

# **COMPARATIVE STUDY OF ISLAMIC BANKING BETWEEN MALAYSIA AND PAKISTAN**

A thesis submitted to the Faculty of Finance and Banking in partial fulfillment of the  
requirement for the degree Master of Science (Finance),  
Universiti Utara Malaysia

by  
Khurram Faisal Jamal

© Khurram Faisal Jamal, 2006. All rights reserved

**COMPARATIVE STUDY OF ISLAMIC BANKING  
BETWEEN MALAYSIA AND PAKISTAN**

**KHURRUM FAISAL JAMAL**

**UNIVERSITI UTARA MALAYSIA  
2006**

## TABLE OF CONTENTS

	Page
PERMISSION TO USE	i
ABSTRAK	ii
ABSTRACT	lli
ACKNOWLEDGEMENT	iv
LIST OF TABLES	v
<b>CHAPTER ONE</b>	
<b>INTRODUCTION</b>	
1.1 Overview of Islamic Banking	1
1.2 Islamic Banking in Pakistan	3
1.3 Islamic Banking in Malaysia	4
1.4 Problem Statement	7
1.5 Objectives and Scope of Study	8
1.6 Limitation of the study	9
<b>CHAPTER TWO</b>	
<b>LITERATURE REVIEW</b>	
2.1 Theory	10
2.1.1 Quranic Verses Related to Islamic Banking	10
2.1.2 Riba in Hadith	13
2.1.3 Finance Theories Related to Islamic Banking	17
2.1.3.1 Agency Problem	17
2.1.3.2 Moral Hazard & Adverse Selection	20
2.1.4 Ethical Banking Principle and Shariah Law	21
2.1.5 Issues and Problems	23
2.2 Related Studies	26
2.2.1 Empirical Evidence	38

**CHAPTER THREE**  
**ISLAMIC FINANCIAL INSTRUMENTS PRACTICED IN**  
**MALAYSIA AND PAKISTAN**

3.1 Murabaha	49
3.2 Ijara	50
3.3 Mudaraba	51
3.4 Musharaka	52
3.5 Bay Salam	52
3.6 Istisna	53
3.7 Bay Bithamal Ajjil	54
3.8 Bay al-inah	55
3.9 Bay al-Dayn	56

**CHAPTER FOUR**  
**RESEARCH METHODOLOGY**

4.1 Data Sources	57
4.2 Population	57
4.3 Sampling Unit	57
4.4 Sample Size	58
4.5 Research Design	58
4.6 Data Analysis	59

**CHAPTER FIVE**  
**ANALYSIS OF RESULTS**

5.1 Frequency Analysis Results	60
5.2 Cross Tabulation Results from Pakistan	99
5.3 Cross Tabulation Results from Malaysia	110
5.4 Correlation Result from Pakistan	122
5.5 Correlation Result from Malaysia	124
5.6 T-test Analysis	126

5.7 Financial Performance	133
<b>CHAPTER SIX</b>	
<b>FINDINGS</b>	
6.1 Differences	137
6.2 Similarities	140
6.3 Summary of Financial Performance	142
<b>CHAPTER SEVEN</b>	
<b>CONCLUSION AND RECOMMENDATION</b>	
7.1 Conclusion	143
7.2 Recommendations	147
<b>BIBLIOGRAPHY</b>	150
<b>APPENDIX</b>	156
Questionnaire	157

## **PERMISSION TO USE**

In presenting this thesis in partial fulfillment of the requirements for the post graduate degree from Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or, in their absence, by the Dean of the Faculty of Finance and Banking. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:-

Dean of Faculty of Finance and Banking  
Universiti Utara Malaysia  
06010 UUM Sintok  
Kedah Darul Aman

