

MASTER OF ISLAMIC ECONOMICS

(Coursework)

The program is designed to produce graduates who are knowledgeable not only in Islamic Economics theory, but also how to apply those theories in Islamic Banking and Finance. The Master of Islamic Economics program focuses on the Shariah-compliant concept of economics.

Programme Goals

The goals of this program are to:

- a. Produce Islamic economics and finance graduates who know their Creator.
- b. Develop Islamic economics and finance graduates who are knowledgeable, soft-skilled, and research-oriented in order to meet the needs of foreign and local companies while maintaining high morals and noble ideals.
- c. Produce graduates in Islamic economics and finance who would help Malaysia become a reference centre in these subjects.

Learning Outcomes

At the end of their studies, graduates will be able to:

- a. Master the field of Islamic finance and economics.
- b. Apply the skills in the field of Islamic economics and finance, as well as research capabilities
- c. Apply research-based knowledge to community challenges in the fields of Islamic economics and finance, as well as cross-disciplinary issues in accordance with national culture and values.
- d. Conduct research with minimal supervision, adhere to research *ethics*, and effectively report study findings.
- e. Demonstrate leadership abilities through effective communication and collaborating effectively with partners and stakeholders.
- f. Integrate and synthesize knowledge gained from reading and research to produce solutions to problems.
- g. *Demonstrate lifelong learning and self-directed learning skills.*

Entry Requirements

Entry requirements are as follows:

- a. Bachelor of Economics with Honors with a good CGPA from UKM or other institutions of higher learning recognized by the UKM Senate; or

- b. Other qualifications equivalent to a Bachelor of Economics with Honors with a good CGPA from UKM or other institutions of higher learning recognized by the UKM Senate; and
- c. Meet any other requirements set by the program or Faculty; and
- d. Overseas applications who are not from a country where English is the official language must have a TOEFL score of 550 or an IELTS band 6 or another English language examination validated by the UKM Senate to meet the English language requirements.

Registration Mode and Duration of Study

- a. Full time (3 - 6 semesters)*
- b. Part-time (4 - 8 semesters)*

* All lectures take place during working days and hours.

Program Structure

- a. Candidates must complete and pass a 45 credit course that includes the following components:

Courses	Credits
Core	3
Programme	20
Module	12
Elective	4
Academic Paper	6
Total	45

- b. The writing of academic paper is written in a form of a manuscript that is ready to be published in a journal.

List of Courses

Core (3 credits)

EPPD6013 *Research Method*

a. Programme (20 credits)

EPPE6034 *Econometric Methods*

EPPE6534 *Advanced Islamic Economics Analysis*

EPPE6544 *Money, Zakat and Real Economy*

EPPE6514 *Fiqh for Economics*

EPPE6624 *Advanced Usul and Fiqh Methods*

b. **Module (12 credits)**

Candidates can earn 12 credits by completing one of the following modules:

Applied Islamic Economics in Banking

EPPE6564 Risk Management in Islamic Banking
EPPE6634 System and Operation for Islamic Banking
EPPE6644 Economics of Islamic Development

Applied Islamic Economics in Finance

EPPE6594 Islamic Asset Management and Planning
EPPE6644 Economics of Islamic Development
EPPE6654 Corporate Finance and Islamic Capital Market

c. **Elective (4 credits)**

Candidates can choose one of the following courses:

EPPE6614 Theory and Practice of Takaful
EPPK6054 Law for Business

d. **Academic Paper 6 credits)**

EPPE6906 Academic Paper

e. **Bahasa Melayu Course**

Overseas candidates must enrol and pass Bahasa Melayu courses as a requirement for graduation as required by UKM.

International Postgraduate Student	Code and Bahasa Melayu Course
Luar Nusantar. Students from countries that are not native speakers of Bahasa Melayu.	LMCM1083 Bahasa Melayu Komunikasi Antarabangsa
Nusantara Students from countries that uses Bahasa Melayu as the official language/ main and is a native speaker of Bahasa Melayu such as Indonesia, Singapore, Brunei and Malay Province in Southern Thailand.	LMCM1093 Bahasa Melayu untuk Pelajar Nusantara

Requirements for Conferment of Degree

Graduate requirements are as follows:

- Achieve a final CGPA of at least 3.00;
- Successfully completed and passed Academic Paper;
- Complete the number of credits as required by the program;
- Meet the requirements of a ready-to-publish manuscript; and
- Meet all the requirements set by the University.

