

# DEPARTMENT OF MANAGEMENT STUDIES

## COURSE STRUCTURE & SYLLABI

(For the students admitted from year 2023-2024 onwards)

**Programme: POST GRADUATE DIPLOMA IN ISLAMIC BANKING AND  
FINANCIAL MANAGEMENT (PGDIBFM)**



**JAMAL MOHAMED COLLEGE (AUTONOMOUS)**

Accredited with A++ Grade by NAAC (4<sup>th</sup> Cycle) with CGPA 3.69 out of 4.0

(Affiliated to Bharathidasan University)

**TIRUCHIRAPPALLI – 620 020**

**POST GRADUATE DIPLOMA IN ISLAMIC BANKING AND FINANCIAL MANAGEMENT (PGDIBFM)**

| Sem       | Subject code | Course             | Subject Title                               | Hrs/<br>Week | Credit    | Marks |     | Total<br>Marks |
|-----------|--------------|--------------------|---|--------------|-----------|-------|-----|----------------|
|           |              |                    |   |              |           | CIA   | ESE |                |
| <b>I</b>  | 23PDIBFM1CC1 | Core - I           | Financial, Cost and Management Accounting   | 4            | 4         | 25    | 75  | 100            |
|           | 23PDIBFM1CC2 | Core - II          | Managerial Economics                        | 2            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM1CC3 | Core - III         | Banking and Islamic Law                     | 2            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM1CC4 | Core - IV          | Islamic Economics                           | 2            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM1CC5 | Core - V           | Islamic Banking and Finance                 | 2            | 2         | 25    | 75  | 100            |
|           |              | <b>Total</b>       |   | <b>12</b>    | <b>12</b> |       |     | <b>500</b>     |
| <b>II</b> | 23PDIBFM2CC6 | Core - VI          | Principles of Islamic Shariah               | 3            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM2CC7 | Core - VII         | Financial Management                        | 3            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM2CC8 | Core - VIII        | Islamic Insurance                           | 3            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM2CC9 | Core - IX          | Islamic Investment and Portfolio Management | 3            | 2         | 25    | 75  | 100            |
|           | 23PDIBFM2PW  | Project Work       | Project work - 4 weeks                      | -            | 4         | 25    | 75  | 100            |
|           |              | <b>Total</b>       |   | <b>12</b>    | <b>12</b> |       |     | <b>500</b>     |
|           |              | <b>Grand Total</b> |   | <b>24</b>    |           |       |     | <b>1000</b>    |

| Semester            | Course Code  | Course Category                                  | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--|----------------|---------|----------------------|-----|-------|
|                     |              |  |                |         | CIA                  | ESE | Total |
| I                   | 23PDIBFM1CC1 | CORE - I   | 4              | 4       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>FINANCIAL, COST AND MANAGEMENT ACCOUNTING</b> |                |         |                      |     |       |

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Financial Accounting: - Principles - Accounting Concepts and conventions – Journal – Ledger-Trial Balance-Preparation of Trading, Profit and Loss account and Balance Sheet of a sole trader.   | 12    |
| II       | Cost Accounting – Objectives – Elements of cost - Classification of Cost - Methods of Costing (Theory) – Cost Sheet - Preparation of Cost Sheet.  | 12    |
| III      | Management accounting – Definition – functions - Financial Statements - Comparative Financial Statements - Common size statement -Funds Flow Statement – statement of changes in working capital – Funds from operation.                          | 12    |
| IV       | Financial accounting in Islam - Objectives - Basic assumptions and criteria - Prescribed general layout of the balance sheet for Islamic banks - Accounting Standards of Islamic Financial Institution - Analysis of the Balance Sheet Structure. | 12    |
| V        | AAOIFI Norms for accounting of Islamic financial products - Mudaraba, Musharaka, Murabaha, Ijarah, Salam, Istisna - Norms of Islamic corporate governance.  | 12    |