## **ABSTRAK**

Kajian ini mengupas beberapa isu dan juga 7 aspek ia-itu promosi, produk, keutamaan, pengetahuan, prestasi dan juga infrastruktur dalam membuat perbandingan perbankan Islam di Pakistan dan di Malaysia. Dua kaedah kajian telah di gunakan untuk menjawab objektif-objektif kajian. Pertamanya ialah kaedah kualitatif (soal-selidik) dan keduanya kaedah kuantitatif (analisa penyata kewangan). Penemuan kajian ini menunjukkan terdapat beberapa persamaan dan perbezaan dalam amalan system perbankan Islam di antara Pakistan dan Malaysia. Kekurangan kesedaran mengenai perbankan Islam di dapati sangat tinggi di Pakistan berbanding di Malaysia. Usaha promosi berkaitan perbankan Islam di Pakistan di dapati adalah di tahap yang rendah sedangkan pelanggan-pelanggan di Malaysia lebih mengetahui mengenai perbankan Islam kerana bank-bank lebih agresif mempromosikan perkhidmatan perbankan Islam mereka. Adalah di sarankan bahawa sokongan padu daripada kerajaan negara masing-masing masih di perlukan untuk terus memperkembangkan perbankan Islam. Hasil kajian juga mendapati bahawa faktor agama merupakan pendorong utama kepada perbankan Islam di Pakistan, sedangkan di Malaysia, perbankan Islam merupakan satu perbankan yang dapat menarik pelanggan Muslim dan juga yang bukan Muslim. Kajian ini juga memberi petanda yang perbankan Islam mempunyai potensi yang cerah di kedua-dua negara.

## **ABSTRACT**

This study deals with several objectives and 7 aspects namely promotion, product, preference, knowledge, performance, problem and infrastructure in making comparison on Islamic banking between Pakistan and Malaysia. Two techniques were used to answer the research objectives. Firstly, the qualitative method (questionnaire) and second the quantitative method (analysis of financial statements of the leading banks). The findings of thesis indicate that there are few differences and similarities exist between Malaysia and Pakistan in Islamic banking practices. The lack of awareness of Islamic banking is very high in Pakistan as compared to Malaysia. A few promotions were used by Islamic banks in Pakistan while in Malaysia customers are knowledgeable about Islamic banking because banks promote them aggressively. However there should be continuous and strong support by each government to stimulate Islamic banking system. The study finds that respondents in both countries agree that Islamic banking is a very important part of banking system primarily for religious factor in case of Pakistan and as for Malaysia it serves as an alternative banking system that appeals to both Muslims and non-Muslims. The study provides evidence that there is a vast potential of future growth in Islamic banking in both countries.



## **ACKNOWLEDGEMENT**

In the name of Allah, the most beneficent and merciful, who enables me to reach the Zenith of educational level of my life through His mercy. I am thankful to the Almighty Allah for His countless blessings. He is the one who give me that much perseverance to complete my Masters of Science (Finance) Degree.

I gratefully acknowledge to all the professors and teachers who offered valuable guidance and share their knowledge and experiences, with me during my studies at University Utara Malaysia.

I wish to express my deep thanks to my Thesis advisor Dr. Nor Hayati Ahmad for giving me her dynamic supervision, guidance and vast experience in shaping the proposal. Her influential ideas and vast experience in financial corporate sector as well as the way of encouraging and appreciation encouraged me to complete this report successfully and timely.

Thanks are due to all personnel of different banks in Pakistan and Malaysia who gave me their valuable time to help me gathering vital information to accomplish this task successfully. Finally, thanks to my family for their moral support in completing my studies.

Khurrum Faisal Jamal 86217

## LIST OF TABLES

Table 5.1	How do you rank the performance of Islamic Banking in competition with Conventional Banking?	60
Table 5.2	To what extent the present Islamic Banking System in Pakistan/Malaysia has Islamic spirit?	61
Table 5.3	To what extent the products are designed according to customer's preference?	62
Table 5.4	To what extent the Islamic Banking Products are the best substitute of Conventional Banking Products?	63
Table 5.5	To what extent Islamic Banking Products are developed according to the shariah principle?	64
Table 5.6	The role of present Supervisory Board in the development of Islamic Banking in Pakistan/Malaysia at what level?	65
Table 5.7	Islamic Banks need to improve knowledge sharing among them to make Islamic banking more attractive, how do you rank this?	66
Table 5.8	Trained Staff can play vital role in the success of Islamic Banking System, how do you rank this statement?	68
Table 5.9	To what extent Islamic banking in Pakistan/Malaysia effected due to lack of research & development in this field?	69
Table 5.10	To what extent the Islamic Banking System tailored the market performance?	70
Table 5.11	To what extent the Forums/Conferences are important to create awareness about Islamic Banking?	71
Table 5.12	How do you rank the advertising and promotional Campaign in Islamic Banking sector as a success factor?	72
Table 5.13	To what extent currently Islamic Banks are using advertising and other promotional campaign to attract the customer in Pakistan/Malaysia?	73

