

## Term Information

Effective Term Spring 2020

## General Information

Course Bulletin Listing/Subject Area Economics  
Fiscal Unit/Academic Org Economics - D0722  
College/Academic Group Arts and Sciences  
Level/Career Undergraduate  
Course Number/Catalog 4797.02  
Course Title Islamic Banking and Finance  
Transcript Abbreviation Islamic Bank & Fin  
Course Description The course covers Islamic banking and finance in theory and in practice. Including a study abroad component to Malaysia for students to experience Islamic banking and finance in practice, students will be prepared to: 1-Understand the relation between culture/religion and the economy 2-Better understand Islamic finance vs. conventional finance 3-Learn the challenges of Islamic finance in practice.  
Semester Credit Hours/Units Fixed: 3

## Offering Information

Length Of Course 14 Week  
Flexibly Scheduled Course Never  
Does any section of this course have a distance education component? No  
Grading Basis Letter Grade  
Repeatable No  
Course Components Lecture  
Grade Roster Component Lecture  
Credit Available by Exam No  
Admission Condition Course No  
Off Campus Sometimes  
Campus of Offering Columbus

## Prerequisites and Exclusions

Prerequisites/Corequisites Prereq: ECON 2001.01, ECON 2001.02, ECON 2001.03H, ECON 2002.01, ECON 2002.02, ECON 2002.03H, or equivalent, is required while preferences will be given to students who have taken both ECON 2001 and ECON 2002.  
Exclusions  
Electronically Enforced Yes

## Cross-Listings

Cross-Listings

## Subject/CIP Code

Subject/CIP Code 45.0601  
Subsidy Level Baccalaureate Course  
Intended Rank Freshman, Sophomore, Junior, Senior

## Requirement/Elective Designation

The course is an elective (for this or other units) or is a service course for other units

## Course Details

### Course goals or learning objectives/outcomes

- (1) To understand the relation between culture/religion and the economy. How culture and religion have shaped financial institutions. Explain how financial decisions are based in cultural and religious beliefs.
- (2) To get a better understanding of Islamic finance compared to conventional finance. A successful student will be able to describe advantages and disadvantage of Islamic banking relative to conventional banking system.
- (3) Identify how cultural and religious values are present in public finance. Compare and contrast policy making in Islamic countries compare to others.
- (4) To learn how Islamic finance works in practice. A successful student will be able to understand how Islamic finance work in practice and its challenges in practice.

### Content Topic List

- Sources of Islamic Law
  - The Islamic Economy
  - Forms of Islamic Finance
  - Islamic Banks
  - Public Finance and the Monetary Authorities

### Sought Concurrence

No

## Attachments

- ECON 4797.02 Syllabus.docx: Syllabus  
*(Syllabus. Owner: Shilling,Melinda Anne)*
- ECON 4797.02 included in Curriculum Map.xlsx: Curriculum Map  
*(Other Supporting Documentation. Owner: Shilling,Melinda Anne)*
- ECON 4797.02 Credit Allocation.xlsx: Credit Allocation Rationale  
*(Other Supporting Documentation. Owner: Shilling,Melinda Anne)*
- ECON 4797.02 Syllabus\_ Update October 9 \_ 2019.docx: Updated Syllabus  
*(Syllabus. Owner: Shilling,Melinda Anne)*

## Comments

- See panel feedback emailed on 10-4-19. *(by Vankeerbergen,Bernadette Chantal on 10/04/2019 04:07 PM)*
- GE status has been removed from the request. We have decided to pursue adding GE status at a later time, after the course has been taught and we can better defend its ability to fulfill GE expectations. *(by Shilling,Melinda Anne on 09/10/2019 09:38 AM)*

**COURSE REQUEST**  
4797.02 - Status: PENDING

Last Updated: Haddad,Deborah Moore  
10/09/2019

**Workflow Information**

Status	User(s)	Date/Time	Step
Submitted	Shilling,Melinda Anne	05/10/2019 12:24 PM	Submitted for Approval
Approved	Peck,James D	05/10/2019 12:50 PM	Unit Approval
Approved	Haddad,Deborah Moore	05/10/2019 04:21 PM	College Approval
Revision Requested	Vankeerbergen,Bernadette Chantal	08/22/2019 01:56 PM	ASCCAO Approval
Submitted	Shilling,Melinda Anne	09/10/2019 09:38 AM	Submitted for Approval
Approved	Peck,James D	09/10/2019 09:41 AM	Unit Approval
Approved	Haddad,Deborah Moore	09/10/2019 09:47 AM	College Approval
Revision Requested	Vankeerbergen,Bernadette Chantal	10/04/2019 04:07 PM	ASCCAO Approval
Submitted	Shilling,Melinda Anne	10/09/2019 02:01 PM	Submitted for Approval
Approved	Peck,James D	10/09/2019 02:49 PM	Unit Approval
Approved	Haddad,Deborah Moore	10/09/2019 04:50 PM	College Approval
Pending Approval	Jenkins,Mary Ellen Bigler Hanlin,Deborah Kay Oldroyd,Shelby Quinn Vankeerbergen,Bernadette Chantal	10/09/2019 04:50 PM	ASCCAO Approval