\*.....\*Self Study

| Text Book(s):      |  |
|--------------------|--|
| 1.                 | Dearden L and Bhattacharya SK, Accounting for Management - Text and Cases, Vikas Publishing House Private Ltd., New Delhi, 2019  |
| 2.                 | Cost and Management Accounting - Dr.S.N. Maheshwari – Sultan Chand & sons -2017 .  |
| 3.                 | AAOIFI (Accounting and Auditing Institutions, Manama, Bahrain, 2007.Organization of Islamic Financial Institutions), Accounting and Auditing Standards for Islamic Financial |
| Reference Book(s): |  |
| 1.                 | AAOIFI, Accounting Auditing and Governance Standards for Islamic Financial Institutions, Manama, Bahrain, 2017.  |
| 2.                 | Hingorani, Ramnathan and Grewal, Management Accounting, S. Chand & Sons, New Delhi, 20018.   |

**Course Coordinator: Dr.S.DAWOOD ALI**

| Semester            | Course Code  | Course Category             | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|-----------------------------|----------------|---------|----------------------|-----|-------|
|                     |              |                             |                |         | CIA                  | ESE | Total |
| I                   | 23PDIBFM1CC2 | CORE - II                   | 2              | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>MANAGERIAL ECONOMICS</b> |                |         |                      |     |       |

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Managerial Economics-Definition-nature-features-scope-uses- Goals of business firms- Law of Demand-Demand analysis- Elasticity of Demand, Demand Estimation & Forecasting, Cost and production Analysis, Economies of Scale & Scope, * Supply Analysis*.  | 6     |
| II       | Theory of firm, Market structure and Pricing Decisions under Perfect Competition, *Monopoly*, Monopolistic competition, and Oligopoly Pricing policies, methods, and problems-price discounts and differentials.  | 6     |
| III      | Nature and scope of Macro Economics -Differences between Micro and Macro Economics -National Income Concept and Difficulties in measurement -National Income and Business cycle – Business cycle – Peak – Recession – Trough - Recovery – Unemployment – Types – Cost of Unemployment Strategies. | 6     |
| IV       | Fiscal Policy – Monetary Policy – Aggregate Demand and Aggregate Supply for Monetary and Fiscal Policy – Stabilization Policy – *Policy Mix*.   | 6     |
| V        | International Trade – Foreign Exchange Market – Balance of Payment-rate of Exchange – *Inflation* – Types of Inflation - Exchange Rates –* Globalization and Indian Business*.  | 6     |

\*.....\*Self Study.

| <b>Text Book(s):</b>  |
|---|
| 1. Joel Dean - Managerial Economics. Prentice Hall of India, New Delhi, 2018                          |
| 2. KC Sankaranarayanan, Managerial Economics, CBS Publishers & Distributors Pvt. Ltd. New Delhi, 2019 |
| 3. R.L. Varshney, K.L. Maheswari - Managerial Economics. Sultan Chand & Sons, 2018                    |
| <b>Reference Book(s):</b>   |
| 1. Suma Damodaran., Managerial Economics. Oxford University Press, 2018                               |
| 2. Hirschey Mark., Economics for Managers, Thomson, India Edition, 20017.                             |
| 3. Petersen Craig H., Managerial Economics, Pearson Education, 20016.                                 |
| 4. Atmanand, Managerial Economics, Excel Books, 20017.  |
| 5. Mithani D.M., Principles of Economics, Himalaya Publishing House, 2018.                            |