Study Plan

The proposed study plans are as follows:

Semester	Course	Component	Credit
1	EPPE6034 Econometric Methods	} Program Courses	16
	EPPE6534 Advanced Islamic Economics Analysis		
	EPPE6514 Fiqh for Economics		
	EPPE6544 Money, Zakat and Real Economy		
	and EPPE6564 Risk Management in Islamic Banking	} Applied Islamic Economics in Banking	4
atau EPPE6594 Islamic Asset Management and Planning	} Module Applied Islamic Economics in Finance	@	
1	LMCM1083 Bahasa Melayu Komunikasi Antarabangsa*	Bahasa Melayu course	4
	or LMCM1093 Bahasa Melayu untuk Pelajar Nusantara*		
			20
2	EPPD6013 Research Methods	Core	3
	EPPE6624 <i>Advanced Usul and Fiqh Methods</i>	Programme	4
	and EPPE6634 System and Operation for Islamic Banking	} Applied Islamic Economics in Banking	8
	EPPE6644 Economics of Islamic Development		
	or EPPE6654 Corporate Finance and		

	Islamic Capital EPPE6644 Economics of Islamic Development and EPPE6614 Theory and Practice of Takaful or EPPK6054 Law for Business	Applied Islamic Economics in Finance) Elective Appointment of Supervisor	8 4 @ 4 19
3	EPPE6906 Academic Paper	<ul style="list-style-type: none"> • Academic Paper Registration • Academic Paper Writing • Presentation of progress at the colloquium 	6
TOTAL CREDITS			45

* For overseas candidates only

SYNOPSIS

ISLAMIC ECONOMICS PROGRAMME

EPPE6034 Econometric Methods

This course aims to expose students to simple regression model; multiple regression model: model estimation; analysis of variance and hypothesis testing; model with the problem of multicollinearity, heteroscedasticity and autocorrelation; identification and its remedial measures. Discussion will also include regression with dummy variables; model selection criteria; modelling of time series and panel data

References

- Asteriou, D. & Hall, S.G. (2011). *Applied Econometrics*. 2nd Edition. New York: Palgrave Macmillan.
- Enders, W. (2014). *Applied Econometric Time Series*. 4th Edition. New Jersey: John Wiley & Sons.
- Gujarati, D.N. & Porter, D.C. (2009). *Basic Econometrics*. 5th Edition. New York: McGraw-Hill.
- Stock, J.H. & Watson M.W. (2015). *Introduction to Econometrics*. Updated 3rd Edition. New York: Pearson
- Studenmund, A.H. (2011). *Using Econometrics: A Practical Guide*. 6th Edition. New York: Pearson
- Wooldridge, J.M. (2016). *Introductory Econometrics: A Modern Approach*. 6th Edition, Massachusetts: Cengage Learning

EPPE6534 Advanced of Islamic Economics Analysis

The course aims to provide an understanding of the methods of analyzing economics and incorporating them into microeconomics analysis. Students will be introduced to the Islamization process and analytical methods for certain topics in microeconomics from the Islamic perspective. The topics will include consumer behavior analysis, producer behavior analysis, market analysis of goods and services, factors of production and the rewards of the factors of production, and finally an analysis of government behavior. After taking this course, students should be able to analyze microeconomics according to Islamic perspective.

References

- Chapra, M.U. (2014). *Morality and justice in Islamic economics and finance*.UK: Edward Elgar Publishing Limited
- Jaafar Ahmad, Sanep Ahmad & Hairunnizam Wahid. (2011). *Ekonomi Islam: Satu Pendekatan Analisis*. Bangi: Penerbit Universiti Kebangsaan Malaysia.