Table 5.14 To what extent you consider Moral Hazard and Adverse Selection problem in Islamic Banking System?	74
Table 5.15 Agency problem is a big issue faced by Islamic Banking System, how do you rank this problem?	75
Table 5.16 Which is most popular Islamic Financial Product in Pakistan/Malaysia?	76
Table 5.17 Which Financial Product is being commonly used in your bank for house financing?	78
Table 5.18 Which Financial Product is being commonly used in your bank for creation of letter of credit?	79
Table 5.19 What is the main challenge face by Islamic Banks in Pakistan/Malaysia?	80
Table 5.20 What is the reason of giving preference to Islamic Banking In all over the World?	81
Table 5.21 What are the reasons of not enough using Bay al-Inah and Bay al-Dayn products in Pakistan/Malaysia?	82
Table 5.22 How Education Sector can play its role to promote Islamic Banking?	84
Table 5.23 How to make Islamic Banking more attractive for customer?	85
Table 5.24 Mudarabah and Musharakah investment less popular compared to other form of investment (i.e. BBA, Ijarah and Murabaha)	86
Table 5.25 BBA, Ijarah and Murabaha are more profitable and less risky than Musharakah and Mudarabah.	86
Table 5.26 Monitoring and supervising cost of the Mudarabah and Musharakah is very high for the bank.	87

Table 5.27 Islamic Banking is just a mirror effect of Conventional Banking, is it true?	88
Table 5.28 Government support is a key factor to promote Islamic Banking in a country; do you agree with this statement?	88
Table 5.29 Are you satisfied from the contribution of government and central bank in promoting Islamic Banking in Pakistan/Malaysia?	89
Table 5.30 Have you ever attend any Conference on Islamic Banking?	90
Table 5.31 Education sector contribution for Islamic Banking promotion is appreciateable, is it true?	90
Table 5.32 Have you ever used Bay al-Inah and Bay al-Dayn in banking practice?	91
Table 5.33 The customer prefers Islamic Banking because of interest free element.	92
Table 5.34 Islamic Banking Products are innovative, is it true?	93
Table 5.35 Do you think the Islamic Banking Products are easily available?	93
Table 5.36 Gender	94
Table 5.37 Designation	95
Table 5.38 Age	95
Table 5.39 Working Experience in banking sector	96
Table 5.40 Qualification	97
Table 5.41 Residential Area	97
Table 5.42 Banks	98
Table 5.43 Q16: Which is most popular Islamic Financial Product in Pakistan? *Q25: BBA, Ijarah and Murabaha are more profitable and less risky than Musharakah and Mudarabah.	99
Table 5.44 Q21: What are the reasons of not enough using Bay al-Inah and Bay al-Dayn products in Pakistan?	100

\*Q32: Have you ever used Bay al-Inah and Bay al-Dayn in banking practice?

Table 5.45	Q16: Which is most popular Islamic Financial Product in Pakistan? *Q26: Monitoring and Supervising cost of the Mudarabah and Musharakah is very high for the bank.	101
Table 5.46	Q20: What is the reason of giving preference to Islamic Banking in all over the World? * Q33: The customer prefers Islamic Banking because of interest free element	102
Table 5.47	Q2: To what extent the present Islamic Banking System in Pakistan has Islamic spirit? * Q33: The customer prefers Islamic Banking because of interest free element.	103
Table 5.48	Q13: To what extent currently Islamic Banks are using advertising and other promotional campaign to attract the customer in Pakistan? * Q19: What is the main challenge face by Islamic Banks in Pakistan?	104
Table 5.49	Q5: To what extent Islamic Banking Products are developed according to the shariah principle? *Q27: Islamic Banking is just a mirror effect of Conventional Banking, is it true?	105
Table 5.50	Q6: The role of present Supervisory Board in the development of Islamic Banking in Pakistan at what level? * Q28: Government support is a key factor to promote Islamic Banking in a country; do you agree with this statement?	106
Table 5.51	Q11: To what extent the Forums/Conferences are important to create awareness about Islamic Banking? * Q30: Have you ever attend any Conference on Islamic Banking?	108
Table 5.52	Q1: How do you rank the performance of Islamic Banking in competition with Conventional Banking? *Q35: Do you think the Islamic Banking Products are easily available?	109
Table 5.53	Q16: Which is most popular Islamic Financial Product in Malaysia? *Q25: BBA, Ijarah and Murabaha are more Profitable and less risky than Musharakah and Mudarabah.	110

