

Marketing and Advertisement The Halal Standard

By

Mohd. Ma'sum Billah

Abstract

Marketing is the process by which products and services are transferred. In this respect promotional tools are employed in order to introduce, activate, and motivate present and potential customers. Promotion is recognized as one of the basic elements of marketing which plays a key role in creating consumer awareness of the quality of various products and services available in the Market. Promotional tools of marketing such as personal selling, advertising sales promotion, public relations and others play a key role in creating consumer awareness about the qualities of various products and services available on the market and can go a long way to contribute to economic progress and social development. The tools can be tailored to achieve healthy competition in the market, freedom for consumers to select product which suit functional and social needs, improvement in the quality of the products and above all enhancement of Islamic moral conduct. If the promotional means and their objectives are not contrary to the principles of Islam, one may proceed with them. Over zealous marketing, anxiety to maximize profits through the promotional activities is not acceptable under Islamic marketing system. Promotional tools play a significant role in our society because they somehow reflect the value of the society. The promotional measures, applied in Islamic societies should project Islamic values and in accordance with the Shari'ah framework. Therefore special attention should be paid to designing promotions that would help projecting Islamic values, building customer's character and propagating truth in societies. Since the ultimate aim of all promotional activities is to enhance trading activities like advertising, public relations, sales promotion and contests are Islamic if they follow Islamic principles. Promotional activities leading to healthy competition among firms are acceptable and should be encouraged; however unhealthy cut throat competition for the purpose of accumulating more and more wealth is condemned. Through promotional means people are lured to buy different models and brands of consumer goods, mostly for showing off and boasting. Muslim marketers have to be conscious of their position and role in managing marketing activities and should try their level best to uphold the Shari'ah framework of Islamic marketing and advertising.

Mirakhor on Uncertainty and Islamic Finance: Comment

*By
Zubair Hasan*

Abstract

This note summarizes the formulations of Abbas Mirakhor on purported uncertainty contextual to Islamic finance in a World Bank (2013) publication and shows its inefficacious character.

Islamic Finance United States Report 2020

By
Camille Paldi

Abstract:

The practice of Islamic finance is a niche and under-represented segment of the financing sector in the United States due to various reasons. However, practitioners have still managed to create a strong presence in the areas of home financing, asset management, and investing, and have dabbled in the areas of takaful or Islamic insurance and sukuk or Islamic bonds. This brief article will examine the current state of Islamic Finance in the United States in 2020.

Factors Affecting Performance of Banks in Pakistan

By
Saad Ashraf Qureshi, M. Ishaq Nausherwani
& Salman Ahmed Shaikh

Abstract

Banking sector is one of the most dominant financial institutions in Pakistan. The purpose of this study is to identify the factors affecting the performance of commercial banks in Pakistan by using a sample consisting of twenty-four commercial banks on quarterly basis over the period 2009-2017. This study is focused on both bank-specific and macroeconomic variables using Generalized Least Square (GLS) method to determine the relationship between Capital Adequacy, Credit Risk, Finance to Deposit, GDP and Inflation on profitability variable Net Operating Efficiency (NOE). The results concluded that Capital Adequacy, Credit Risk and Finance to Deposit had negative relationship with Profitability whereas Inflation had significant positive relationship with Profitability for both Conventional and Islamic banks. However, GDP had insignificant positive effect on profitability for Conventional banks and significant negative effect on profitability for Islamic banks. This study is a contribution in literature based on recent profitability and performance trends of Pakistani banking sector.

Islamic Bond (*Sukuk*) and Petroleum Infrastructure Development in Nigeria

By

Ibrahim, Mohammed Lawal

Mustapha, Alhaji Bukar

Abstract

This paper seeks to examine the role of Islamic bond (sukuk) in petroleum infrastructural development in Nigeria. The paper used a non-discounting method of project analysis (the payback period) to analyze 15,000 bpd modular refineries in six states spread across the oil producing areas. The project is intended to produce gasoline, diesel and kerosene products. It is estimated that a sum of N151billion sukuk is required for a period of 3years; the construction period is 18 months and the project can last for a period of 20 years before major repairs can be done. The study revealed that this would resulted in the production of 2.2billion liters of gasoline (premium motor spirit), 1.1billion liters of diesel and 204 million liters of Kerosene per annum with a total gross annual revenue of N125billion. The study concluded that sukuk would adequately contribute to the expansion and establishment of new refineries. This would help in the bridging of the existing demand-supply gap for petroleum products in Nigeria.

