

**INTRODUCTION TO
ISLAMIC
INSTITUTIONS IN**
Economics and Finance

INTRODUCTION TO ISLAMIC INSTITUTIONS IN Economics and Finance

MUHAMMAD RIDHWAN AB. AZIZ

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PREFACE

Praise is due to Allah SWT, the Most Gracious and Most Merciful. Blessings and Prayers be upon His Messenger Prophet Muhammad SAW. I consider this book as my small and humble contribution to the Muslim society. It is very true that I was only able to complete this book by the Blessing of Allah SWT.

Thus, I would like to express my thorough and sincere gratefulness to Allah The Almighty. I would also like to express my sincere and warmest gratitude to my beloved lecturer, Prof. Dr. Joni Tamkin Bin Borhan from whom I have acquired knowledge directly and indirectly.

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May Allah SWT accept this humble effort, honour it with His pleasure and make it beneficial for the readers. May He SWT also bless all the Muslims in this world.

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INTRODUCTION

The main objective of Islamic economics and finance is the achievement of human well being (*al-Falah*) and the elimination of economic injustice and unfairness. One way to achieve this aim is through an effective operation of Islamic financial institutions. The existing financial institutions seem to be inadequate and they fail to comprehensively settle many aspects of economics and financial problems of the world.

A humble effort has been made through the publication of this book in order to examine and analyse one of the very important parts in economics well- beings namely through a proper operation of Islamic financial institutions.

For decades, Islamic financial institutions have been marginalized not only by the Muslim society, but also by most Muslim countries in this world. Islamic financial institutions have been associated by numerous negative conceptions. Yet, Muslim community still cannot understand the actual concept of every Islamic financial institution and some of them regarded these institutions as merely an imitation of conventional financial institutions. Some of them even considered these two financial institutions as similar.

This book entitled “*Introduction to Islamic Institutions in Economics and Finance*” gives a new dimension for Muslim *ummah* in Malaysia to be involved intensively in all these institutions according to the approved *Shariah* rules. Through this book, I have tried to answer many questions regarding Islamic economics and financial institutions: Do Islamic financial institutions similar to conventional financial institutions? How can Muslim society participate extensively for the success of Islamic financial institutions in Malaysia? Do Islamic financial institutions provide better alternative for Muslims to solve their economics and financial problems? Do these Islamic financial institutions operate according to the *Shariah* principles and philosophies?

As the title of the book “*Introduction to...*”, this book is an effort to provide basic and brief knowledge on Islamic Institutions in economics and finance. In this book, nine Islamic Institutions in economics and finance have been introduced to the reader whereby in each chapter, basic concepts of these Islamic financial institutions have been examined. Hopefully, with this basic knowledge, more depth knowledge and application of the Islamic institutions can be published in the future.



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