**Course Coordinator: Dr.S.DAWOOD ALI**

| Semester            | Course Code  | Course Category                | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--------------------------------|----------------|---------|----------------------|-----|-------|
|                     |              |                                |                |         | CIA                  | ESE | Total |
| I                   | 23PDIBFM1CC3 | CORE - III                     | 2              | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>BANKING AND ISLAMIC LAW</b> |                |         |                      |     |       |

| SYLLABUS |  |       |
|----------|--|-------|
| Unit     | Contents   | Hours |
| I        | Origin and Nature of Banking - History and Development of Banking - Reserve Bank of India – Commercial Banks - Non Banking Financial Corporation (NBFC) - *Nature and History of Islamic Banks* - Glossary of terms in Islamic Banking and Law.  | 6     |
| II       | Central Bank - The World Bank - Affiliates of the World Bank - Concept of Banking in Islam - Islamic Society - Rule of Necessity and Need - Mudharaba - Islamic Law Relating to Loan Transactions - Islamic Bank - Loans and Securities – Discounting - Central Bank of the Muslim State – AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) – *IDB (Islamic Development Bank)*.  | 6     |
| III      | Meaning of The Term 'Contract' – Shari'ah Basis of Business Contract - Meaning of Business Contract - Development of Shari'ah Standard of Business Contract - Principles And Practices of The Shari'ah Standard Of Business Contract: A Justification From Various Authorities - Quranic Doctrines - Doctrines of The Sunnah - Foundation Of The Shari'ah Standard Of Business Contract - Subject Matter Of Contract - Rational Behind The Shari'ah Doctrines of Contract - Relationship Between Contract And Religious Belief And Practices - Idea of Contractual Terminologies - *The Nature of Law of Business Contract* - The Scope of Shari'ah Standard of Business Contract. | 6     |
| IV       | Offer – Meaning - Offer And An Invitation to Treat Or A Mere Inquiry – ‘Counter Offer’ - Modes Of Offer - Verbal – Written - By Agent/Representative - Acceptance - Parties To The' Contract - Impediments of The Parties To The Contract – Consideration - *Possibility of Performance* – Conclusion.   | 6     |
| V        | Comparative Analysis Between Shari'ah Standard of Business Contract And Contract Under - Common Law - Problems of Application of The Shari'ah Standard of Business Contract in Modern Society - Possible Solutions and Prospects of Islamization of the Shari'ah Standard Of Business Contract.  | 6     |

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| <b>Text Book(s):</b>   |
| 1. Banking and Islamic Law - Dr. M.Musledeen sewband publishing house Dhaka, Bangladesh                |
| <b>Reference Book(s):</b>  |
| 1. Shar'iah Standard of Business Contract - Mohamed Ma'sum Billah.rumi publishing house Sorapura, 2004 |
| 2. S & P CNX Shariah indices released by Malaysian Shariah Association, 2007.                          |

**Course Coordinator:** Dr.S.DAWOOD ALI

| Semester            | Course Code  | Course Category          | Hours/Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--------------------------|------------|---------|----------------------|-----|-------|
|                     |              |                          |            |         | CIA                  | ESE | Total |
| I                   | 23PDIBFM1CC4 | CORE - IV                | 2          | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>ISLAMIC ECONOMICS</b> |            |         |                      |     |       |

| <b>SYLLABUS</b> |  |              |
|-----------------|--|--------------|
| <b>Unit</b>     | <b>Contents</b>  | <b>Hours</b> |
| <b>I</b>        | <ul style="list-style-type: none"> <li>Faith in One God and its implications for man-man and man-environment relations</li> <li>Freedom of choice with accountability an essential feature of the Islamic view on life</li> <li>Islam's view of property as a trust</li> <li>Freedom of enterprise</li> <li>Role of state in ensuring a minimum realization of norms</li> </ul>                              | 6            |
| <b>II</b>       | <ul style="list-style-type: none"> <li>Riba, bank interest and rationale of its prohibition</li> <li>Gharar (hazard) and the prohibition of gambling</li> <li>Competition and cooperation, their relative scopes</li> <li>Risk sharing verses risk shifting</li> <li>Economic stability and the role of abolition of interest</li> </ul>   | 6            |
| <b>III</b>      | <ul style="list-style-type: none"> <li>Consumer behavior: self-interest with ethical constraints</li> <li>Producer behavior (theory of the Firm): the possibility of taking social good into consideration</li> <li>Role of co-operative ventures at the industry level</li> <li>Public sector policy goals</li> <li>Environmental protection, equitable distribution of income ,wealth and peace</li> </ul> | 6            |
| <b>IV</b>       | <ul style="list-style-type: none"> <li>Universal need fulfilment, social solidarity and economic strength, major goals of public finance in Islam</li> <li>Zakaat, and the share of the have-nots in national product</li> <li>Awqaaf, their emergence in early Islam and their role in modern economy</li> </ul>  | 6            |
| <b>V</b>        | <ul style="list-style-type: none"> <li>International Islamic Cooperation</li> <li>Institutional infrastructure supporting Islamic finance</li> <li>Role of the Islamic Development bank in economic cooperation and Development Institutions</li> </ul>  | 6            |

