



Asian Journal of Research in Banking and Finance

Asian Research
Consortium

www.ajsh.com

ISSN: 2249-7323

Vol. 11, Issue 8, August 2021

SJIF –Impact Fact = 8.174 (2021)

DOI: 10.5958/2249-7323.2021.00014.6

ISLAMIC BANKING, A FUSION OF MORALS AND FINANCE- AN ANALYTICAL STUDY

Saptarsi Ganguly* ; Mriganka Gope**

*Junior Research Fellow,
Department of Commerce, University of Calcutta, INDIA
Email id: princerishi.070@gmail.com

**Teacher, Department of Commerce,
Umes Chandra College of Commerce, State-Aided College, INDIA
Email id: mrigankagope1234@gmail.com

ABSTRACT

In the contemporary eon, interest-free banking amenities were foremost presented by the Europeans as they were well cognizant of the fact that their Muslim counter-parts austerely verboten the practice of charging 'Riba' or interest on the lending. Islamic Banking has been an alluring form of banking practice since the early 7th century AD. Nevertheless, in the recent realm, its origin or approaching back to the limelight can be outlined back to the year 1971 when the Mit Ghamr scheme for savings was recognized in Egypt. The concerned research article purposes to deliver a transitory insight into the different instruments in Islamic Banking and also offers niceties regarding how Islamic Banking mechanism works. The concept of credit creation in Islamic Banking has been an area on which it has been persistently disparaged; the article also aims to shed light on the same.

KEYWORDS: *Contemporary, Lending, Riba, Islamic Banking, Credit creation.*

REFERENCES

- Basheer, M. F., KhorramI, A. A. A., & Hassan, S. G. (2018). Patronage factors of Islamic banking system in Pakistan. *Academy of Accounting and Financial Studies Journal*, 22, 1-9.
- Bidabad, B., & Allahyarifard, M. (2019). Assets and liabilities management in Islamic banking. *International Journal of Islamic Banking and Finance Research*, 3(2), 32-43.
- Chachi, A. (2005). Origin and development of commercial and Islamic banking operations. *Journal of King Abdulaziz University: Islamic Economics*, 18(2).
- Chong, B. S., & Liu, M. H. (2009). Islamic banking: interest-free or interest-based?. *Pacific-Basin finance journal*, 17(1), 125-144.

Ibrahim, M. (2019). Capital regulation and Islamic banking performance: A panel evidence. *Buletin Ekonomi Moneter dan Perbankan*, 22(1), 47-68.

Imam, P., & Kpodar, K. (2016). Islamic banking: Good for growth?. *Economic Modelling*, 59, 387-401.

Khan, M. N. (2013). Credit creation by conventional banks and islamic banking system. *Asian Journal of Multidimensional Research (AJMR)*, 2(3), 53-64.

Lajuni, N., Wong, W. P. M., Yacob, Y., Ting, H., & Jausin, A. (2017). Intention to use Islamic banking products and its determinants. *International Journal of Economics and Financial Issues*, 7(1).

Maghfuriyah, A., Azam, S., & Shukri, S. (2019). Market structure and Islamic banking performance in Indonesia: An error correction model. *Management Science Letters*, 9(9), 1407-1418.

Safiullah, M., & Shamsuddin, A. (2018). Risk in Islamic banking and corporate governance. *Pacific-Basin Finance Journal*, 47, 129-149