TABLE OF CONTENTS

		PAGES
СН	APTER ONE	
INTE	RODUCTION	
1.1	Introduction	1
	1.1.1 Islamic Banking System in Malaysia	1
	1.1.2 Islamic Bank	2
1.2	Objectives of the Study	3
1.3	Scope of the Study	5
1.4	Limitations of the Study	5
1.5	Organization of the Study	6
CHA	APTER TWO	
LITE	ERATURE REVIEW	
2.1	Interest, Riba and Interest-Free	8
	2.1.1 Riba Al-Nasi'ah	9
	2.1.2 Riba Al-Fadl	11
	2.1.3 The Fundamental Differences between Profit and Interest	13
2.2	Islamic Financing Facilities and Loan Scheme	14
	2.2.1. Al-Mudharabah	16
	2.2.2 Al-Musyarakah	17
	2.2.3. Al-Bai Bithaman Ajil (BBA)	17

	2.2.4	Al-Mur	abahah		18
	2.2.5.	Al-Ijara	h		18
	2.2.6.	Al-Qar	dh Al-Hasan		18
2.3	Conv	entional	Loan Schemes		18
	2.3.1	Interes	t and Its Calculation		19
			Simple Interest Compound Interest		19 20
	2.3.2	Types	of Loans and Advances in Banks		21
		2. <u>!</u> 3.	Overdraft (O/D) Housing Loan Term Loan (Fixed Loan) Personal Loan		21 22 23 23
2.4	Sumn	nary			23
CHA	APTER	THRE	E		
		-	EARCH METHODOLOGY EMENT PRINCIPLES		
3.1	Hypot	hesis of	the Study	:	25
3.2	Research Methodology			25	
	3.2.1	Sample	Selection	:	25
	3.2.2	Data Co	ollection Techniques	:	26
		1. Libra 2. Field	ary research dwork		26 26
	3.2.3	Data Ar	nalvsis Techniques	•	26

3.3	Bank Management Principles			
	3.3.1 C	ost of Fund (COF)	28	
	3.3.2 Pi	rice of Loan/Financing (PF)	30	
3.4	Methods	of Fixing a Loan/Financing Price	32	
	3.4.1 ls	lamic Financing	32	
	3.4.2 C	onventional Loan	32	
CHA	APTER F	OUR		
DAT	A ANALYS	SIS AND DISCUSSIONS		
4.1	Data Ana	alysis	34	
	4.1.1(a)	Housing Loan's Monthly Repayments for the First 2 Years	34	
	4.1.1(b)	Housing Loan's Monthly Repayments for the Third Year Onwards	35	
	4.1.2	Shophouse Loan's Monthly Repayments	36	
	4.1.3	Personal Loan's Monthly Repayments	37	
	4.1.4	Car Loan's Monthly Repayments	38	
4.2	Comparative Analysis			
	4.2.1 Si	milarities	40	
	4.2.2 Di	fferences	40	
	1. 2. 3. 4. 5. 6. 7. 8.	Philosophy Concept Act Law Profit Documentation Deferred Installment Penalty	40 41 42 42 43 44 44	

4.3	Between the Two Schemes			
	4.3.1	Case 1 – House below RM 100,000.00	46	
	4.3.2	Case 2 – House above RM 100,000.00	47	
	4.3.3	Case 3 - Monthly Installment Paid Not on Time	49	
СН	APTEF	R 5		
<u>CO1</u>	NCLUSI	ON AND RECOMMENDATIONS		
5.1	Intro	duction	51	
5.2	Loan	and Financing Schemes	51	
5.3	Reco	ommendations	54	
вів	LIOGRA	APHY	57	
APF	PENDIC	ES		
	Appe	endix I (a)		
	Appe	endix I (b)		
	Appe	endix I (c)		
	Appe	endix I (d)		
	Appe	endix I (e)		
	Appe	endix II		
	Appe	endix III		
	Appe	endix IV		
	Appe	endix V		
	Appe	ndix VI		
	Appe	ndix VII		
	Appe	ndix VIII		