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| <b>Text Book(s):</b>   |
| 1. Ahmad, Habib (eds), Theoretical Foundation of Islamic Economics, Islamic Research and Training Institute, Islamic Development Bank, 2018. |
| <b>Reference Book(s):</b>  |
| 1. Chapra, M.U. What is Islamic Economics, Jeddah, IRTI, IDB, 1996. Leicester, UK: The Islamic Foundation, 2017.                             |
| 2. Siddiqi, M.N. Some Aspects of Islamic Economy, Delhi, M.M.I. Publishers,2017.   |
| 3. Comparative Economics of some Islamic financing techniques - M.Fathima. Khan DJ PULISHER 2020   |

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| Semester            | Course Code  | Course Category                    | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|------------------------------------|----------------|---------|----------------------|-----|-------|
|                     |              |                                    |                |         | CIA                  | ESE | Total |
| I                   | 23PDIBFM1CC5 | CORE - V                           | 2              | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>ISLAMIC BANKING AND FINANCE</b> |                |         |                      |     |       |

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Introduction to financial markets; types of markets and profiles; financial instruments: Islamic financial system: an overview;<br><ul style="list-style-type: none"> <li>• Shariah &amp; Fiqh: Sources and Development</li> <li>• Important concepts and principles of Fiqh</li> <li>• *Major norms in Islamic finance*</li> </ul> | 6     |
| II       | Conditions of contract: Waad, Muwaada, *Aqd*<br><ul style="list-style-type: none"> <li>• Elements of contract: Contracting parties, subject matter, offer and acceptance.</li> <li>• Types of contracts</li> </ul>  | 6     |
| III      | Islamic appraisals of conventional banking<br><ul style="list-style-type: none"> <li>• Operating structure of Islamic banks</li> <li>• Models of Islamic banking; Sources and application of funds</li> </ul>   | 6     |
| IV       | Introduction to capital market<br><ul style="list-style-type: none"> <li>• Types of market &amp; kinds of products</li> <li>• Islamic appraisal of capital market</li> <li>• Stock market: shariah screening methods, purification and zakat</li> <li>• Islamic securities (Sukuk)</li> </ul>                                       | 6     |
| V        | Islamic appraisal of conventional insurance.<br><ul style="list-style-type: none"> <li>• Structure and models of Islamic insurance.</li> <li>• Types of insurance products. General and family Takaful. Reinsurance and re-Takaful</li> </ul>   | 6     |

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| <b>Text Book(s):</b>  |
| 1. An introduction to Islamic banking & finance - Abdel Fattah M.Farah rumey house daka   |
| <b>Reference Book(s):</b>   |
| 1. Islamic Banking: Answers to some frequently asked questions - Al-Jarhi & Munavar Iqbal |
| 2. Contemporary practices of Islamic financing Techniques - Ausaf Ahmad                   |
| 3. Hedging in Islamic finance - Sami Al - Suwailem  |
| 4. Islamic micro finance Theory, policy & Practice - Ajaz Ahmad khan                      |