- Khan, M.A (2013). *What is wrong with Islamic economics? Analysing the state and and future agenda*. UK: Edward Elgar Publishing Limited.
- Sanep Ahmad. (2016). *Analisis Ekonomi Islam*. Bangi: Penerbit Penerbit Kebangsaan Malaysia
- Sanep Ahmad & Salmy Edawati Yaacob. (2012). *Dinar emas: Sejarah dan aplikasi semasa*. Bangi: Penerbit Universiti Kebangsaan Malaysia

EPPE6544 Money, Zakat and the Real Economy

This course discusses the macroeconomic theory of Islam in the real economy. More specifically, the course will analyze the impact of money and zakat to consumption, savings, investment, capital structure, the labor market and economic growth.

References

- Chapra, M.U (2014). *Morality and justice in Islamic economics and finance*. UK: Edward Elgar Publishing Limited
- Khan, M.A (2013). *What is wrong with Islamic economics? Analysing the present state and and future agenda*. UK: Edward Elgar Publishing Limited.
- Jaafar Ahmad, Sanep Ahmad & Hairunnizam Wahid. (2011). *Analisis ekonomi Islam: satu pendekatan analisis*. Bangi: Penerbit Universiti Kebangsaan Malaysia
- Naqvi, S. N. H (2013). *Islam, economics, and society*. New York: Routledge
- Zubair Hassan. (2015). *Economics With Islamic Orientation*. UK: Oxford Univ Press

EPPE6514 Fiqh for Economics

This course aims to discuss several terms and special topics in Fiqh that are related to the economy and finance. Among the terms covered in this course are riba, gharar, dharurah, aqad, waqf and others. In addition, the special topics covered in this course are the theory of contract, sale contract and special contracts such as Mudharabah, Wakalah, Kafalah, Al-Rahn, Ijarah, As-Salam and others. The discussion will relate to the current practices of fiqh.

References

- Abd al-Karim Zaydan. (2015). *Synopsis on the Elucidation of Legal Maxims in Islamic Law*. (al-wajiz fi Sharh alQawa'id al-Fiqhiyyah fil-Shari'ah al-Islamiyyah) Md. Habibur Rahman and Azman Ismail (Translation). Kuala Lumpur: ISRA.
- Al-Zuhaili, Wahbah. (1997). *Fiqh dan Perundangan Islam*. Jilid I - VIII. Kuala Lumpur: Dewan Bahasa dan Pustaka.
- Hailani Muji Tahir dan Sanep Ahmad. (2009). *Aplikasi Fiqh Muamalat Dalam Sistem Kewangan Islam*. Kuala Lumpur: Dewan Bahasa dan Pustaka.

Mohamad Akram Laldin. (2011). *Introduction to Shari'ah and Islamic Jurisprudence*. 3rd Edition. Kuala Lumpur: CERT Publications Sdn. Bhd.

Mohamad Akram Laldin, Said Bouheraoua, Riaz Ansary, Mohamed Fairouz Abdul Khir, Mohammad Mahbubi Ali & Madaa Munjid Mustafa. (2013). *Islamic Legal Maxims and Their Application in Islamic Finance*. Kuala Lumpur: ISRA.

EPPE6624 Advanced Fiqh Methods

This course is a combination of two interrelated areas namely *usul fiqh* (Islamic jurisprudence) and the most important area in Islamic jurisprudence which is the *qawaid fihiyyah* (discipline of legal maxims). This subject addresses the methodology related to Islamic jurisprudence (*usul al-fiqh*). Students are introduced to the origin and development of *usul fiqh* and difference between *usul fiqh* and *fiqh*. In addition, the four primary sources of law, supplementary sources of law, *maqasid syariah* and practice of *ijtihad* (independent legal deduction) are also discussed. This course also attempts to analyze five legal maxims within the context of Islamic economics and finance.

References

Abd al-Karim Zaydan. (2015). *Synopsis on the Elucidation of Legal Maxims in Islamic Law. (al-wajiz fi Sharh alQawa'id al-Fiqhiyyah fil-Shari'ah al-Islamiyyah)* Md. Habibur Rahman and Azman Ismail (Translation). Kuala Lumpur: ISRA.

Al-Zuhaili, Wahbah. (1997). Terj. *Fiqh dan Perundangan Islam*. Jilid I - VIII. Kuala Lumpur: Dewan Bahasa dan Pustaka.

