



KINGDOM OF SAUDI ARABIA
Ministry of Higher Education
KING ABDULAZIZ UNIVERSITY
ISLAMIC ECONOMIS INSTITUTE



EXECUTIVE MASTER IN ISLAMIC FINANCE







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Forward by the President of the University

Forward by the President of the University
With the Grace of Allah, King Abdul Aziz University pioneered in establishing the discipline of Islamic Economics after the 1st International Conference on Islamic Economics, which was organized by the University in 1396H – 1976G. Among the recommendations of the Conference is the recommendation that the University establish an international center for the study of Islamic Economics. The University adopted the recommendation and established the Centre, which has become a minaret to which everyone points, where it presented a number of academic works in the field of academic research, in the field of the development of academic curriculum, and in the field of organizing conferences and seminars. The Center won the Islamic Development Bank Prize for its efforts in serving Islamic Economics. Also, four of its researchers won this Prize, namely Prof. Dr. Mohammed Anas Al Zarqa (1412H); H.E. Prof. Dr. Mohammed Omar Zubeir (1415H); Dr. Rafiq Yunus Al Misri (1417H) and Prof. Dr. Mohammed Ali Al Qarri (1427H). Prof. Dr. Mohammed Najatullah Siddiqi, researcher in the Centre, won King Faisal International Prize in Islamic Studies in (1402H). It is worthwhile mentioning that Dr. Ali Ahmed Al Nadawi, who is currently working in the Institute, won King Faisal International Prize in Islamic Studies in 1424H in appreciation of his academic work on Juristic Maxims.



Then the approval of converting the “Islamic Research Center” into Islamic Economics Institute” in 1432H. This blessed approval has been an incentive for the Institute to enter into new important fields, such as the fields of teaching and training, in addition to its research activities. This reflects the pioneering role of King Abdul Aziz University and its positive discharge of its educational message to the coming generations, and to its positive contribution to the development of and to contribute, as well, to the Kingdom’s efforts aiming at becoming a source of civilizational and thinking



radiation center derived from Islamic thought and its eternal values. King Abdul Aziz University has moved steadily and persistently towards contributing effectively to building an international economic thought that would realize prosperity and social justice. A good example of such efforts is the cooperation agreements which it signed with many famous and ancient western universities, such as the University of Paris, Pantheon Sorbonne, where it established a “Chair of the Ethics and Controls of Financing”. As well as establishing the “Saudi-Spanish Center for Islamic Economics and Finance” in the IE University in Spain.

In continuity of the University’s efforts in serving Islamic Economics and providing its services to the community, the Islamic Economics Institute resolved to offer the Executive Master’s Degree Program in Islamic Finance. The Program aims at establishing the concepts and ethical bases on which the finance industry is based, in response to the need of financial institutions for skilled and well-trained human resources. It really a pleasure to see that this Program is the first of its kind at the level of Gulf and Arab universities. We hope the efforts of the Institute would continue to provide other study programs that would contribute to the realization of its message.

Deep and sincere thanks are due to the Custodian of the Two Holy Mosques, King Abdullah Bin Abdul Aziz and his Crown Prince, H.R.H. Salman Bin Abdul Aziz, for their patronage and support to the educational efforts and their keenness to develop the academic and professional abilities of the Saudi citizen. Special thanks are due to H.E. the Minister of Higher Education, Dr. Khalid Bin Mohammed Al Angari, who spared no effort to advance the course of higher education in this great country. Thanks also extend to include the management and staff of Islamic Economics Institute for their efforts since the time it was a Centre to the present day. I pray to Allah, the Almighty, to grant us His help and to enable us to serve our dear country and university.

Prof. Dr. Usama Bin Sadeq Tayyeb
President of the University

Forward by Vice President for Postgraduate Studies and Academic Research

King Abdul Aziz University bears many academic and educational messages which it tries to realize through the capabilities and resources it has, in order to advance society through pioneering cultural and academic distinction. The Program in Islamic Finance of the Institute of Islamic Economics represents a true translation of, and a response to, the sixth objective of the University's 2nd Strategic Plan. This objective is embodied in "advancing postgraduate programs in a manner consistent with the educational standards, academic research and community service".



The Islamic Economics Institute, out of its responsibility as an Institute specializing in Islamic Economic issues, noticed the increasing global interest in Islamic financial industry, a matter which led it to design and offer the Executive Master's Degree Program in Islamic Finance to become the link between the University and the private sector, which the nature of its work is concerned with the issues of banks and financing institutions. The Program aims primarily at qualifying and providing those working in banks and financial institutions with the state-of-the-art in this field through a number of programs and courses that relate to Islamic Finance.