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| Semester            | Course Code  | Course Category                      | Hours/Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--------------------------------------|------------|---------|----------------------|-----|-------|
|                     |              |                                      |            |         | CIA                  | ESE | Total |
| II                  | 23PDIBFM2CC6 | CORE - VI                            | 3          | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>PRINCIPLES OF ISLAMIC SHARIAH</b> |            |         |                      |     |       |

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Definition and Scope – Two Approaches to the Study of usul-al-fiqh – Proof's of Shariah – Al Adillah - Al-Shariyyah. THE FIRST SOURCES OF SHARIAH - Quaran Characteristics of Quaranic Legislation – The Definitive (qat'i) and Speculative (zanni) – Brevity and Detail (Al-Jimal Wal-Tafsil) – The Five Values – Ratiocination (talil) in the Quaran – Inimitability (ijaz) of the Quaran Occasion of Revelation (asbab-al-nuzul)   | 9     |
| II       | Proof – Value (Hujjiyyah) of Sunnah Classification and Value I: Quran and Sunnah Distinguished – Priority of the Quaran over Sunnah – Is Sunnah an Independent Source – Distortion and Forgery – Classification and Value II : The Continuous Hadith – The Mutawatir – The Mashhur (Well Known) Hadith The Ahad (Solitary Hadith) – The Discontinued Hadith (al-Hadith ( Ghayral – Muttasie) Sahih , Hasan and Daif)  | 9     |
| III      | Deducing the from its Sources Tawill (Allegorical Interpretation) Classification I : Clear and Unclear Words 1&2 – The zahir and Nass 3&4 – Unequivocal (Mufasar) and Perspicuous Mukkas – Unclear Words (al-alfaz Ghayr-al Wadihah) – The obscure (Khafi) – The Difficult (Mushkil) – The Ambivalent (Mujmal) – The Intricate (Mutashabih) – Classification II : The 'Amm (General) and Khass ( Specific) Conflict between Amman and Khass – Classification III : The Asolute (Mutiaq) and Qualified (Muqayyah) – Classification IV : The Literal (Haqiqij and the Metaphorical) Majazl – The Homonym (Mushtarak). | 9     |
| IV       | Al-Dalalat (Textual Implication) – The Explicit Meaning ( Ibarah Al-Nass) – The Alluded Meaning (Isharah Al-Nass) – The Inferred Meaning (Dalahah Al-Nass) – The Required Meaning (Iqtida Al-Nass) Divergent Meaning (Mafhum Al-Mukhalafah) #and the shafi' Classification of Al-Dalalat. Commands and Prohibitions – Commands – Prohibitions – Value of Legal Injunctions. Nash (Abrogation) – Types of Naskh – Abrogation Specification (Takhsis) and Addition (Taz'id) – The Argument Against Naskh.   | 9     |
| V        | Ijma'or Consensus of opinion – Essential Requirements (Arkan) of Ijma – Proof (Hujjiyyah) of Ijma – Ijma in the Quran: The Sunnah on Ijma – Feasibility of Ijma – Types of Ijma – Basis (Sunad) of Ijma – Transmission of Ijma – Reform Proposals – Conclusion. Qiyas (Analogical Deduction) – Conditions Pertaining to the Original Case (ASL) – Conditions Pertaining to the Hakm – The new Case (Far) – The Effective Cause ('Illah) – Identification Qiyas – The Argument Against Qiyas – Proof (Hujjiyyah) of Conflicts between Nass and Qiyas.  | 9     |

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| <b>Text Book(s):</b>   |
| 1. Imran Ahsan Khan Nyazel, Islamic Jurisprudence, International Institute of Islamic Thought. Dheen publication islambad 2008 |
| <b>Reference Book(s):</b>  |
| 1. M.H. Kamali Principles of Islamic Jurisprudence.  |