Table 5.54	Q21: What are the reasons of not enough using Bay al-Inah and Bay al-Dayn products in Malaysia? *Q32: Have you ever used Bay al-Inah and Bay al-Dayn in banking practice?	111
Table 5.55	Q16: Which is most popular Islamic Financial Product in Malaysia? *Q26: Monitoring and supervising cost of the Mudarabah and Musharakah is very high for the bank.	112
Table 5.56	Q20: What is the reason of giving preference to Islamic Banking in all over the World? * Q33: The customer prefers Islamic Banking because of interest free element.	113
Table 5.57	Q2: To what extent the present Islamic Banking System in Malaysia has Islamic spirit? * Q33: The customer prefers Islamic Banking because of interest free element.	114
Table 5.58	Q19: What is the main challenge face by Islamic Banks in Malaysia? * Q13: To what extent currently Islamic Banks are using advertising and other promotional campaign to attract the customer in Malaysia?	116
Table 5.59	Q5: To what extent Islamic Banking Products are developed according to the shariah priciple? * Q27: Islamic Banking is just a mirror effect of Conventional Banking, is it true?	117
Table 5.60	Q6: The role of present Supervisory Board in the development of Islamic Banking in Malaysia at what level? * Q28: Government support is a key factor to promote Islamic Banking in a country; do you agree with this statement?	118
Table 5.61	Q11: To what extent the Forums/Conferences are important to create awareness about Islamic Banking? *Q30: Have you ever attend any Conference on Islamic Banking?	119
Table 5.62	Q1: How do you rank the performance of Islamic Banking in competition with Conventional Banking? *Q35: Do you think the Islamic Banking Products are easily available?	120
Table 5.63	Correlations Results from Pakistan	122
Table 5.64	Correlations Results from Malaysia	124

Table 5.65 Promotion	126
Table 5.66 Product	127
Table 5.67 Preference	129
Table 5.68 Knowledge	130
Table 5.69 Performance	131
Table 5.70 Problem	132
Table 5.71 Infrastructure	133
Table 5.72 Liquidity Ratios	134
Table 5.73 Risk and Solvency Ratio	134
Table 5.74 Profitability Ratio	134

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Overview of Islamic Banking**

Islamic banking is basically a system of financial intermediation, its primary objective is to avoid receipt and payment of interest. In other words we can say this is to conduct banking transaction with the ethos of the value system of Islam. Islam does not only prohibit dealing with interest but also with liquor, pork, gambling, pornography and any other thing which are considered haram according to shariah. The first modern experiment with Islamic banking was undertaken in Egypt, and it was without projecting an Islamic image. The pioneering effort, in Islamic banking was made by Ahmad El Najjar. He first established a savings bank based on profit-sharing in the Egyptian town of Mit Ghamr in 1963. This experiment was successful and since then until 1967 there were nine such banks in the country.

The Nasir Social Bank, established in Egypt in 1971, was declared an interest-free commercial bank. In the seventies, a number of Islamic banks came into existence in the Middle East, for example the Dubai Islamic Bank (1975), the Faisal Islamic Bank of Sudan (1977), the Faisal Islamic Bank of Egypt (1977), and the Bahrain Islamic Bank (1979), to mention a few. The Islamic Development Bank was established in 1974 by the Organization of Islamic Countries (OIC). Over the last three decades Islamic banking did progress so rapidly and has



The contents of  
the thesis is for  
internal user  
only

## BIBLIOGRAPHY

Abdul Halim Abdul Hamid & Norizatun Azmin Mohd Nordin. A study on Islamic banking education and Strategy for the new Millennium - Malaysian experience: *International Journal of Islamic Financial Services* Vol. 2 No.4

Abdullah M Noman. Imperatives of Financial Innovation for Islamic Banks: *International Journal of Islamic Financial Services*, Vol.4, No.3

Abdus Samad & M. Kabir Hassan. The performance of Malaysian Islamic bank During 1984-1997: an exploratory study: *International Journal of Islamic Financial Services* Vol. 1 No.3

Ahmad Kaleem & Mansor Md Isa. Causal relationship between Islamic and conventional Banking instruments in Malaysia: *International Journal of Islamic Financial Services*, Vol.4, No.4

Ahmad, N. and S. Haron, (2002). 'Perception of Malaysian Corporate Customers Towards Islamic Banking Products and Services', *International Journal of Islamic Financial Services*,.

