
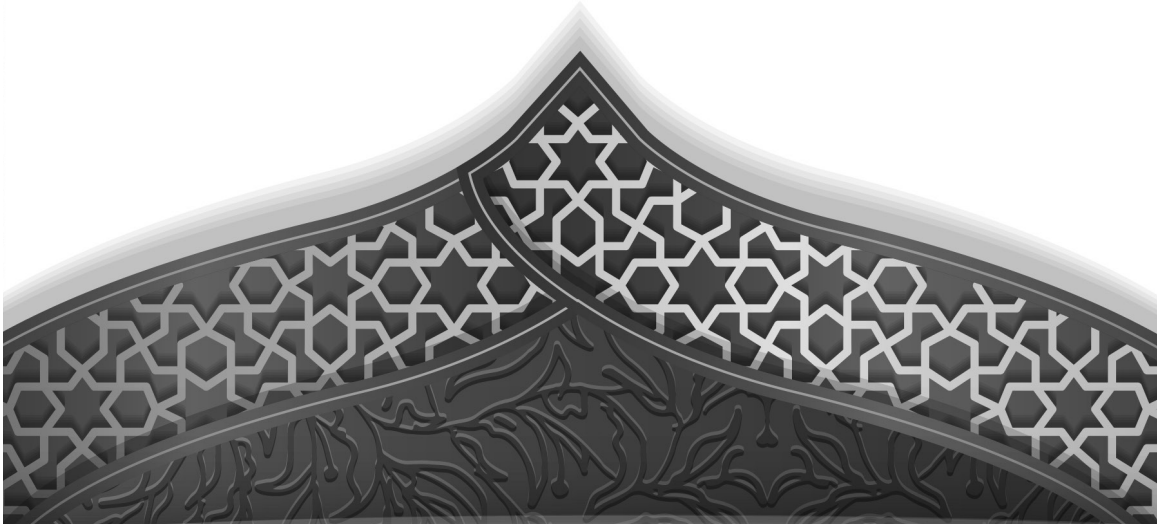


Readings in  
**ISLAMIC**  
**SOCIAL**  
**FINANCES**  
AND **ECONOMICS**








Readings in  
**ISLAMIC  
SOCIAL  
FINANCES  
AND ECONOMICS**



Editors  
Mohd Zulkifli Muhammad  
Hazriah Hasan  
Nur Farahiah Azmi

Copyright UMK PRESS, 2023

All rights reserved. No part of this publication may be reproduced, stored in production transmitted in any form, whether electronic, mechanical, photocopying, recording or otherwise, without having permission from the UMK Press.

	<p>Cataloguing-in-Publication Data Perpustakaan Negara Malaysia A catalogue record for this book is available from the National Library of Malaysia ISBN 978-967-0021-86-7</p>
---	--

Executive Producer: Azman Hashim. Copy Editor: Amirul Firdaus Zilah,  
Raihana Sulaiman. Acquisition Editor: Nur Fatimah Pahazri.  
Concept & Typesetting: Fatinah Ilias. Proof Reader: Zaliha Noor  
Technical Assistant: Mohd Suhairi Mohamad.

Published by:  
UMK Press  
Universiti Malaysia Kelantan  
Office of Library and Knowledge Management  
16300 Bachok, Kelantan  
(Member of Malaysian Scholarly Publishing Council (MAPIM))  
(Member of Malaysian Book Publishers Association (MABOPA))  
Membership Number : 201903)

Printed by:  
Percetakan Haji Jantan  
No. 12, Jalan 4/118C,  
Desa Tun Razak, Cheras,  
56000 Kuala Lumpur Malaysia.

