

PRINCIPLES OF ISLAMIC ECONOMICS

Course Curriculum

Objective: providing basic knowledge of the principles of Islamic economics and the Islamic economic system, developing skills necessary to appreciate an alternative to a commonly familiar approach of interpreting the economic behavior of men and women in the society, and helping the students probe liberally outside the frontiers of familiar forms of capitalist and socialist systems.

Course duration: This is an undergraduate course of (54) fifty-four contact hours, dispensed in one eighteen week semester and it earns three credits considered towards graduation.

Course Level and Pre-requisites: This course is intended for sophomores or juniors. One course on general introductory to Islam as a way of life, religion, system and culture is required. It is also advisable that the student should take a course on the principles of economics (Econ 101) before taking this course, but the course can be pursued without econ. 101 if the student has a reasonable general exposure to culture and economics.

Course outlines:

Fundamentals of human life, religion and economics:

Scope of religion and economics

Islamic Economics as a branch of Science.

Sources of knowledge in Islamic Economics.

Foundations of Islamic Economic analysis.

Macro and Micro Islamic Economic analysis.

Islamic economic system:

Philosophical foundations.

Role of Shari'ah in providing laws and norms.

Basic pillars of the Islamic Economic system.

Ethics, Morality and Economic Performance:
Mission of religion in general and the mission of Islam as a religion.
Islamic approach to economic behavior.
Moral drives of Islamic economic relationships.
Examples of the interplay of Moral drives.

The Institutional setting of the Islamic Economic system:

Zakah, Waqf, prohibition of Riba and Shari'ah legal Framework of Market.

-Zakah and its economic role

Definition and characteristics.

Comparison with taxes.

Analysis of economic effect.

-Waqf and its economic role:

Definition and characteristics.

Kinds of Waqf and their applications

Development of the third sector in Islamic history.

Waqf, trusts and endowments.

-Prohibition of Riba and alternative Financing modes

Riba and its prohibition.

Islamic mode of financing

Introduction to Islamic banking

-Shari'ah based legal framework of economic behavior

Private and public ownership

Economic freedom and law.

The moral blend of Islamic law

Micro economic theories: overview

Theory of consumer behavior.

Theory of the firm.

Theory of market and prices

Macroeconomic theories:

Definitions of macro variables and examples
Determinants of macro variables
Islamic theory of money
Role of State in the Islamic economic system
Theory of Economic policy.
Monetary policy: objectives and tools.

Public finance and fiscal policy:
Public goods and size of government
Islamic theory of Public expenditures
Islamic theory of Taxation
Principles, Role and management of public
debt.
Fiscal policy: objectives and tools.

Course Materials: No specific book is recommended, but all materials
will be Prepared for copying and distribution at the
beginning of the course