Al-Arabi, Mohammad Abdullah, (1966). 'Contemporary banking transactions and Islam's views thereon', *Islamic Review, London*

A.L.M. Abdul Gafoor. (2002-2004). Interest, Usury, *Riba*, and the Operational Costs of a Bank: *Chapter 2 from Book*.

Ariff, M. (1988). Islamic Banking: *Asian Pacific Economic Literature*, 2-2, PP 48-64.

Chapra, M. Umer. (1982). Money and banking in an Islamic economy.

Choi, David and Valikangas, Liisa (2001). Six Sigma and TQM cannot create sustainable value unless coupled with a more innovative strategy. *Strategy and Business, Issue 23*, pp.15-16.

Concept and ideology: Issues and problems of Islamic banking.

Council of Islamic Ideology (CII), Pakistan. (1983). 'Elimination of interest from the economy', in Ziauddin, Ahmed et al.

Donsyah Yudistira. (2003). Efficiency in Islamic Banking: an Empirical Analysis of 18 Banks:

Dr. Mabid Ali Al-Jarhi. Islamic finance: an Efficient & equitable Option. *The Islamic Research and Training Institute*.

Dennis Olson, Taisier A. Zoubi. Financial Characteristics of Banking Industry in the GCC Region: Islamic Vs. Conventional Banks.

Erol. C. and R. El-Bdour. (1989). 'Attituded, Behaviour and Patronage Factors of Bank Customers Towards Islamic Banks: *International Journal of Bank Marketing*, Volume 7, No. 6, pp. 31-37.

Gafoor A.L.M. (1996). Interest Free Commercial Banking: A S Noordeen, Kuala Lumpur.

Gerrard, P. and J. B. Cunningham. (1997) 'Islamic Banking: A Study in Singapore', *International Journal of Bank Marketing*, Volume 15, No. 6, pp. 204-16.

Gillian Rice, Ph.D. and Essam Mahmoud, Ph.D. (2001). Integrating Quality Management, Creativity and Innovation in Islamic Banks: *Paper prepared for presentation at the American Finance House - Lariba 8th Annual International Conference, Pasadena, CA*.

Gopalakrishnan, Shanthi. (2000). Unraveling the links between dimensions of innovation and organizational performance: *The Journal of High Technology Management Research*, 11, 137-153.

Haron, S. Ahmad, N. and S. L. Planisek. (1994) 'Bank Patronage Factors of Muslim and Non-Muslim Customers: *International Journal of Bank Marketing*, Volume 12, No. 1, pp. 32-40.

Haroon and Noraffifah A. (2000). The Effects of Conventional Interest Rates and Rate of Profit on Funds Deposited with Islamic Banking System in Malaysia: *International Journal of Islamic Financial services*, 1, No.3,

Humayon a. Dar. Demand for Islamic Financial Services in the UK: Chasing a Mirage?

Iqbal, Zubair and Mirakhor, Abbas. (1987). Islamic Banking, International Monetary Fund: *Occasional Paper 49*, Washington D.C.

Irshad, S.A. (1964). Interest-Free Banking: *Orient Press of Pakistan*, Karachi

Kahf, Monzer. (1999). Islamic banks at the threshold of the third millennium. Special on Issue Islamic Banking: *Thunderbird International Business Review*, 41, 445-460.

Karim, R., Ali, A. (1989). Determinants of the financial strategy of Islamic banks: *Journal of Business Finance and Accounting* 16, 193-212.

Karsten, I. (1982). Islam and financial intermediation: *IMF Staff Papers*, (1):108-42.

Khan, M. Fahim. (1983). 'Islamic banking as practised now in the world' in Ziauddin, Ahmad et al. (eds.).