King Abdul Aziz University in offering this Program through the Islamic Economics Institute, it is offering it out of its keenness to benefit those working in this field by sharpening their skills and familiarizing them with the successful academic experiences all over the world, and to learn about the developments in this field. The association with the Program would positively reflect on the benefits and growth of our society.

We pray to Allah, the Almighty, to grant the Islamic Economics Institute every success and advancement to provide more and more of such beneficial academic programs.

Prof. Dr. Adnan Bin Hamza Mohammed Zahid



A word by Dean of the Islamic Economics Institute

The Executive Master Program in Islamic Finance is the first degree offered by Islamic Economics Institute after three decades of persistent research work.

Perhaps the time to launch the program is opportune, after the storm of the Global

Financial Crisis has relatively subsided. This crisis has shaken the capitalist system and narrowed down the room for its maneuvering. After many financial and business cycles we were certain about the importance of the ethical dimensions in the financial industry on one side, and the importance of linking it to the real sector in order to become its servant and not its master, on the other.

All those responsible for the Program have been very enthusiastic about its future success since it has been a mere idea in mind until it has become a tangible reality. This enthusiasm was accompanied by well-considered deliberation in order for this newly born program of King Abdulaziz University to become distinct when compared with other programs within and outside the Kingdom of Saudi Arabia.

No doubt that success of the program hinges on the quality of its components, namely teaching staffs, books, students and appropriate educational environment. The Islamic Economics Institute has taken all this into consideration when preparing and then launching the program. Our wish is to achieve success with the Grace of Allah.

**Dr. Abdullah Qurban
Turkistani**





Islamic Economics Institute in Brief

About the Institute

The First International Conference on Islamic Economics was convened under the patronage of the late King Khalid Bin Abdulaziz in Makkah Al Mukarramah in Safar 1396 H. (February 1976). The Conference was a good opportunity for hundreds of Muslim economists and Shari'ah scholars from all over the world to meet. The Conference recommended establishing an international academic center for research in Islamic economics. The University Supreme Council adopted a resolution to establish the Center in 1397 H (1977 G.). Later this academic center was converted into the Islamic Economics Institute on 18/4/1432/11/ H. based on the Royal approval number 54727. Despite its recent establishment, yet the change has a deep inspiration. It strikes a balance between the recent past as embodied in the Centre for Research in Islamic Economics with all its achievements and pioneering role, at the level of theory and applications in Islamic Economics and Finance; and the promising future as embodied in the Islamic Economics Institute in its new structure. The most important objective of this Institute is to offer educational and training programs which could serve the private and public sectors. This is in addition to the distinct efforts of the Institute in academic research. The Executive Master's Program in Islamic Finance is the first of such educational programs, which derives its strength from the rich academic experience of the Institute and the high stature of King Abdulaziz University.





Local and International Relations

The Institute has links with a number of local and international academic institutions; the nature of its relationship with these institutions vary and range from specific projects to contracts and long-term agreements. Among the important agreements are the establishment of the Chair for Ethics and Financial Norms (CEFN) with the University of Paris I, (Pantheon-Sorbonne), Paris. (<http://cenf.univ-paris1.fr>), and the Saudi-Spanish Centre for Islamic Economics and Finance (SCIEF) with IE Business School, Madrid. (<http://www.scief.es>) .

At the national level, there is an agreement with the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank Group. This is in addition to scientific cooperation and coordination with the Islamic Fiqh Academy of the Organization of Islamic Cooperation (OIC). There are many institutions attached with the activities of the Institute, such as government and private universities and a number of financial institutions in the Kingdom.



Awards

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The Islamic Economics Institute (known formerly as Centre for Research in Islamic Economics) won in 1413 H. the Islamic Development Bank Prize for Islamic Economics. Besides, four researchers in the Institute won the same Prize in 1412 H., 1415 H., 1417 H. and 1424 H. A researcher in the Institute was awarded King Faisal International Prize (Islamic Studies) in 1402 H, and another winner of the King Faisal International Prize (Islamic Studies), is Currently a staff member of the Institute.





Executive Master in Islamic Finance





About the Programme

Importance of the Executive Program in Islamic Economics is multi-faceted. First, the academic deep-rootedness of the entity offering the program, namely the Islamic Economics Institute (IEI) of King Abdulaziz University. The University takes pride in its pioneering role in the field of Islamic Economics and Finance. Islamic Economics Institute is the first Institute created to study and research on Islamic Economics. The institute over the years has produced pioneering works in its specialized field and won international awards. IEI has a large specialized library.

