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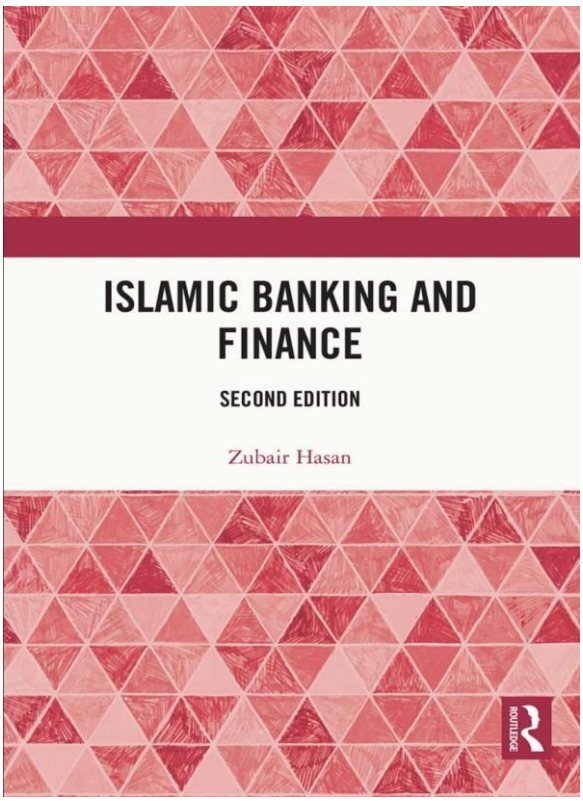
Islamic Banking and Finance: Book Review

ISLAMIC BANKING AND FINANCE, By Zubair Hasan, Routledge, 2023, 174PP, ISBN 978-1-032-36064-5. E-book. ISBN 978-1-003-36697-3, link of the book: https://www.routledge.com/Islamic-Banking-and-Finance-Second-edition/Zubair/p/book/9781032433639?srsltid=AfmBOoo6-JA38x9Plpm6NNXnZbPew6bAZ8QrcrR14lpkkc37d147iyw1

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INTRODUCTION



"Islamic Banking and Finance: Second Edition" by Zubair Hasan provides an in-depth exploration of the principles, practices, and theoretical underpinnings of Islamic finance. This book will be published in 2023. The book delves into the fundamental concepts of Shariah-compliant banking, offering a comprehensive overview of the prohibition of interest (riba), the importance of risk-sharing, and the promotion of ethical investments. Hasan meticulously explains various Islamic financial instruments such as mudarabah, musharakah, ijara, and sukuk, making the book an essential resource for understanding how Islamic banking operates differently from conventional financial systems. According to Čihák & Hesse (2010), these financial instruments are This is the fundamental principle in Islamic banking. Besides, the primary audience for this book includes students, academics, and professionals in the fields of finance, economics, and Islamic studies. It is also beneficial for practitioners in the banking sector who seek to implement or better understand Islamic financial principles. Hasan's clear and methodical approach ensures that readers, regardless of their prior knowledge of Islamic finance, can grasp the complexities and nuances of the subject. The book serves as both a textbook for educational purposes and a reference guide for industry professionals. This book is particularly important because it addresses the growing demand for ethical and socially responsible financial practices, which have become increasingly relevant in the global financial landscape. By providing a thorough analysis of Islamic banking and finance, Hasan contributes to the broader discourse on sustainable and

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equitable economic practices. His work not only educates but also inspires a shift towards more inclusive financial systems that align with ethical and religious values, thereby promoting financial stability and social justice.

GENERAL ASSESSMENT OF THE BOOK

"Islamic Banking and Finance: Second Edition" by Zubair Hasan is an outstanding contribution to the field of Islamic finance. Hasan's meticulous research and deep understanding of the subject matter shine through in every chapter, making complex concepts accessible and engaging. The clarity with which he explains intricate Islamic financial instruments and principles is commendable, allowing readers to easily grasp the distinctions and applications of Shariah-compliant banking. His scholarly yet practical approach ensures that the book is both informative and applicable to real-world financial scenarios.

One of the most praiseworthy aspects of this book is its comprehensive coverage. Hasan leaves no stone unturned, addressing everything from the theoretical foundations of Islamic finance to contemporary issues and future trends. His inclusion of case studies and practical examples is particularly beneficial, as it bridges the gap between theory and practice, offering readers a holistic understanding of the subject. This level of detail and thoroughness makes the book an invaluable resource for students, academics, and practitioners alike, ensuring it remains relevant and useful across various contexts.

Moreover, Hasan's writing style is both engaging and insightful, making the book a pleasure to read. His ability to convey complex ideas in a clear and concise manner is a testament to his expertise and dedication to the field of Islamic finance. The book not only educates but also inspires readers to appreciate the ethical and equitable principles underlying Islamic banking. "Islamic Banking and Finance: Second Edition" stands out as a seminal work that significantly contributes to the understanding and advancement of Islamic finance, and it is sure to be a cornerstone reference for years to come.

"Islamic Banking and Finance: Second Edition" by Zubair Hasan is meticulously structured to provide a comprehensive and coherent understanding of Islamic finance. The book is organized into several sections, each dedicated to a specific aspect of Islamic banking and finance, ensuring a logical progression from fundamental concepts to advanced topics. This structure allows readers to build their knowledge systematically, making it an effective learning tool for both novices and seasoned professionals in the field.

