
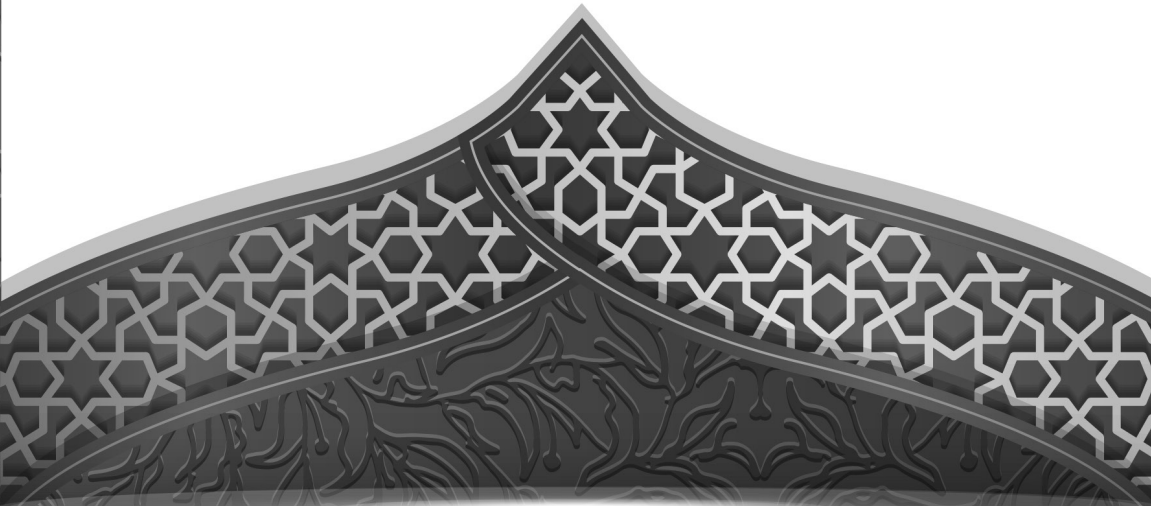


Readings in  
**ISLAMIC  
BUSINESS**  
AND  
**ENTREPRENEURSHIP**








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Editors  
Mohd Zulkifli Muhammad  
Azwan Abdullah  
Farah Hanan Muhamad

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## **PREFACE**

This book is a compilation of research projects by students of the Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan (UMK). The study contained in this book is the efforts of the final year students who have worked hard to complete their studies in their respective fields during the 6th and 7th semester of study. The study was conducted in a team and supervised by a supervisor assigned by the faculty. The compilation of studies in this book covers a wide range of topics from entrepreneurial, finance and business orientation in Malaysia. The study was carried out in qualitative and quantitative methodology.

As the researchers know, today's business, finance and entrepreneurial world is moving in line with technological developments. Technology advancements should be put in the good use to managing the successful of business and entrepreneurial activities. Therefore, the research presented in this book is intended to contribute to the development of business and entrepreneurship programs as well as to present new discoveries and ideas in the knowledge and research undertaken.

It is also hoped that the research done will have significant effects on knowledge, government policy and the sustainability of the business horizon and entrepreneurship. The study can also motivate and expose students to pursue higher education in future. The success of the students' research could not have been realized without the cooperation and guidance of the supervisors involved. Indeed, the perseverance and persistence of the supervisors in helping the students complete this study is greatly appreciated.

It is hoped that the compilation of this study will benefit everyone directly or indirectly. May this pure effort be rewarded by Allah SWT, and for the development of our future generation and prominence nation.

**Mohd Zulkifli Muhammad**

**Azwan Abdullah**

**Farah Hanan Muhamad**



# **CHAPTER 1**

## **INTRODUCTION TO ISLAMIC BUSINESS AND ENTREPRENEURSHIP**

*Mohd Zulkifli Muhammad, Azwan Abdullah and Farah Hanan Muhamad*

What are business and entrepreneurship in Islam? It is a rarely spoken subject, but Islam is all about value creation, and entrepreneurship is just a means to an end. Our prophet Muhammad (PBUH) was an entrepreneur. He was someone who generated true value in the world around him, not only through his company; but the way he did it. Creating a start-up or company is not Islam's main aim, but more importantly, how you accomplish it and what you end up doing with the returns from it. Business and entrepreneurship are the core of all Islamic values because it is all about creating value. Business and entrepreneurship create value for social, wealth creation, and economic growth. Business and entrepreneurship also give financial empowerment, enabling people to pass it on. As an entrepreneur, to improve their lives and society as a whole, one must create value for their customers. Therefore, business and entrepreneurship are fields needed to be explored by anyone. It is important for the development of religion, nation, and country. Businessmen or entrepreneurs are the ones who take the risk of starting or setting up a business or enterprise and working on it. Because of the increasingly dynamic business environment in which culture and religion are important for developing business relationships, Islamic business and entrepreneurship is a topic of business management study. This book's main goal is to see issues and trends of business and entrepreneurship from an Islamic perspective.

This book will begin with chapter two on Islamic business ethics in Small and Medium Enterprises (SMEs). Islamic business ethics is essential for SMEs industry. Islamic business ethics is essential not due