# TABLE OF CONTENTS

List of Contributors	ix
List of Tables	xi
List of Figures	xiii
Preface	xv
<b>CHAPTER 1 INTRODUCTION TO ISLAMIC SOCIAL FINANCE AND ECONOMICS</b>	1
<i>Mohd Zulkifli Muhammad, Hazriah Hasan and Nur Farahiah Azmi</i>	
<b>CHAPTER 2 GAP ANALYSIS IN MAQASID SHARIAH ON THE VISION OF GREEN TECHNOLOGY FINANCING SCHEME (GTFS)</b>	11
<i>Hazriah Hasan, Ismail Ahmad, Mohd Zulkifli Muhammad, Mohd Asrul Hery Ibrahim and Nurul Hanin Izzat Sanin</i>	
<b>CHAPTER 3 BAITULMAL AS HEIRS IN BAITULMAL KELANTAN</b>	25
<i>Siti Mastura Syabudin, Siti Najiha Jamaludin, Siti Noorshakirah Abdul Mutalib, Siti Norain Zainuddin and Siti Rohana Mohamad</i>	
<b>CHAPTER 4 USAGE OF AR-RAHNU AMONG WOMEN ENTREPRENEURS IN KOTA BHARU, KELANTAN</b>	43
<i>Al Amin Mohd Purdzi, Ainul Syafiqah Abdul Aziz, Yuvashangkari A/P Ananthan, Zurain Mahamod and Mohd Afifie Mohd Alwi</i>	
<b>CHAPTER 5 THE UNDERSTANDING AND PRACTICES OF HIBAH AMONG MUSLIMPRENEURS IN KOTA BHARU, KELANTAN</b>	61
<i>Nur Fahda Ibrahim, Nur Faraleysa Khalid, Nur Fardiah Fauzi, Nur Fazira Faisal and Mohd Zulkifli Muhammad</i>	

<p><b>CHAPTER 6 DISCOVERING THE CONTRIBUTION EFFECTIVENESS OF SUCCESSFUL ASNAF'S ENTREPRENEURS TOWARDS ZAKAT INSTITUTION (MAIK)</b></p> <p><i>Nur Izzati Mohamed Nadzri, Nur Syazwani Mohd Shahimi, Nurul Safinah Mohamad Nasem, Nurul Syifa Aina Nordin and Noormariana Mohd Din</i></p>	<p>83</p>
<p><b>CHAPTER 7 FACTORS INFLUENCING THE INTENTION TO PREPARE WASIYYAH AMONG WOMEN MICRO ENTREPRENEURS</b></p> <p><i>Aimi Maisara Abdul Mutalib, Ainaa Khairunnisa Samsudin, Alia Waheeda Razlan, Alisha Laily Che Senoh and Mohd Nor Hakim Yusoff</i></p>	<p>95</p>
<p><b>CHAPTER 8 FACTORS OF CONSUMING HALAL PRODUCTS: CASE STUDY ON ISLAMIC BANKING AND FINANCE STUDENTS OF UNIVERSITY MALAYSIA KELANTAN</b></p> <p><i>Nor Fahira Abdullah, Nor Farahlina Shodikhin, Nor Hidayah Raman and Nor Laila Fitrah Abd Wahab and Nurhaiza Nordin</i></p>	<p>113</p>
<p><b>CHAPTER 9 HIBAH GIVING BEHAVIOUR AMONG ACADEMICIANS</b></p> <p><i>Nurul Nabilah Ishak, Nurul Natasha Ereena Jailani, Syakirah Mohd Ghouse, Wan Nur Syahirah Wan Azlan and Noormariana Mohd Din</i></p>	<p>135</p>
<p><b>CHAPTER 10 THE FACTORS THAT INFLUENCE THE CHOOSING AR-RAHNU OVER CONVENTIONAL PAWN SHOP IN PENKALAN CHEPA</b></p> <p><i>Norasaly Erawati Idayu Roslan, Norfazlinda Ruzzaley, Norhafizatun Muzamir and Norizzatil Mohd Yasak and Nurnaddia Nordin</i></p>	<p>147</p>

