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BFM132 ISLAMIC ECONOMICS, BUSINESS AND FINANCE

Number of Aston Credits: 15

Number of ECTS Credits: 7.5

Staff Member Responsible for the Module:

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Pre-requisites for the Module:

None

Mode of Attendance:

On campus

Module Objectives and Learning Outcomes:

This course will cover the fundamental methodologies, principles and ideas of Islamic economics and business. Within this context it will discuss the rationale for Islamic economics and finance with its various aspects. The course investigates non-financial and banking institutions and their financing in the form of third sector as well, which is related to Islamic economic development. Developments and trends in Islamic banking and finance will also be provided through chronological developments in the form of discourse, institutional developments and market implications. In addition, Islamic management and also business ethics is considered together with the political

economy of corporate governance and the implications of Islamic ethics for sustainability and social responsibility in modern business practice.

Learning Outcomes:

This course aims at providing students with the knowledge and skills needed in a corporate finance setting to achieve compliance with *sharīʿah*. Upon completion of this course, students will:

- Understand the methodologies, concepts and principles of Islamic economics.
- Appreciate the economic and social implications of *sharīʿah*.
- Understand the recommendations found in Islamic economic thought for the conduct of economic development and management.
- Appreciate the contributions of Muslim scholars to the development of Islamic thought.
- Know the practical sources and means of accessing of Islamic finance for the modern corporation.
- Appreciate the implications of Islamic ethics for sustainability and social responsibility in modern business.
- Understand the particularities of corporate governance structure in Islamic finance as practised and in Islamic economics as aspired.

Module Content:

Week 1	Locating Islamic Economics, Finance and Business within Political Economy
Week 2	An Introduction to Islamic Economics and Islamic Finance: A Systemic Understanding
Week 3	Methodology of Islamic Economics
Week 4	Islamic Economic Development
Week 5	Islamic Management and Business Ethics
Week 6	Islamic Third Sector: Institutions and Financing
Week 7	Sustainable and Socially Responsible Finance and Business in Islam
Week 8	Political Economy of Corporate Governance in Islam and Islamic Finance
Week 9	Assessing the Social and Financial Performance of Islamic Banking and Finance

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Week 10 Examination

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 Islamic economics and *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.

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.

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.

Learning Hours:

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

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Essential Reading:

The core texts for this module are:

Ahmed, Ahmed (2004) *Role of Zakah and Awqaf in Poverty Alleviation*, IRTI-IDB.
Askari, Hossein; Zamir Iqbal and Abbas Mirakhor (2009). *New Issues in Islamic*

Finance and Economics: Progress and Challenges, John Wiley & Sons, ISBN: 978-0-470-82293-7.

Ayub, Muhammad (2007). *Understanding Islamic Finance*, John Wiley & Sons, ISBN: 978-0-470-03069-1 (HB).

Chapra, M. Umer (1998) *Islam and the Economic Challenge*, Islamic Foundation, UK, ISBN-13: 978-0860372172.

Chapra, M. Umer (2000) *The Future of Economics: An Islamic Perspective*, Islamic Foundation.

El-Gamal, M. A. (2006) *Islamic Finance: Law, Economics, and Practice*, Cambridge University Press, UK, ISBN-13: 978-0521864145.

Ghazanfar, S. M. (ed.) (2003) *Medieval Islamic Economic Thought: Filling the "Great Gap" in European Economics*, RoutledgeCurzon.

Naqvi, S. N. H. (1994) *Islam, Economics and Society*, Kegan Paul International, USA,, ISBN: 0-7103-0470-6.

Nomani, F. and Ali Rahnema (1994) *Islamic Economic Systems*, Zed Books.
Tripp, C. (2006) *Islam and the Moral Economy*, Cambridge University Press.

Ul Haq, Irfan (1995) *Economic Doctrines of Islam*, Herdon, V.A., International Institute for Islamic Thought.

Warde, I. (2000) *Islamic Finance in the Global Economy*, Edinburgh University Press, UK, 2000, ISBN: 0748612165.

Zaman, Asad (2008) *Islamic Economics: A Survey of the Literature*, University of Birmingham: Religions and Development Research Programme, Working Paper No. 22.