This Program is designed to link private and public sectors of financial institutions. This program aims to consolidate the relationship between theory, application, and practice to rationalize/merge financial business and practices with ethical values, which is the minaret of Islam.

The selected students will have an important role in making this Program distinctive, as they are individuals with practical experience in the field of finance. They are expected to enrich the program through study, discussion groups, workshops and field studies.





Objectives of the Program



One can sum up the objectives of the Programme as follows:

- Laying foundation of Shari'ah and ethical concepts in Islamic Finance.
- Meeting the needs of Islamic financing institutions for human capital.
- Supporting and developing academic and practical skills.



Characteristics of the Programme

- Contribute to qualifying cadres of financial institutions with Who Should Join the Shari'ah, technical and legal perspectives in a mode that is appropriate to the needs and development of Islamic financial sector.
- Develop the capabilities of leadership in financial organizations in the Saudi financial sector to develop their business and to develop Islamic financial solutions that would support the competitiveness in the financial sector of the Kingdom.
- Contribute in keeping abreast and accommodating the modern developments in finance and banking industry in such a manner as to realize the Shari'ah objectives in the new financial products.
- program schedule during the weekend days.





Who Should Join

- Commercial and investment banks.
- Investment departments in shareholding companies and public organizations.
- Financing institutions and installment sale companies.
- Investment Funds.



Admission to the ProgrammeApplication

for admission to the Programme is through the Admission Portal in the Deanship of Postgraduate Studies of King Abdulaziz University after the general conditions of admission as stated in the Unified Regulations for Postgraduate Studies and Executive Education Rules of the University, which are as follows:

- A Bachelor degree.
- Pass the Aptitude Test for university students.
- Pass the English language test (TOEFL or equivalent).
- A detailed C.V.
- Two academic recommendations.
- A letter explaining the nature of the applicant's work.

In addition to the conditions of admission as stated in the Unified Regulations for Postgraduate Studies and Executive education

Rules of the University, the applicant

should meet the following condition:• Possess three years' experience in the field of specialization.

- Possess three years' experience in the field of specialization.





Medium of Instructions

English and Arabic



Requirements for Obtaining the Master's Degree

To obtain the Executive Master's Degree in Islamic Finance, a student must complete 42 Study Units distributed as follows:

Compulsory Courses	27 Study Units
Optional Courses	12 Study Units
Research Project	3 Study Units
Total	42 Study Units



Cost of Study

The cost of each Study Unit is (2,000 SR). The total cost of study in the Program is (84,000 SR).





The Courses

Course No.	Compulsory Courses	Credit Hours	Pre-requisit
ISFE 600	Principles of Islamic Finance	3	
ISFE 601	Fiqh of Contemporary Financial Transactions	3	
ISFE 602	Risk Management in Islamic Finance	3	
ISFE 603	Supervisory Laws of Islamic Financial Institutions	3	
ISFE 604	Design and Development of Islamic Financial Products	3	ISFE 600 ISFE 601
ISFE 605	Accounting and Auditing Standards in Islamic Financial Institutions	3	ISFE 601
ISFE 606	Financial Analysis	3	
ISFE 607	Corporate Financing from an Islamic Perspective	3	
ISFE 694	Scientific Research Methodologies	3	
ISFE 698	Research Project	3	

Course No.	Elective Courses	Credit Hours	Pre-requisit
ISFE 620	Islamic Financing Institutions	3	ISFE 600
ISFE 621	Maxims and Purposes of the Fiqh of Finance	3	ISFE 601
ISFE 622	Entrepreneurial Finance	3	
ISFE 623	Readings in Islamic Economics and Finance	3	
ISFE 624	Shari'ah Supervision and Audit	3	ISFE 601
ISFE 625	Islamic Capital Markets	3	ISFE 600
ISFE 626	Dispute Settlements in Islamic Finance Contracts	3	ISFE 603
ISFE 627	Marketing of Islamic Financial Products	3	
FIN 633	International Finance	3	ISFE 607
ECON 629	Economics of Markets	3	
ISFE 630	Islamic Finance and the Policy of Shari'ah	3	
FIN 631	Investment Analysis	3	ISFE 607
ISFE 632	Computational Finance	3	
ISFE 633	Economic and Transactions Jurisprudence Terminologies	3	