Hailani Muji Tahir & Sanep Ahmad. (2009). *Aplikasi Fiqh Muamalat Dalam Sistem Kewangan Islam*. Kuala Lumpur: Dewan Bahasa dan Pustaka.

Mohamad Akram Laldin. (2011). *Introduction to Shari'ah and Islamic Jurisprudence*. 3rd Edition. Kuala Lumpur: CERT Publications Sdn. Bhd.

Mohamad Akram Laldin, Said Bouheraoua, Riaz Ansary, Mohamed Fairouz Abdul Khir, Mohammad Mahbubi Ali & Madaa Munjid Mustafa. (2013). *Islamic Legal Maxims and Their Application in Islamic Finance*. Kuala Lumpur: ISRA.

EPPE6564 Risk Management in Islamic Banking

The course aims to provide an understanding of one of the key aspects of Islamic banking institutions, namely risk management. This course discusses the philosophy and concept of risk from shariah perspective and risk management operations in an Islamic banking system. This course covers discussions on major risk identification faced by Islamic banking based on risk types, methods of measurement, risk management and control as well as analyzing risk relationships with banking capital requirements as prescribed by the regulators. At the end of the course, students

should be able to apply the concept and practice of risk management in Islamic banking.

References

- Ahcene Lahsasna. (2014). *Shari'ah Non-compliance Risk Management and Legal Documentations in Islamic Finance*. Wiley Finance Series. ISBN: 978-1-118-79680-1.
- Imam Wahyudi, Fenny Rosmanita, Muhammad Budi Prasetyo, Niken Iwani Surya Putri. (2015). *Risk Management for Islamic Banks: Recent Developments from Asia and the Middle East*. Wiley Finance. ISBN: 978-1-118-73442-1.
- International Shariah Research Academy for Islamic Finance (ISRA). (2012). *Islamic Financial System: Principles and Operations*. 2nd Ed. Kuala Lumpur: ISRA. ISBN: 978-967-12220-1-0.
- Mohammad Akram Laldin, Said Bouheraoua, Riaz Ansary, Mohamed Fairouz Abdul Khir, Mohammad Mahbubi Ali & Madaa Munjid Mustafa. (2013). *Islamic Legal Maxims & Their Application in Islamic Finance*. Kuala Lumpur: ISRA. ISBN: 967-10318-9-6.
- S. Shahida, Abdul Ghafar Ismail, Aisyah Abdul-Rahman & Raudha Md. Ramli (Eds.). (2012). *Module The Principles and Practices of Risk Management in Islamic Banking Institutions*. Bangi: Penerbit EKONIS-UKM.

EPPE6634 System and Operation For Islamic Banking

This course discusses on Islamic banking operation and Islamic money market. Students are introduced to Islamic philosophy and shariah principles related to Islamic banking, and its application in the operation of banking and money market. The discussion specifically includes Islamic economics and finance, money and monetary policy, shariah framework, shariah contracts, Islamic banking operation, Islamic money market, risk management, regulation, supervision and governance in Islamic banking. Upon completing this course, students are expected to be able to analyse, integrate, and synthesize the knowledge on current issues related to Islamic banking operation and money market.

References

- International Shariah Research Academy for Islamic Finance (ISRA). (2012). *Islamic Financial System: Principles & Operations*. 2nd Ed. Kuala Lumpur: ISRA. ISBN: 978-967-12220-1-0.
- Mohd Azmi Omar, Muhamad Abduh & Raditya Sukmana. (2013). *Fundamentals of Islamic Money and Capital Markets*. Singapore: Wiley Finance Series.
- Muhammad Ridhwan Ab. Aziz. (2016). *Essential Foundations of Islamic Money and Capital Market*. Nilai: Penerbit USIM. 978-967-440-255-6

Abedifar, P., Molyneux, P. & Tarazi, A. (2013). *Risk in Islamic banking, Review of Finance*, 17(6), 2035-2096.