**The Ohio State University  
College of Arts and Sciences  
Islamic Banking and Finance  
Econ 4797.02**

**Instructor:** Dr. Ida A. Mirzaie  
**Office:** 423 Arps Hall  
**Class Meetings:** Wednesdays, 12:10pm – 2:00pm  
**Location:** Jennings Hall 050  
**Office Hours:** Wednesdays, 2:30pm – 4:30pm  
**E-mail:** Mirzaie.1@osu.edu  
**Course webpage:** <https://carmen.osu.edu/>  
**Personal academic website:** <https://idamirzaie.academia.edu/>

**COURSE OBJECTIVES AND OUTCOMES:**

The course will cover Islamic banking and finance in theory and practice. This course is about (1) To understand the relation between culture/religion and the economy. How culture and religion have shaped financial institutions. Explain how financial decisions are based in cultural and religious beliefs. A successful student will be able to work in a financial institution which serves diverse clients. (2) To get a better understanding of Islamic finance compared to conventional finance. A successful student will be able to describe advantages and disadvantage of Islamic banking relative to conventional banking system. (3) Identify how cultural and religious values are present in public finance. Compare and contrast policy making in Islamic countries compare to others. (4) To learn how Islamic finance works in practice. A successful student will be able to understand how Islamic finance work in practice and its challenges in practice. The course includes a study abroad component that gives students the opportunity to experience firsthand how Islamic banking and finance are applied in practice.

**PRE-REQUISITES:**

Economics 2001 or 2002 is required, while preferences will be given to students who have taken both Economics 2001 and 2002.

**TEACHING METHODS**

The course is designed to encourage your active participation in and outside classroom. You are expected to come to class prepared to engage in class discussions. Teaching methods will include lecture, readings, discussions, and students' presentations. We will also use the discussion section of Carmen to discuss current events.

The course is divided to two sections. Before the Spring Break, we will cover the text book and conclude the segment with an exam. After the Break and our trip to Malaysia, we will focus on application and Islamic banking in practice.

## **REQUIRED TEXT**

Islamic Finance, Principles and Practice, Second Edition

Hans Visser, Professor Emeritus of Money and Banking and International Economics, Faculty of Economics and Business Administration, VU University, Amsterdam, the Netherlands

## **OTHER READINGS**

Scholarly articles and case studies on Islamic banking and finance from variety of sources

Apart from readings posted on the course page, it is essential to keep up with current development in Islamic banking.

## **INSTRUCTIONAL TECHNOLOGY**

- Top Hat, in order to actively participate in lectures and take in class quizzes, you need access to a computer or a cell phone capable of text messaging.
  - Please make sure that you use your OSU email while registering your account with Tophat.
- Carmen (in general, as a repository from which to download course notes and materials). News will be posted on the first page of Carmen. Carmen Discussion Board will be used for group work and class discussions. All grades will also be posted on Carmen's grade book.

## **STUDY ABROAD**

During the spring break, we will travel to Malaysia, one of the countries that practices Islamic banking and finance. The trip will not only include visits to financial hubs, but also an exposure to Malaysian culture in order to get a deeper understanding of its Islamic roots.

Academic activities during the trip will include visiting central bank of Malaysia, Islamic Financial Services Board, and visits to banks that works with Islamic banking and meet with branch managers. We are also looking to arrange meetings with one or two major companies in the area to learn firsthand about their experiences with Islamic finance. During each visit, we will have a customized presentation delivered by the host institution.

In addition to the above activities, we are planning to visit Pavilion KLCC, Batu Caves, and Putrajaya.

## **GRADING POLICY**

Your total grade will be calculated based on earning points on your exams, reflection papers, group projects and quizzes. Below, you find each item's weight in percentage points. You may earn up to 105 percentage points including extra credits.

Attendance and informed participation in each class:	20 percent
In class quizzes using TopHat, class discussions	10
Study Abroad _ Short Individual reflection papers (3)	5
Study Abroad _ Short group reflection papers (2)	5
Group Presentation & individual report:	40 percent

Two Exams:	40 percent
Total	100

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## **EXAMS**

There will be one midterm and one final exam as follows:

Midterm Exam: **Wednesday, February 26<sup>th</sup>, 12:10pm – 2:00pm**

Final Exam: **Thursday, April 25<sup>th</sup>, 2:00pm – 3:45pm**

Midterm exams will be given during lecture time. All exams will be given in our regular classroom. Midterm exam is not cumulative, while the final exam **IS** cumulative. The exam questions will be a mixture of multiple and short answer questions.

