Course Name: Islamic Finance
Course Code: FIN309
Credit Hours: 03
Total Week: 16
Semester: 8th
Total Marks: 100

Week 1
Introduction to Islamic Finance
- Difference between Conventional and Islamic Banking.
- Concept of Riba
- Why Riba is prohibited in Islam.

Week 2
Musharikah
- Introduction
- The Concept of Musharikah
- Management of Musharikah
- Basic rules of Musharikah
- Termination of Musharikah without closing the business.

Week 3-4
Mudaraba
- Basic Rules of Mudaraba
- Difference between Musharikah and Mudaraba

Week 5-6
Project Financing.
Securitization of Musharikah.
Financing of the working capital.
Sharing in the gross profit only.
Running Musharikah Account on the basis of daily products.
Some objections on Musharikah financing.

Week 7
Diminishing Musharikah.
House Financing on the basis of Diminishing Musharikah.
Diminishing Musharikah for carrying business of services.
Diminishing Musharikah in trade.

Week 8
Murahaba
- Some basic rules of sale
- Bai’Mu’ajjal (Sale on deferred payment basis)
- Murahaba as mode of financing and its basic features.

Week 9
Some issues involved in Murahaba.
Different pricing for cash and credit sales.
The use of interest rate as benchmark.
Promise to Purchase.
Securities against Murahaba price.
Guaranteeing the Murahaba.

Week 10
Penalty of default.
The alternative suggestion.
Calculation of cost in Murahaba.
Subject matter of Murahaba.
Securitization of Murahaba.
Some basic mistakes in Murahaba financing.

Week 11
Ijarah.
Basic rules of leasing.
Penalty for late payment of rent.
Termination of lease.
Insurance of the assets.
Sub-lease

Week 12
Salam and Istisna.
Meaning of Salam.
Conditions of Salam.
Salam as mode of financing.
Some rules of parallel Salam.

Week 13
Istisna.
Difference between Istisna and salam .
Difference between Istisna and Ijarah.
Time of delivery.
Istisna as a mode of Finance.

**Week 14**
Islamic Investment Funds.
Principles of Shari’ah governing Islamic Investment fund.
Conditions for Investment in Shares.
Ijarah Fund.
Commodity Fund.
Murahaba Fund .
Bai’-al-dain.
Mixed Fund.

**Week 15**
The principle of Limited Liability.
Waqt.
Baitul-Mal .
Joint Stock.
Inheritance under debt.
The limited liability of the master of a slave.

**Week 16**

Suggested Readings:
An Introduction to Islamic Finance
By Justice Mufti Muhammad Taqi Usmani.