Sun, P.H., Hassan, M.K., Hassan, T.& Ramadilli, S.M. (2014), *The assets and liabilities gap management of conventional and Islamic banks in the organization of Islamic cooperation (OIC) countries*, *Applied Financial Economics*, 24(5), 333-346.

EPPE6644 Economics of Islamic Development

This course aims to give students the exposures in the current issues of Islamic economics in microeconomics and macroeconomics levels. Current issues including halal economics, sustainable development goals (SDGs) in Islamic perspectives and economic among OIC countries will be highlighted in this course. Other new topics such as humanitarian economics, social financial economics in Islamic perspectives and the impact of the 4th industrial revolution will also be discussed. At the end of the course, students able to analyse the economic situation in the context given and able to give new ideas related to this course.

References

Arnab Mandal. (2015). *Sustainable Development: Goals and Strategies*. LAP LAMBERT Academic Publishing. Germany: LAP LAMBERT Academic Publishing.

Atih Rohaeti Dariah, Muhammad Syukri Salleh & Hakimi M. Shafiai. (2016). *A New Approach for Sustainable Development Goals in Islamic Perspective*. *Procedia Social and Behavioral Sciences*. Vol. 219. p. 159-166.

Hassan, M. K. & Lewis, M. K. (2014). *Handbook on Islam and Economic Life*. United Kingdom: Edward Elgar Publishing Limited.

Hossain, A. A. (2015). *Central Banking and Monetary Policy in Muslim-Majority Countries*. United Kingdom: Edward Elgar Publishing Limited

Alex Nicholls, Rob Patin & Jed Emerson (Eds). (2016). *Social Finance*. United Kingdom: Oxford University Press.

EPPE6594 Islamic Wealth Management and Planning

This course is designed for students to obtain knowledge and develop skills in Islamic wealth management and planning at the advanced level. Certain topics connect Islamic wealth management with the current issues of Malaysian economy from a macroeconomics perspective. The content of this course covers the following topics – concept and process of wealth management and planning, life cycle theory, how to cope with the rising cost of living through cash and liquidity management, household debt issue and credit card, wealth purification through zakat, sadaqah and waqaf, tax planning, investment planning, issues in relation to ASNB, FOREX and

gold investments, retirement planning, issues in relation to Employment Provident Fund (EPF) and private retirement scheme, estate planning and financial planner code of ethics.

References

- Billingsley, R., Gitman, L. J. & Joehnk, M. D. (2017). *Personal Financial Planning* (14th Edition). South Western: Cengage Learning.
- Ismail, A. (2013). *Islamic Inheritance Planning 101*. Kuala Lumpur: IBFIM.
- Keown, A. (2013). *Personal Finance Turning Money into Wealth*. Boston: Pearson
- Shafii, Z., Mohd. Yusoff, Z and Md. Noh. S. (2013). *Islamic Financial Planning & Wealth Management*. Kuala Lumpur: IBFIM.
- Sulaiman, R., Lahsasna, A. and Mokhtar, M. (2014). *Islamic Wealth Management and Financial Advisory: A Study Guide*. Kuala Lumpur: IBFIM.

EPPE6654 Corporate Finance and Islamic Capital Market

This course aims to give an understanding of corporate financial management from Islamic perspective. In addition, the Islamic capital market instruments are also discussed. Topics in this course comprising the concept of time value of money, the cost of capital, capital budgeting, project evaluation techniques, capital structure, equity financing, debt financing, leasing and acquisition. All topics are embedded with the Islamic view such as the concept of usury (riba), Maqasid shariah, the firm's profit rate using profit and loss sharing contract, the screening process of shariah compliant stocks, sukuk and iREITS. After completing this course, students should be able to understand, synthesize, and analyze the corporate financial management from the Islamic perspective besides integrating it with the Islamic capital market instruments offered in the market.