Study Plan

First Semester

ISFE 600	Principles of Islamic Finance
ISFE 601	Fiqh of Contemporary Financial
ISFE 622	Entrepreneurial Finance
ISFE 627	Marketing of Islamic Financial Products
Econ 629	Economics of Markets

Second Semester

ISFE 602	Risk Management in Islamic Finance
ISFE 603	Supervisory Laws of Islamic Financial Institutions
ISFE 607	Corporate Financing from an Islamic Perspective
ISFE 620	Islamic Financial Institutions
ISFE 621	Maxims and Purposes of the Fiqh of Finance
ISFE 632	Computational Finance





Third Semester

ISFE 605	Accounting and Auditing Standards in Islamic Financial Institutions
ISFE 606	Financial Analysis
ISFE694	Scientific Research Methodologies
ISFE 625	Islamic Capital Markets
ISFE 630	Islamic Finance and the Policy of Shari'ah
ISFE 633	Economic and Transactions Jurisprudence Terminologies
FIN 633	International Finance

Fourth Semester

ISFE 604	Design and Development of Islamic Financial Products
ISFE 698	Research Project
ISFE 623	Readings in Islamic Economics and Finance
ISFE 624	Shari'ah Supervision and Audit
ISFE 626	Dispute Settlements in Islamic Finance Contracts
FIN 631	Investment Analysis





Description of Courses

ISFE 600 Principles of Islamic Finance

The course aims to introduce principles, fundamentals and objectives of Islamic finance, in a comparative way with the foundations and principles of other contemporary financing regimes to highlight the characteristics of Islamic finance and its legislative, ethical, and behavioral norms. Among the principles that the course will cover are: the permissibility norm in transactions, entitlement to profit is related to risk bearing, the strict prohibition of Riba and stratagems, Gharar, gambling and the sale of what one does not possess.

ISFE 601 Fiqh of Contemporary Financial

The course aims to clarify the theory of financial contracts addressed by scholars both in the past and present on one hand, and contracts and financial issues arising from the development and practices of Islamic finance industry and its institutions on the other. The module will explore nominated financial contracts as explained in Islamic jurisprudence, and the derived or structured financial instruments that were developed as a result of the need for financial intermediation from an Islamic perspective.

ISFE 602 Risk Management in Islamic Finance

The course aims to study and determine types and sources of risks in Islamic finance and identify different ways to measure them. The course will also study the proposed means and tools for their management and their legitimacy from an Islamic perspective. In addition, the course will examine the challenges facing Islamic financial institutions in the implementation of international prudential standards.



ISFE 603 Supervisory Laws of Islamic Financial Institutions

The aim of the course is to study the supervisory laws governing the work of Islamic financial institutions and various legislative provisions in the conventional jurisdictions that can be used to accommodate these institutions. The course will also study the implications of such legislative measures on the work of these institutions. In addition, the course will study the standards developed by the Islamic Financial Services Board (IFSB) in this area.

ISFE 604 Design and Development of Islamic Financial Product

The course aims to study how Islamic financial products have been designed in the light of technical, legal and Shari'ah dimensions. The course also aims to highlight a methodology for developing these financial products so that the development is based on the foundations of Islamic Shari'ah on one hand, and can be applied in practice on the other.

ISFE 605 Accounting and Auditing Standards in Islamic Financial Institutions

The course aims to introduce the accounting standards developed by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The course will also study the relevant international accounting and reporting standards and their implications for IFIs.

ISFE 606 Financial Analysis

The course aims to study the tools used in evaluating the financial condition of enterprises, individuals, and projects to help managers, investors and financiers to take a decision on the activities at hand to provide financing based on various factors such as viability, profitability, solvency, liquidity, and others.



ISFE 607 Corporate Financing from an Islamic Perspective

The course aims to examine the financial decisions taken by corporations on capital and other sources of funds, the analytical methods and tools used for making such decisions, and the effect of the financial decision on other decisions of corporations from an Islamic perspective. The course will cover various topics like: time value of money, the relationship between risk and return, efficiency of markets, investment decisions, and cost of capital and financial decisions.

ISFE 620 Islamic Financial Institutions

The course aims to examine the structure and management of Islamic financial institutions. The course also aims to analyze the role of financial intermediation from an Islamic perspective and its impact on economic efficiency, and financial stability, through case studies and examples. The course will analyze the actual practices of banking and non-banking Islamic financial intermediaries, and the role that such institutions play in the Islamic financial system.