The book begins with an introductory section that lays the groundwork by discussing the basic principles of Islamic finance. Here, Hasan introduces key concepts such as the prohibition of riba (interest), the importance of ethical investments, and the principles of risk-sharing. This foundational section is crucial as it sets the stage for more detailed discussions in the subsequent chapters. Hasan ensures that readers have a solid understanding of the core values that underpin Islamic banking before delving into more complex topics.

Following the introduction, the book delves into the various financial instruments used in Islamic banking. Chapters in this section cover instruments like mudarabah (profit-sharing), musharakah (joint venture), ijara (leasing), and sukuk (Islamic bonds). Each financial instrument is explained in detail, with Hasan providing both theoretical insights and practical examples. This section is particularly valuable for practitioners who need to understand how these instruments can be applied in real-world scenarios, as well as for students who need to grasp their theoretical foundations.

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The third section of the book addresses the operational aspects of Islamic banks. Hasan discusses the unique management and governance structures of Islamic financial institutions, comparing them with conventional banks. He explores topics such as risk management, regulatory frameworks, and the role of Shariah boards in ensuring compliance with Islamic principles. This part of the book provides a thorough understanding of how Islamic banks function on a day-to-day basis and the challenges they face in a predominantly conventional financial system.

The final sections of the book are dedicated to contemporary issues and future trends in Islamic finance. Hasan examines the impact of globalization, technological advancements such as fintech, and the growing integration of Islamic finance into the global economy. He also discusses the potential for innovation within the sector and the challenges that lie ahead. These concluding chapters not only highlight the relevance and adaptability of Islamic financial principles in the modern world but also encourage readers to think critically about the future of Islamic banking and finance.

Overall, the structured approach of "Islamic Banking and Finance: Second Edition" ensures that readers are guided through the complexities of Islamic finance in a clear and logical manner. Hasan's methodical organization of the content makes it easier for readers to follow along and absorb the material, making this book an essential resource for anyone interested in the field.

Chapter 1 Introduction to Islamic Finance: The first chapter introduces the fundamental principles of Islamic finance, setting the stage for the rest of the book. Hasan explains key concepts such as the prohibition of riba (interest), the importance of ethical investments, and the foundational principles of risk-sharing and profit-loss distribution. This chapter serves as an essential primer for readers new to the subject, ensuring they have a solid understanding of the core values underpinning Islamic finance.

Chapter 2 Financial Instruments in Islamic Banking: In the second chapter, Hasan delves into the various financial instruments used in Islamic banking, such as mudarabah (profit-sharing), musharakah (joint venture), ijara (leasing), and sukuk (Islamic bonds). Each instrument is thoroughly explained with both theoretical insights and practical examples, illustrating how these tools are used in real-world financial scenarios. This chapter is particularly beneficial for practitioners looking to apply these instruments and for students seeking a deeper theoretical understanding.

Chapter 3 Operational Framework of Islamic Banks: Chapter three focuses on the operational aspects of Islamic banks, discussing their unique management and governance structures. Hasan compares Islamic banks with their conventional counterparts, exploring topics such as risk management, regulatory frameworks, and the critical role of Shariah boards in maintaining compliance with Islamic principles. This chapter provides readers with a detailed understanding of the day-to-day functions and challenges faced by Islamic financial institutions

Chapter 4 Case Studies and Practical Applications: The fourth chapter is dedicated to case studies and practical applications of Islamic finance principles. Hasan presents real-world examples of Islamic banking practices, demonstrating how theoretical concepts are implemented in various financial environments. This chapter bridges the gap between theory and practice, offering valuable insights for both academics and industry professionals.

Chapter 5 Contemporary Issues and Future Trends: In the final chapter, Hasan explores contemporary issues and future trends in the field of Islamic finance. He examines the impact of globalization, the integration of fintech, and the expansion of Islamic finance

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into the global economy. Hasan also discusses potential innovations and the challenges that the industry may face in the future. This chapter encourages readers to think critically about the evolving landscape of Islamic finance and its potential for growth and development.

By providing detailed explanations and practical insights in each chapter, "Islamic Banking and Finance: Second Edition" offers a comprehensive guide that is invaluable for students, academics, and professionals in the field of Islamic finance

CONCLUSION

"Islamic Banking and Finance: Second Edition" by Zubair Hasan provides a comprehensive exploration of Islamic finance through a well-structured approach across its chapters. The book begins by introducing the fundamental principles of Islamic finance, including the prohibition of riba (interest) and the emphasis on ethical investments and risk-sharing. It then delves into the various financial instruments used in Islamic banking, such as mudarabah, musharakah, ijara, and sukuk, offering both theoretical insights and practical examples. The operational framework of Islamic banks is thoroughly examined, highlighting unique management and governance structures, risk management, and regulatory frameworks, along with the crucial role of Shariah boards. Real-world case studies and practical applications are presented to bridge theory and practice, demonstrating how Islamic finance principles are implemented in actual financial contexts. The book concludes by addressing contemporary issues and future trends, including the impact of globalization, fintech integration, and the global expansion of Islamic finance, encouraging readers to consider the future challenges and innovations in the industry. This systematic and detailed exploration makes the book an invaluable resource for students, academics, and professionals in Islamic finance.

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