Aston Business School
Birmingham

BFM130 ISLAMIC BANKING AND INSURANCE

Number of Aston Credits:	15
Number of ECTS Credits:	7.5

Staff Member Responsible for the Module:

Mr Iqbal Asaria, Cass Business School

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Availability: please contact Rosaleen Shirley, Finance, Accounting and Law Group Secretary, Extension 3238

Pre-requisites for this Module:

None

Mode of Attendance:

On campus

Module Objectives and Learning Outcomes:

This module provides a discussion of regulatory, operational, risk management and governance aspects relating to the provision of Islamic financial services, with a specific focus on banking and Islamic insurance (takāful) products. An in-depth examination of the concepts and practices of takāful will be given, and the differences between takāful and conventional products will be investigated.

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Learning Outcomes

- An understanding of the framework and features of the Islamic financial system.
- An understanding of the various business models of Islamic financial institutions.
- An understanding of the financial and operational risks faced by Islamic financial institutions.
- Advanced knowledge of the various types of deposits and investment accounts of Islamic financial institutions.
- Understanding of the various takāful products, and the differences between these and their conventional counterparts.
- Understanding of the various challenges facing Islamic banking & insurance, including standardisation of rulings, reputation risk, product development, and issues in human resources.

Corporate Connections:

The module places great emphasis on real-world issues and practices. Practitioners will be invited to participate in the programme in order to supplement the experience of the lecturer.

International Dimensions:

The practices and challenges facing sharīʿah-compliant businesses and financial institutions across a number of different jurisdictions will be examined and contrasted.

Contribution of Research:

During the module, reference will be made to papers and key research themes from diverse schools of thought.

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Module Content:

Learning Unit	Content
1	The institutional framework in Islamic banking and insurance
2	The legal basis of takāful services
3	Models for the provision of takāful and re-takāful services
4	Financial and operational risks in takāful and re-takāful
5	The regulation of takāful and re-takāful
6	An appraisal of commercial performance of Islamic financial products and institutions
7	Financial and operational risk in Islamic commercial banking
8	Financial and operational risk in Islamic investment banking
9	Regulatory challenges facing Islamic banking and insurance

Method of Teaching:

The module will be taught by lectures and understanding will be reinforced by the completion of a number of individual and group exercises and multiple choice questions.

Learning Hours:

Contact Hours	27
Directed Learning	63
Further Private Study	50
Group Work	8
Assessment	2
Total	**150**

Method of Assessment and Feedback:

2 hour closed book examination and an essay.
Feedback is available on request either during office hours, via email or on Blackboard.

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Essential Reading:

Core Texts

Abdel Karim, R., Archer, S., & Nienhaus, V., (Eds), Takaful Islamic Insurance: Concepts and Regulatory Issues, John Wiley & Sons, UK, 2009, ISBN-13: 978-0470823521.

Jaffer, S., Islamic Retail Banking and Finance: Global Challenges and Opportunities, Euromoney Books, UK, 2005, ISBN-13: 978 1 84374 198 5.

Recommended Texts:

Archer, A. and Abdel Karim, R., Islamic Finance: The Regulatory Challenge, John Wiley & Sons, UK, 2007, ISBN-13: 978-0470821893.

Khorshid, A., Islamic Insurance: A Modern Approach to Islamic Banking, Routledge, UK, 2007, ISBN-13: 978-0415444507.

Websites:

Accounting and Auditing Organisation of Islamic Financial Institutions, Bahrain, www.aaoifi.com

Islamic Financial Services Board, Malaysia, www.ifsb.org

Institute of Islamic Banking and Insurance, UK, www.islamic-banking.com

Islamic Development Bank, KSA, www.isdb.org

Islamic Finance News, Malaysia, www.islamicfinancenews.com