<b>CHAPTER 11 THE PERCEPTION TOWARDS TAKAFUL AMONG NON-MUSLIM CUSTOMERS IN ISLAMIC BANK IN KOTA BHARU, KELANTAN</b>	163
<i>Nur Amira Ab. Razak, Nur Amira Hazwani Hamzah, Nur Asiah Ali, Nur Athirah Alwani Mahadzir and Nurnaddia Nordin</i>	
<b>CHAPTER 12 THE LEVEL OF AWARENESS ON CASH WAQF AMONG THE MUSLIM IN KOTA BAHRU, KELANTAN</b>	175
<i>Siti Rohana Mohamad, Siti Rohani Ratmo, Siti Nurhazirah Yaacob, Siti Nur Auni Che Roizimi @ Che Rozidi and Siti Nur Ain Ab Aziz</i>	
<b>CHAPTER 13 CONCLUSION</b>	195
<i>Mohd Zulkifli Muhammad, Hazriah Hasan and Nur Farahiah Azmi</i>	
Index	199
Editors' Biographies	203





## LIST OF CONTRIBUTORS

**Ismail Ahmad**

Professor  
Arshad Ayub Graduate Business  
School  
Universiti Teknologi MARA, Shah  
Alam

**Mohd Nor Hakim Yusoff**

Associate Professor  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Hazriah Hasan**

Senior Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Mohd Zulkifli Muhammad**

Senior Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Noormariana Mohd Din**

Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Nurnaddia Nordin**

Senior Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Mohd Afifie Mohd Alwi**

Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan

**Siti Rohana Mohamad**

Lecturer  
Faculty of Entrepreneurship and  
Business  
Universiti Malaysia Kelantan



## LIST OF TABLES

Table 2.1	Maqasid Shariah and GTFS in Gap Analysis	20
Table 4.1	Theme of the Research	53
Table 6.1	The Result of the Contribution's <i>Asnaf's</i> Entrepreneur towards Zakat Institution (MAIK)	89
Table 6.2	The Result of Effectiveness the <i>Asnaf's</i> Program towards <i>Asnaf's</i> Entrepreneurs Income	89
Table 6.3	The Result of Contribution That <i>Asnaf</i> Received Based on Their Qualification	90
Table 7.1	Result of Profile of Respondents	99
Table 7.2	Result of Descriptive Analysis	101
Table 7.3	Result Validity of the Constructs	104
Table 7.4	Result of Reliability Test	105
Table 7.5	Result Goodness of Fit	105
Table 7.6	Result Multivariate Analysis and Hypothesis Testing	106
Table 8.1	Demographic Information	123
Table 8.2	Reliability Analysis	124
Table 8.3	Descriptive Analysis of Variables	125
Table 8.4	Correlations Analysis	125
Table 8.5	Coefficients Analysis	127
Table 9.1	Summary of Hypothesis and Determination	144
Table 10.1	Reliability Test	154
Table 10.2	Correlation Coefficient	154
Table 11.1	Reliability, Correlation and Regression	170
Table 11.2	Hypothesis and Result	171

Table 12.1	Respondent Demographic Profile (N=204)	182
Table 12.2	Reliability Test for Awareness on Cash Waqf	184
Table 12.3	Reliability Test for Information Level	184
Table 12.4	Reliability Test for Education Level	185
Table 12.5	Reliability Test for Type of Promotion	185
Table 12.6	Pearson Correlation Coefficient	185
Table 12.7	ANNOVA	187
Table 12.8	Coefficient	187
Table 12.9	Hypothesis Result	189

## LIST OF FIGURES

Figure 2.1	Green Technology Financing Scheme Performance Year 2010-2017 Gap Analysis	13
Figure 2.2	Gap Model of Service Quality	14
Figure 3.1	Research Framework	29
Figure 4.1	Triangulation Process of Research	52
Figure 5.1	Research Framework the Understanding and Practices of <i>Hibah</i> (Inter-Vivos) among Muslimpreneurs in Kota Bharu, Kelantan	68
Figure 5.2	Network View ATLAS.ti of the Understanding and Practices of <i>Hibah</i> among Muslimpreneurs in Kota Bharu, Kelantan	70
Figure 7.1	Multivariate Analysis	103
Figure 8.1	The Research Framework	121
Figure 11.1	Conceptual Framework	168
Figure 12.1	Research Framework on the Level of Awareness on Cash Waqf Among Muslim in Kota Bharu	180