Islamic Microfinance in India: A Quantitative Approach

By

Huma Mahmood, Rusni Hassan

Syed Ahmed Salman

Abstract

Islamic microfinance institutions (IMFIs) have had their roots in India originating as far back as 1918. It is founded on the principle which prohibits interest and hence is a form of non-interest microfinance to the poor. It also provides micro-credit services through Shari'ah compliant structures to small dealers and traders who have limited to no access to the formal financial services. Islamic microfinance offers a more sustainable and successful microfinance which not only creates financing but also blends in empathy for the poorest of the poor. In the Islamic perspective, poverty alleviation is more comprehensive than the conventional one. It flags equity and cooperation-based models in contrast to models that create and perpetuate debt. However, the past of IMFIs in India depicts an unfortunate tale. The IMFIs established during the eighties, rose and matured quickly. Nevertheless, over the course of time they encountered numerous hurdles that lead to their closure in many places. Therefore, it becomes vital to study the factors that caused the IMFIs downfall in India. The objective of this research is to know the challenges of Islamic microfinance in India and give suggestions and possible solutions to resolving the issues. This study adopts the quantitative approach. In this research the population is known and hence probability sampling or random sampling is selected. The data gathered from the 303 responses received is analyzed using SPSS22 software. The findings of this research show that the majority agrees that there is lack of government support, no proper marketing of Islamic microfinance products, no effective Islamic microfinance products in India, lack of human capital in microfinance, high interest rates that make the poor financially unstable and lack of microfinance institutes in rural areas. This study offers robust recommendations on the challenges of Islamic microfinance in India and henceforth, it will be of interest to regulators, stakeholders, as well as the existing and potential customers.

Alternative Way to Reducing Poverty and Inequality in Nigeria from Islamic Perspective

By

Ibraheem Alani AbdulKareem

AbdulFattah AbdulGaniyy

Mohd Sadad bin Mahmud

Ahmad Shukri Yazid

Abstract

Poverty and inequality are global phenomena that have increased in recent times. The condition of poverty is alarming at global level as it was reported that some 57million children were out of school. Hence Ahmad and Hassan (2015) posit that half of this number was in Sub-Saharan Africa (SSA). With Nigeria as the largest nation in Africa thus it has the highest figure of these out of school children. Poverty indicates lack of income and necessary ways to achieve a standard of living. Islamic finance plays critical role in reducing the level of poverty and inequality through the profit and loss sharing among investors. Therefore, this study explores alternative way to reduce poverty and inequality from Islamic perspective in Nigeria. This would contribute to the economic development of the country. The method adopted is to review previous literature on the impacts of various Islamic financial instruments in addressing the menace of poverty and economic inequality. The study concludes that profit and loss products of Musharakah and Mudarabah, and cost based products which include Murabaha, Ijarah, Sukuk contribute to poverty reduction and promote economic activities. It thus recommends the adoption of these products in Nigeria to address the prevailing infrastructural deficit and promote economic development.

A Comparative Study of Stock Screening Methodologies in Stock Exchanges of Bangladesh and Malaysia and Lessons to Be Learnt

By
Md. Abdul Jalil

Abstract

The study aims to compare and critically evaluate the stock screening practices between Bangladesh and Malaysia. The study is descriptive in nature. Secondary data is utilized and collected from the books, standards, journal articles and relevant publications. It is found that exchanges of both countries differ in formulating ratios, denominators, numerators and in determining benchmark. A stock can be categorized as Shari'ah compliant in Bursa Malaysia, but may be non-Shari'ah compliant in Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE). Though, Malaysia observes the same guidelines throughout the country, but this is not the case for Bangladesh. A stock may be considered Shari'ah compliant in DSE but not in CSE and vice versa. After analyzing, it is clear that DSE and CSE may improve their ratios and it is also advisable to use single methodology at least in one jurisdiction to avoid the confusions among masses. The findings of the study will help the authority to look at the deep insight of the issue and update the current criteria.