	<b>7.0 Islamic Bank Products</b> 7.1 Financial Instruments 7.2 Equity Market
<b>Week 10-11</b>	<b>8.0 Non Islamic Bank Products</b> 8.1 Financial Instruments 8.2 Equity Market
<b>Week 12-13</b>	<b>9.0 Islamic Institutions</b> 9.1 Tabung Haji 9.2 Bank Islam

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<b>Week 14 :</b>	9.3 Baitul Mal 9.4 al-Rahn Scheme  <b>10.0 Takaful</b> <b>10.1</b> Introduction 10.2 Definition of Insurance and Takaful 10.3 Types of Takaful coverage 10.4 Opinions of scholars regarding Takaful Insurance and Re-Insurance
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REFERENCES	Main Text:
	Dr. Mukmin Abd. Ghani (1999), 'Sistem Kewangan Islam dan Aplikasi di Malaysia'. Kuala Lumpur: Jabatan Kemajuan Islam Malaysia.
	Other Reference:
	Mohd Fadzli Yusof (1996), 'Takaful Sistem Insurans Islam'. Kuala Lumpur: Utusan Publications & Distributors Sdn. Bhd. Mohd Ma'sum Billah (2003), Islamic Insurance [Takaful]. Selangor: Ilmiah Publishers Sdn. Bhd. Nor Muhamad Yacop (1995), 'Pengenalan Kepada Sistem Kewangan Islam'. Kuala Lumpur: Utusan Publications & Distributors Sdn. Bhd. Dr. Sobri Salamon (1989), 'Ekonomi Islam: Pengenalan Sistem dan Kemungkinan'. Selangor: Al-Rahmaniah.

## GRADING

No	Assessment Method	PLO	Number	PPD & PSM Assessment (%)	PPK Assessment (%)	Implementation Dates
1	Quiz	PLO1	5	10	10	Week 1 - 14
2	Test	PLO1	2	30	20	Week 5, 11
3	Assignment / Presentation	PLO4 PLO6 PLO8	1	10	10	Week 9 - 13
4	Final exam	PLO1	1	50	60	Week 17 - 19
	<b>Overall Total</b>			<b>100</b>	<b>100</b>	