ISFE 621 Maxims and Purposes of the Fiqh of Finance

The course aims to present maxims and fundamental Shari'ah objectives that link constituent parts of the jurisprudence of financial transactions to overall fiqhi opinion, in order to impart an ability to understand and analyze new issues. The course will provide practical contemporary examples of these maxims and objectives.



ISFE 622 Entrepreneurial Finance

The course aims to introduce the means available and decision-making factors for arranging funds to start new projects or to expand existing ones. Innovative ideas using traditional, Islamic and mixed financing regimes will be highlighted. The course will cover various instruments like venture capital, and micro-financing techniques.

ISFE 623 Readings in Islamic Economics and Finance

The course aims to address a variety of topics of contemporary importance and relevance to the Islamic Economics and Finance disciplines, to develop analytical skills for research and discussion in important emerging issues. The module will discuss hot and debatable topics like debt reversal and its sale, Sukuk listings and the proposals that have been made for the development of an Islamic secondary capital market.

ISFE 624 Shari'ah Supervision and Audit

The course aims to highlight the role of Shari'ah Supervision and Audit on the work of Islamic financial institutions, through theoretical and practical analysis of the issue. The module will also cover the importance of Shari'ah Supervision and Audit in the work of these institutions. In addition the course will analyze the conditions that ought to be present in the persons who carry out such a task.

ISFE 625 Islamic Capital Markets

The course aims to provide an overview of the theory and practice of Islamic capital markets with the study of Islamic indices, the issuance and listing of instruments traded in these markets. The course will cover the importance and role of capital markets in contemporary economies and the Islamic alternative to conventional instruments that are utilized in current markets.



ISFE 626 Dispute Settlements in Islamic Finance Contracts

The course aims to study local and international mechanisms for settlement of disputes and how they apply to contracts and operations of Islamic financial institutions when conflicts arise among these institutions, and/or between them and their customers, and/or between them and other institutions.

ISFE 627 Marketing of Islamic Financial Products

The course aims to highlight the importance of marketing and its role in popularizing Islamic financial products with special attention on the moral foundations and the norms to be observed in the marketing process from an Islamic perspective. The module will cover the instruments utilized for the marketing of Islamic financial products. The course will also assess the effectiveness of such techniques in comparison to conventional instruments.

FIN 633 International Finance

The course covers multinational financial management, the determination of exchange rates, the international monetary system, foreign exchange market, currency futures and options markets, parity conditions in international finance and currency forecasting, and international financing markets. In particular, students learn how to quantify and manage risks arising from shifting exchange rates; and more generally, how to manage assets and liabilities in the international context.

Econ 629 Economics of Markets

The course aims to analyze macroeconomic indicators and their impact on financial markets and the subsequent investment decisions. The module will cover capital markets indices, unemployment and inflation rates, and the overall monetary and fiscal policies pursued by governments to impact economic activities.



ISFE 630 Islamic Finance and the Policy of Shari'ah

The course aims to highlight the importance and impact of Shari'ah policies and legislations on the financial and economic decisions of Islamic financial institutions to help decision makers of these institutions to draw their funding plans and programs based upon the constraints or requirements imposed by these legislations.

FIN 631 Investment Analysis

The course explores the investment environment, portfolio theory, the capital asset pricing model, single-index and multifactor models, arbitrage pricing theory, market efficiency, options market, option valuation, future market, swaps and performance evaluation, international diversification, and active portfolio management.

ISFE 632 Computational Finance

The course aims to introduce the applications of quantitative techniques and data analysis used in finance, with a focus on the most frequently used programs such as MATLAB and E-Views and their use in the operations of Islamic Financial Institutions and products.

ISFE 633 Economic Transactions and Jurisprudence Terminologies

The course aims to introduce the most important terms that are frequently used in the books jurisprudence of financial and economics transactions, so that the student can understand accurate and precise meaning of these terms when dealing with contemporary economic and financial issues. Among the terminologies that the module will cover are: Riba, Gharar, Qimar, and entitlement to return is related to risk bearing.



ISFE694 Scientific Research Methodologies

The course aims at introducing the student to the essential principles of scientific research and trains them accordingly to help them in preparing the scientific research and studies in Finance. The course discusses the steps and methodologies of scientific research, data analysis methods, and testing hypotheses.

ISFE 698 Research Project

The course aims at empowering the students by learning the skills of designing an academic research and determining its methodology, so that the student can undertake an applied research in Islamic finance. Then, the student will select a research topic dealing with an issue of Islamic finance and complete it under the supervision of a supervisor, according to the manual of writing scientific theses at the university.

Management of the Program

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