## PREFACE

Chapra (2000) in his book *The Future of Economics- An Islamic Perspective* argues that economics, via its management of the economy, is the key towards the realization of a society's vision. Hence, Islam has its own vision and the purpose of Islamic civilization was aimed at the realization of social, political and economic system that support the developing of Islamic society. Until the era of colonization that distorted the beautiful system and thereby disrupting the progress of the social sciences. The history of Islamic was back to be free once again whilst regained the independence and Islamic economics rejuvenating back. The emerging Islamic social finance and economics fields has catered most attention and interest of many people.

In deliberating contemporary issues in social finance and economics, this book provides various chapters that covers essential readings on Islamic social finance and economics. This is a compilation of numerous empirical studies conducted by lecturers and students emphasized on the notion of Islamic social finance and economics. It has changing rapidly on a global scale and surely needs an extensive guideline from the know-how experts. We would like to use this occasion to express our sincere gratitude to the UMK's lecturers and students who contributed articles to making it possible for this edited book to be released.

Chapter 2 discussing the connection of *Maqasid Shariah* and Green Technology Financing Scheme (GTFS) via Gap Analysis. Then, Chapter 3 presents on *Baitulmal* as heirs in *Baitulmal* Kelantan. Furthermore, the discussion about ar-Rahnu exists in Chapter 4 as to incorporate the Islamic pawn-broking with women entrepreneurs in Kelantan. The next topic is on the Muslimpreneurs' understanding and practice on *hibah* in the Chapter

5, while the Chapter 6 exhibits on the successful *asnaf* entrepreneurs in Kelantan. Meanwhile, Chapter 7 elaborates on factors influencing *wasiyyah* preparations among women micropreneurs in Kota Bharu.

Adding to the list, the Chapter 8 investigates on the factors influencing students of Islamic Banking and Finance in UMK to consume Halal products. Later, the Chapter 9 writes on *hibah* giving behavior as in academicians in UMK. Chapter 10 examines on the selection within ar-Rahnu and conventional pawn-broking in Kelantan. Whereas, Chapter 11 and Chapter 12 interestingly study on the choice for Takaful among non-Muslims at Islamic banks and the awareness on cash Waqf among Muslims in Kota Bharu. In a nutshell, this book covers a vast scope in Islamic social finance and economics range from banking, ar-Rahnu, waqf, zakat and many others.

**Mohd Zulkifli Muhammad**

**Hazriah Hasan**

**Nur Farahiah Azmi**



# CHAPTER 1

## INTRODUCTION TO ISLAMIC SOCIAL FINANCE AND ECONOMICS

*Mohd Zulkifli Muhammad, Hazriah Hasan and Nur Farahiah Azmi*

Islamic social finance is a framework within Islamic social finance that promotes financial activities aimed at achieving social and humanitarian objectives while adhering to Islamic principles. It combines the principles of Islamic social finance, which are rooted in Shariah law, with a focus on addressing social welfare and community development. Islamic social finance encompasses various financial instruments and mechanisms designed to foster economic justice, alleviate poverty, promote social cohesion, and support sustainable development. Some key components of Islamic social finance include several components. First, *zakat* is an obligatory form of charitable giving in Islam. It involves the redistribution of wealth from the affluent to people in need. Muslims who meet specific criteria of wealth must give a portion of their wealth (usually 2.5%) to specified categories of recipients, such as the poor, the needy, debtors, and those working to collect and distribute *zakat*.

Second, *sadaqah* refers to voluntary acts of charity in Islam. It can be given at any time and in any amount and is considered a means of purifying wealth and earning blessings. *Sadaqah* can be used for various social welfare purposes, such as supporting education, healthcare, disaster relief, and community development projects. Third, *waqf* is a form of endowment where a person dedicates a specific asset, such as land or property, for a charitable purpose. The income generated from the endowment is used to support designated beneficiaries or specific social