References

- Muhammad Ridhwan Ab. Aziz. (2016). *Essential Foundations Of Islamic Money And Capital Market*. Nilai: Penerbit USIM. 978-967-440-255-6.
- Brigham, Eugene F, Houston, Joel F & Bany-Arifin. (2013). *Essential Of Financial Management*. 3rd Edition.. Singapore, Cengage Learning Asia Pte Ltd.
- International Shariah Research Academy for Islamic Finance (ISRA). (2015). *Islamic Capital Markets: Principles & Practices*. Kuala Lumpur: ISRA. ISBN: 978-967-349-652-5.
- Batcha, Obiyathulla I. & Mirakhor, A. (2013). *Islamic Capital Markets: A Comparative Approach*. Singapore: John Wiley & Sons.
- Mohd Azmi Omar, Muhamad Abduh & Raditya Sukmana. (2013). *Fundamentals Of Islamic Money And Capital Markets*. Singapore: Wiley Finance Series.

EPPE6614 Theory and Practise of Takaful

This course aims to provide knowledge and skills on the theory and practice of takaful. Among the topics discussed are the concept of risk, risk management process, insurance principles, takaful principles, takaful operating models, family takaful, general takaful, takaful plans and retakaful. Students will also be exposed to the importance and the role of takaful on individuals and businesses, as well as current issues in the takaful industry.

References

- Hendon Redzuan & Rubayah Yakob. (2017). *Prinsip Pengurusan Risiko Dan Insurans*. Book Manuscript.
- Dorfman, M. S. & Cather, D. A. (2013). *Introduction To Risk Management & Insurance*. 10th Edition. Pearson Education Limited. New Jersey, USA.
- Frenz, T. & Soualhi, Y. (2010). *Takaful & Retakaful. Advanced Principles And Practices*. 2nd ed. Kuala Lumpur: Munich Re.
- Mohd Fadzli Yusof, Wan Zamri Wan Ismail & Abdul Khudus Mohd Naaim Abdullah. (2012). *Fundamentals Of Takaful*. IBFIM. Kuala Lumpur.
- Redja, G. E. & McNamara, M. J. (2014). *Principles Of Risk Management & Insurance*. 12th edition. Pearson Education Limited. Global Edition.

EPPK6054 Law for Business

The purpose of this course is to explain the legal aspect relating to business activities. The topic discussed in this course are application of the laws on entrepreneurship, contract, registration and incorporation of companies, business capital, civil and Islamic contracts, formation of members, agency, equity principal and trust, alternative dispute resolution, accountability, banking, insurance, criminal breach of trust and intellectual property.

References

- Kenneth Foo Poh Khean & Lee Shih. (2017). *The new dynamics of company law in Malaysia*. Companies Act 2016, Current Law Journal. ISBN 978-967-457-120-7.
- Abdul Majid Nabi Baksh & Krisnan Arjunan. (2005). *Business law in Malaysia*. Malayan Law Journal Sdn Bhd.
- Harlina Mohamad On, Ruzian Markom & Rozanan Ab Rahman. (2002). *Prinsip undang-undang perniagaan di Malaysia*. Kumpulan Usahawan Muslim Sdn Bhd, Edisi ketiga.
- Lee Mei Pheng, & Ivan Jeron Detta. (2011). *Business law*. Oxford University Press.
- Wan Arfah Hamzah. (2009). *A first look at the Malaysian legal system*. Oxford Fajar Sdn Bhd

EPPE6906 Project Paper

Scholarly papers are manuscripts that have been written in the field of Islamic economics and finance and are ready to be published in journals. This course is designed to introduce students to the theoretical framework and research methodologies used in a certain discipline. Issues, theories, research methodologies, and practises in connected domains are all discussed. Students should be able to do research on Islamic economic and financial concerns after completing this course.

References

- Wooldridge, J.M. (2016). *Introductory Econometrics: A Modern Approach*. 6th Edition, Massachusetts: Cengage Learning.
- Bryman, A. & Bell, E. (2015). *Business Research Method*, 4th Ed. Oxford University Press. New York.
- Bryman, A. (2012). *Social Research Methods*. 4th Ed. Oxford University Press. New York.
- Hair, J. F., Black, W. C., Babin, B.J. & Anderson, R. E. (2010). *Multivariate Data Analysis: A Global Perspective*. 7th Ed. Pearson, Singapore.
- Sekaran, U. & Bougie, R. (2013). *Research Methods For Business: A Skill Building Approach*. 7th Ed. John Wiley & Sons, Chichester, West Sussex, UK.