DETERMINANTS OF CUSTOMER’S INTENTION TO USE
ISLAMIC PAWN BROKING (AR-RAHNU) SCHEME: A CASE
STUDY OF (UPSB) STAFFS IN UNIVERSITY UTARA MALAYSIA

BY

MOHAMED FARAH ABDI

816860

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Master in Islamic Finance and Banking
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IN THE NAME OF ALLAH THE MOST GRACIOUS THE MOST MERCIFUL

All Praises are due to Almighty Allah, the Lord of the Worlds, the Author and the Creator of all the existence. Then peace of Allah be upon Prophet Mohammad, his Offspring, his Companions and all of those who follow him in the righteous way.

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Thus, May Allah rewards each and every one I mentioned here.

Thank You

Mohamed Farah Abdi
Islamic Business School (IBS)
University Utara Malaysia (UUM)
31/05/2015
DEDICATION

To my lovely parents, my sister and my Dear Halimo Sudi Mire
ABSTRACT

Islamic pawn broking (Ar-Rahnu) is considered as an instrument that serves as immediate and fast financial service. Islam deems the contract as a charitable and voluntary contract (tabarru’). According to this perspective of Islam, the conventional pawn broking operates in the opposite side, that is providing a financial service by pledging the customer’s assets and charging interest as a result of money loaned out, whereas, Ar-Rahnu service is based on three principles, which are Qardhul Hassan, Wadiah, and Ujrah. The Wadiah principle is then categorized into two types, which are Yad Amanah and Yad Dhamanah. This paper is an attempt to determine the customer’s intention to use Ar-Rahnu service by investigating five dimensions, which are attitude, social influence, religious obligation, pricing system and intention to use. The aims of this paper is to identify the differences of intention to use Islamic pawn broking (Ar-Rahnu) based on the demographic factors of (gender, age, educational level, monthly income level) and, to determine the relationship between (attitude, social influence, religious obligation, pricing system) and the intention to use Islamic pawn broking (Ar-Rahnu), and to examine the factors that influences mostly the intention to use Islamic pawn broking (Ar-Rahnu). The study has targeted certain population, that is, Uniutama Property SDN.BHD (UPSB) employees at University Utara Malaysia. The study employed a quantitative type of research using questionnaire and the sample comprised of 217 respondents. The result obtained from this study, reveals that the customer’s uses Ar-Rahnu service for mostly two reasons or factors, which are social influence and religious obligation. Therefore, this study provided great contributions, implications and has recommended both the government and financial institutions on how to improve Ar-Rahnu usage.

Keywords: Ar-Rahnu, attitude, social influence, religious obligation, pricing system, intention to use.
ABSTRAK


Kata kunci: Ar-Rahnu, sikap, pengaruh sosial, kewajipan agama, sistem harga, niat untuk menggunakan
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<th>Description</th>
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<tbody>
<tr>
<td>DV</td>
<td>Dependent Variable</td>
</tr>
<tr>
<td>IV</td>
<td>Independent Variable</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
<tr>
<td>UPSB</td>
<td>Uniutama Property SDN.BHD</td>
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CHAPTER ONE

INTRODUCTION

Overview

This is the first chapter of the study and the areas that will be included in this section comprises of introduction, background of the study, the problem statement, research questions and objectives, the significance and scope of the study as well as the organization of the study.

1.0 Introduction

The Islamic pawn broking (Ar-Rahnu) is an instrument and a mechanism that serves as fast financial service provider to help the customers to fulfill their immediate financial needs by placing or pledging their personal properties. From the Islamic point of view the contract of pawn is considered as a charitable, good will and voluntary contract (tabarru’). This is because the pawned item is given without any financial compensation (Hisham, Shukor et al. 2013).

The pawn broking contract is termed in the Arabic language as ‘Ar-Rahnu’ which linguistically means to detain or dedicate something. And in the language of Sharia (Islamic law) the scholars defined it as ‘to mortgage a valuable object in the eyes of
The contents of the thesis is for internal user only
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