**Course Coordinator:** Dr.S.DAWOOD ALI



| Semester | Course Code  | Course Category | Hours/Week | Credits | Marks for Evaluation |     |       |
|----------|--------------|-----------------|------------|---------|----------------------|-----|-------|
|          |              |                 |            |         | CIA                  | ESE | Total |
| II       | 23PDIBFM2CC7 | CORE - VII      | 3          | 2       | 25                   | 75  | 100   |

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|---------------------|-----------------------------|
| <b>Course Title</b> | <b>FINANCIAL MANAGEMENT</b> |
|---------------------|-----------------------------|

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Financial Management - Scope, Nature and Objectives - Time value of Money – Discounting and Compounding - Cost of Capital - Cost of Equity, Debt, Preference Share Capital, Retained Earnings & Weighted Average Cost of Capital. | 9     |
| II       | Working Capital Management – Nature and Need for Working Capital- Operating Cycle- Estimation of Working Capital requirements- Financing of Working Capital Requirements  | 9     |
| III      | Capital Structure – Theories – Leverage - Operating, Financial and Composite leverage - Dividend policy.  | 9     |
| IV       | International Monetary System - Balance of Payments - Basic Equations - Foreign Exchange Markets - Exchange Rate Quotations & Arbitrage - Forward Quotations- Exchange Rate Regimes and Foreign Exchange Market in India          | 9     |
| V        | Classification of Foreign Exchange Exposure and Risk - Measuring and Management of Transaction, Translation and Economic Exposure - Exchange Rates -Interest Rates- Inflation Rates & Exposure -Currency Trading                  | 9     |

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| <b>Text Book(s):</b>  |
| <ol style="list-style-type: none"> <li>1. Khan M.Y. and Jain P.K. (2017). “Basic Financial Management ” (3<sup>rd</sup> edition) Tata McGraw Hill Education (India) Private Limited, New Delhi.</li> <li>2. Apte. P.G, International Financial Management, (7 ed) Tata McGraw Hill, New Delhi, 2014.</li> </ol>   |
| <b>Reference Book(s):</b>   |
| <ol style="list-style-type: none"> <li>1. Prasanna Chandra, Financial Management, Theory and Practice, Tata McGraw-Hill Publishing Company Ltd, 5th Edition, 2001.</li> <li>2. I.M.Pandey – Financial Management, Vikas Publishing House Pvt. Ltd., 8<sup>th</sup> Edition, 1999.</li> <li>3. James C Vanhorne - Financial Management and Policy – Pearson Education Asia (Low priced edition) 12<sup>th</sup> edition 2002.</li> <li>4. Dr.S.N.Maheswari – Financial Management - Sultan Chand.</li> <li>5. Khan and Jain – Basic Financial Management &amp; Practice – Tata McGraw Hill – 5<sup>th</sup> Edition 2001.</li> </ol> |

**Course Coordinator:** Dr.S.DAWOOD ALI

| Semester            | Course Code  | Course Category          | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--------------------------|----------------|---------|----------------------|-----|-------|
|                     |              |                          |                |         | CIA                  | ESE | Total |
| II                  | 23PDIBFM2CC8 | CORE - VIII              | 3              | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>ISLAMIC INSURANCE</b> |                |         |                      |     |       |

| SYLLABUS |   |       |
|----------|---|-------|
| Unit     | Contents  | Hours |
| I        | Position of Islam regarding insurance. The Origins of Islamic insurance; The nature of a Takaful undertaking and the need to avoid gharar (uncertainty) through Tabarru' (donation) and riba (interest) through the use of non-interest bearing assets. The structure of Takaful undertakings: non-profit and commercial.   | 9     |
| II       | Types of Takaful: general and life (family) including the nature of Family Takaful using endowment' type policies - Differences between conventional proprietary insurance, conventional mutual insurance and Takaful - The structure of Takaful :( Separation of participants' funds from those of the Takaful operator - The role of Qard (interest free loan). | 9     |
| III      | Mudaraba – Wakala - the combined model.   | 9     |
| IV       | Underwriting and managing the investments.- Distribution of underwriting surpluses in Takaful - The definition of an underwriting surplus -The nature and allocation of technical provision - The rules for distributing underwriting surpluses - Risks associated with Takaful claims and their mitigation.  | 9     |
| V        | How reinsurance operates in Islamic insurance - The funding of reinsurance, The Place of Re-Takaful -Responsibility of the Takaful operator for Shariah compliance.   | 9     |