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Recommended Texts

El-Ashker, A. and Rodney Wilson (2006) *Islamic Economics: A Short History*, Brill Academic Publishers.

Hasanuz Zaman, S. M. (1991) *Economic Functions of an Islamic State*, Islamic Foundation, UK, ISBN: 0-86037-202-2.

Hasanuz Zaman, S. M. (1999) *Economic Guidelines in the Qur'an*, Islamabad, International Institute for Islamic Thought.

Kuran, Timur (2000) *Islam and Mammon: The Economic Predicaments of Islamism*, Princeton University Press.

Naqvi, Syed Nawab Haider (1981). *Ethics and Economics: An Islamic Synthesis*, Islamic Foundation.

Naqvi, Syed Nawab Haider (2003) *Perspectives on Morality and Human Well-Being*, Islamic Foundation.

Siddiqi, M. N. (1981) *Muslim Economic Thinking: A Survey of Contemporary Literature*, Islamic Foundation.

Vogel, F. and Samuel Hayes (1998) *Islamic Law and Finance*, Kluwer Law International.

Wilson, R. (1997) *Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought*, Macmillan.

Readers and edited volumes

Ahmad, Ausaf and Kazim Awan (ed.) (1992) *Lectures on Islamic Economics*, IRTI-IDB.

Henry, Clement and Rodney Wilson (2004) *The Politics of Islamic Finance*, Edinburgh University Press and Columbia University Press, New York (reprinted by Oxford University Press, Karachi, 2005)

Iqbal, M. and Rodney Wilson (2005) *Islamic Perspectives on Wealth Creation*, Edinburgh University Press and Columbia University Press

Khaf, M. (ed.) (1998) *Lessons in Islamic Economics*, IRTI-IDB.

Niblock, Tim and Rodney Wilson (1999) *The Political Economy of the Middle East*, Edward Elgar. Volume 3 Islamic Economics.

Sadeq, AbulHasan M. and Aidit Ghazal (eds.) (1992) *Readings in Islamic Economic Thought*, Selangor Darul Ehsan, Longman Malaysia (Contains contribution of various Muslim thinkers on Islamic economics).

Articles

Asutay, M. (2007) "A Political Economy Approach to Islamic Economics: Systemic Understanding for an Alternative Economic System", *Kyoto Bulletin of Islamic Area Studies*, Special Issue: Islamic Economics- Theoretical and Practical Perspectives in a Global Context, Vol. 1, No. 2, pp. 3-18.

Asutay, M. (2007) "Conceptualisation of the Second Best Solution in Overcoming the Social Failure of Islamic Banking and Finance: Examining the Overpowering of Homoislamicus by Homoeconomicus", *IIUM Journal of Economics and Management*, Vol.15 No. 2, pp. 167-195.

Chapra, M. (2001) "Islamic Economic Thought and the New Global Economy," *Islamic Economic Studies,* 9, pp. 1-16.

Choudhury, M.(1999) "Principles of Islamic Economics," in *Political Economy of the Middle East*, vol. 3, edited by Tim Niblock and Rodney Wilson, Edward Elgar, pp. 1-11.

El-Sheikh, Salah (2008), The Moral Economy of Classical Islam: A FiqhiConomic Model, The Muslim World, 98 (January), pp. 116-144

Kuran, T. (2003) "Islamic Redistribution Through Zakat: Historical Record and Modern Realities," in *Poverty and Charity in Middle Eastern Contexts*, ed. Michael Bonner, Ener, M., and A. Singer, State University of New York Press, pp. 275-93.

Presley, Jon R. and John G. Sessions (1994) "Islamic Economics: The Emergence of a New Paradigm*", The Economic Journal*, 104, 424, pp. 584-596.

Rahman, F., "Islam and the Problem of Economic Justice," *Pakistan Economist*, 14 (August 24 1974): pp. 14-39.

Zaman, N. and M. Asutay (2009), "Divergence between Aspirations and Realities of Islamic Economics: A Political Economy Approach to Bridging the Divide", *IIUM Journal of Economics and Management*, 17 (1), pp. 73-96.

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Additional teaching material may also be issued for some topics as appropriate. Details of any such material and revision material will be made available on Blackboard.