

## **Paper6: Shariah-Based Banking (SBB)**

**Full Marks: 100**

### **Module A: Principles of Islamic Economics and Banking**

- Islamic Economics—Meaning, Source and Scope, Nature of Economic Law, Islam and other Economic Systems, Consumption and Production in Islam, Distribution of Wealth in Islam, Trade and Commerce in Islam, Islamic Approach to Money, Banking and Monetary Policy.
- Interest in Islam, Meaning and Types of Riba, Conceptual Issues Related to Riba, Comparative Analysis between Interest and Profit, Classical and Keynesian Views of Interest.
- Objectives and Functions of Islamic Banking, Operational Mechanism of Islamic Banking System, Guarantee in Islamic Banking, Non-Banking Services of Islamic Banks, Islamic Bank and Central-Bank, Conventional vis-as-vis Islamic Banking.

### **Module B: Deposit Mobilization Process**

- Al-Wadia and Al-Mudaraba Accounts—their Characteristics and Mode of Operations; Hajj Deposit Account, Cash Waqf Account.

### **Module C: Finance and Investment in Islamic Banks**

- Musharaka, Mudaraba, Bai Murabaha, Bai Muazzal, Bai Salam, Bai Al-Istisna, Hire Purchases, Hire Purchase Under Shirkatul Milk, Quard-e-Hasana, Lease Finance, Auction Investment, Syndicated Investment, Izara bil Baia, Muzara'a, Mugarasa, Musaqat.
- Specialized Financing—Rural, Agro-, Micro and SME Finance—their modes and operational procedures.
- Corporate Social Responsibilities—Zakat, Sadaqa, Cash Waqf, Quard-e-Hasana.

### **Module D: Foreign Exchange Operation of Islamic Bank**

- Import and Export Financing—MIB, MTR, MPI; Methods of Trade Payments; Exchange Rates; Applicable Rates for FEX Operations; Offshore Banking—discounting, UPAS, Deposit Collection, etc. under Islamic Modes; Export Development Fund, Refinancing Facilities from Bangladesh Bank.

### **Module E: Fund and Capital Management in Islamic Banking**

- Asset-Liability Management (ALM), Liquidity Management, Liquidity versus Profitability, Liquidity Theories and Islamic Banking, Risk Management in Islamic Banks, Islamic Money Market, BGIBB Operation; Islamic bonds—Mudaraba Perpetual Bond Mudaraba Subordinate Bond, Sukuk Bond.

### **Module F: Accounting Standards and Supervisory Framework**

- Central Banking in Islamic Framework, — Monetary Policy in Islam –Banking Supervision.
- Need for Shariah Supervisory Board – Relationship with Board of Directors and Central Bank, Role and Function of Shariah Supervising Board in Shariah Compliance.
- General Accounting Concepts; Accounting and Shariah Standards for Murabaha, Musharaka, Ijara, Bai Salam; AAOIFI Standards; Profit Distribution and Weight calculation
- Global and Bangladesh Practice of Islamic Banking.

### **References:**

1. Ahmed, Shaikh Mahmud—Towards Interest Free Banking, International Islamic Publisher, Delhi
2. Choudhury, Masudul Alam, Money in Islam, Routledge, London
3. Hasan, Kabir M.—A Text Book on Islamic Banking
4. Hoque, Ataul—Readings in Islamic Banking, Islamic Foundation Bangladesh
5. Mannan, M. A. Islamic Economics: Theory and Practice, New Delhi, India
6. Rahman, M.M. and Rahman, B.M.H.—Islamic Finance System
7. Shaghil, M.—Islamic Economics, New Delhi, India
8. Miah, Dr. Mohammed Haider Ali-A Way to Islamic Banking: Custom and Practice (2 Volumes)