\*.....\*Self Study

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| <b>Text Book(s):</b>   |
| 1. Ahmed, Salahuddin, Islamic Banking, Finance and Insurance: A Global Overview, Kuala Lumpur 2006             |
| <b>Reference Book(s):</b>  |
| 1. Aly, Khorshid, Islamic Insurance: A Modern Approach to Islamic Banking London, Routledge 2004.              |
| 2. Jaffer, Sohail, Islamic Insurance: Trends, Opportunities and the Future of Takaful, Euro money Books, 2007. |

**Course Coordinator:** Dr. S. DAWOOD ALI

| Semester            | Course Code  | Course Category                                    | Hours/<br>Week | Credits | Marks for Evaluation |     |       |
|---------------------|--------------|--|----------------|---------|----------------------|-----|-------|
|                     |              |  |                |         | CIA                  | ESE | Total |
| II                  | 23PDIBFM2CC9 | CORE - IX  | 3              | 2       | 25                   | 75  | 100   |
| <b>Course Title</b> |              | <b>ISLAMIC INVESTMENT AND PORTFOLIO MANAGEMENT</b> |                |         |                      |     |       |

| SYLLABUS |  |       |
|----------|--|-------|
| Unit     | Contents   | Hours |
| I        | Sukuk the alternate of Bonds. <ul style="list-style-type: none"> <li>• Principles of securitisation: Conventional and Islamic.</li> <li>• Overview of sukuk market.</li> <li>• The shariah requirement of securitisation.</li> <li>• AAOIFI standards of Sukuk.</li> <li>• Role and importance of Sukuk in Islamic Capital Market</li> </ul>   | 9     |
| II       | Types of sukuk <ul style="list-style-type: none"> <li>• Sukuk al Ijarah (*english terms to be added)</li> <li>• Sukuk al Salam</li> <li>• Sukuk al Istisna</li> <li>• Sukuk al Mudaraba</li> <li>• Sukuk al Musharaka</li> <li>• Sukuk al Morabaha</li> </ul>  | 9     |
| III      | <b>Capital Market: Introduction</b> <ul style="list-style-type: none"> <li>• The Capital market: Functions and objectives</li> <li>• The Capital market in India</li> <li>• Risk Return principle in Islam               <ul style="list-style-type: none"> <li>▪ Cost of Capital</li> <li>▪ Choice between Capital and Debt Financing-Agency problem (moral hazard and adverse selection)</li> <li>▪ Shariah principles for Capital Market</li> </ul> </li> </ul> | 9     |
| IV       | Islamic Management: Islamic Stocks and Wealth Management <ul style="list-style-type: none"> <li>• Equity Shares and equity funds</li> <li>• Business and structure of Islamic enterprise               <ul style="list-style-type: none"> <li>▪ Indebtedness of the enterprise</li> <li>▪ Earnings from impermissible activities</li> <li>▪ Cash and receivables / payables</li> </ul> </li> </ul>   | 9     |
| V        | Islamic Shariah: Norms for shariah screening in Islam <ul style="list-style-type: none"> <li>• Dow Jones Islamic investment criteria</li> <li>• Securities Commission Malaysia norms</li> <li>• FTSE and TII Norms</li> <li>• Norms used in India, Pakistan and Middle East</li> </ul>   | 9     |

\*.....\*Self Study

**Text Book(s):**

1. Adam, J. Nathif and Thomas, Abdulkader, Islamic Bond: Your Guide to Structuring, issuing and investing in Sukuk, Euromoney Publications, 2005.
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