M. Kabir Hassan, Abdel-Hameed M. Bashir. Determinants of Islamic Banking Profitability.

Man, Z (1988). "Islamic Banking: The Malaysian Experiences", Islamic Banking in South East Asia, *Institute of South East Asian Studies*, Singapore.

Miriam Sophia Netzer. (2004). Riba in Islamic Jurisprudence: the role of interest in discourse on law and State. *Master of Arts in Law and Diplomacy Thesis*

Metawa, S A and Almosawi, M. (1997). "Banking Behavior of Islamic Bank Customers: Perspectives and Implications": *International Journal of Bank Marketing*, Vol. 16 No. 1, P. 32.

Mahmoud Amin El-Gamal. (2000). A Basic Guide to Contemporary Islamic Banking and Finance: Rice University.

Md. Abdul Awwal Sarker. Islamic business contracts, agency problem and the theory of the Islamic firm: *International Journal of Islamic Financial Services* Vol. 1 No.2

Mohamed Ariff. September 1988), Islamic Banking: University of Malaya, taken from *Asian-Pacific Economic Literature*, Vol. 2, No. 2 (pp. 46-62).

4 Islamic Financial Services. Pakistan: Financial Sector Assessment 2004.

Muhammad Mazhar Iqbal. A Broader Definition of Riba.

Mohsin, M. (1982). 'Profile of riba-free banking', in M. Ariff (ed.), above. Naqvi, S.N.H., 1981. Ethics and Economics: An Islamic Synthesis: *The Islamic Foundation*, Leicester.

Naser, K. Jamal, A. and K. Al-Khatib. (1999) 'Islamic Banking: A Study of Customer Satisfaction and Preferences in Jordan': *International Journal of Bank Marketing*, Volume 17, No. 3, pp. 135-50.

Overview of Islamic Banking in Malaysia: *Bank Negara Malaysia*.

Qureshi, Anwar Iqbal. (1946). *Islam and the Theory of Interest*, Lahore.

Radiah A K. (1993). *Performance and Market Implication of Islamic Banking (A Case Study of Bank Islam Malaysia Berhad): Unpublished PhD Thesis*.

Range of Islamic Banking Products and Services in Malaysia Deposit: *Bank Negara Malaysia* (2006).

Rogers, E. (1983). *Diffusion of Innovations*: Third Edition. *New York: Free Press*.

Rosenblatt, J., Laroche, M., Hochstein, A., Mctavish, R., and Sheahan, M. (1988). "Commercial banking in Canada: a study of the selection criteria and service expectations of treasury officers": *International Journal of Bank Marketing*, Vol. 6, No. 4, pp. 20-30.

Rosly, S. A., and Abu Bakar, M.A. (2003). Performance of Islamic and mainstream banks in Malaysia: *International Journal of Social Economics* 20, 1249-1265.

Shabbir h. Kazmi. (2002). *Islamization of Financial System in Pakistan: State Bank of Pakistan*

Simon, H. (1991). Bounded rationality and organizational learning: *Organization Science*. 2, 125-134.

Sudin Haron. *A Comparative Study of Islamic Banking Practices*.

Sudin Haron & Norafifah Ahmad. Perceptions of Malaysian corporate customers Towards Islamic banking products & services: *International Journal of Islamic Financial Services*, Volume 3, Number 4

Towards Islamic Banks: *International Journal of Banking Marketing*, Vol 7- 6, PP 31-9

Turnbull, P.W. (1983). Corporate attitudes towards bank services: *International Journal of Bank Marketing*, Vol. 1, No. 1, pp. 53-68.

Turnbull, P.W., and Gibbs, M.J. (1989). The selections of banks and banking services among corporate customers in South Africa: *International Journal of Bank Marketing*, Vol. 7, No. 5, pp. 36-39.

Tyler, K., and Stanley, E. (1999). UK bank-corporate relationships: large corporate expectations of Service: *International Journal of Bank Marketing*, Vol. 17, No. 4, pp. 158-172.

Uzair, Mohammad. ( 1955). An Outline of `Interestless Banking: *Raihan Publications*, Karachi.

Von Krogh, G. (1998). Care in knowledge creation: *California Management Review*. 40, Spring, 133-153.

Yahia Abdul-Rahma. Islamic Instruments for Managing Liquidity: *International Journal of Islamic Financial Services* Vol. 1 No.1