### **In Class Quizzes (10% of your grade)**

In class quizzes will be in multiple choice, short answer, and open ended question formats, and they will be given using Tophat during the lectures. These questions will be used to check your understanding of the covered materials during each class. It will also be used to encourage students to reflect on their learning. The grades will be assigned based on both participation and correct answers to questions when relevant.

Quiz grades will be based partly on your participation in answering Tophat questions and partly on the correctness of your answers. If you receive at least 85 percent of the grade on Tophat activities, you can receive the maximum points. This way, we are accounting for possible emergency cases that you might miss a class.

### **Study abroad Reflection Papers:**

During this trip, we are expecting to improve our understanding of the relation between culture/religion and financial institutions, to get a better understanding of Islamic finance compared to conventional finance, and to learn how Islamic finance works in practice. During our visit to Malaysia, you should keep a journal and record your experience daily. We will have daily informal meetings during breakfast to review our daily agenda and also reflect on our experience from the day before. A summary of these will be captured in the following reflection papers that you are expected to submit on Carmen. You may submit them daily, but not later than the Tuesday, March 17<sup>th</sup> at 8pm.

#### **Individual Reflection Papers (3 events, 5% of your grade)**

We will have different activities during the trip; three of them will be directly related to how Islamic Banking is used in practice. Each student is required to write two to three pages, typed and double spaced, reflection paper that details the information for each of these events and your observation of the place and people. You should also cover what you have learned and accomplished by attending this event. You may also share your thoughts and ideas in regard to your experience.

#### **Group Reflection Papers (2 papers, 5% of your grade)**

As a group, you will reflect on the trip both from academic and cultural points of views. You are expected to reflect on your learning as a group and summarize it in two short papers, one on each part of the experience. Each reflection paper should be 5-7 pages, typed and double spaced.

## **GROUP PROJECT: (400 points, 40% of your grade)**

The purpose of this project is to apply our learning in practice and to investigate how Islamic finance is done in real life and how it is compared and contrasted to other countries.

You are expected to work in groups of 3-5 students for this project. Each group will choose a topic related to Islamic banking to investigate. The topic will be applied to Malaysia and other countries of your choice in order to get an in depth understanding of the topic. Other countries of interests are the ones who practice Islamic banking completely or partially. Then, you should compare them with conventional banking practiced in the same county/countries or other countries of your choice.

Each group member will choose a sub-topic, either divided by countries or sub-product of your topic. By week 5, all sub-topics should be assigned.

We will have 15 minutes for group meetings during every lecture until presentations begin, after returning from Malaysia. All group members should attend these group meetings. If you are encountering unforeseen circumstances and are not able to attend the meetings continuously, you should discuss your situation with me ASAP. Each group should post a brief summary of their meetings on Carmen. The report should summarize the highlight of the group discussion and a progress report. Each group member should take turn in taking notes and posting the report. (50 points)

The presentation grade will be assigned based on **overall coverage, organization, and flow of information**. Credit will be given based on the content and **the clarity of presentations, and the ability to hold audience's attention**. You should use a Power Point presentation and any features of Power Point that you find appropriate for your work. **Each group member should cover their own sub-topic** while making sure that the coverage is **not repetitive and has a logical order in covering the information**. Each group will have 40 – 50 minutes for this presentation. (200 points)

Every group should prepare a handout for the class. The handout should highlight the important information covered in the presentation. (50 points)

Each group will provide feedback to presentations of other groups. The feedback should evaluate each presenter and the group presentation as a whole based on above criteria. (100 points).

## **GRADING SCHEME**

When assigning the letter grades for the course, the grading scheme below will be your minimum guaranteed grades. This means, if you earn 90 percent of the total points, you are guaranteed a minimum letter grade of A-. I will curve the grades at the end of the course, only if necessary, in order to make sure at least 20 percent of students receive A/A- and another 30 percent of students receive B-/B/B+.

Each individual grade item to three or four decimal places will be rounded up to a maximum of two decimal places. For example, 26.4357 will be rounded up to 26.44. The calculated total grade will also display to a maximum of two decimals and **no further rounding will take place when assigning the letter grades**.

## Grading Scheme A-E

		Range:
A	100 %	to 93.0%
A-	< 93.0 %	to 90.0%
B+	< 90.0 %	to 87.0%
B	< 87.0 %	to 83.0%
B-	< 83.0 %	to 80.0%
C+	< 80.0 %	to 77.0%
C	< 77.0 %	to 73.0%
C-	< 73.0 %	to 70.0%
D+	< 70.0 %	to 67.0%
D	< 67.0 %	to 60.0%
E	< 60.0 %	to 0.0%

### **ACADEMIC INTEGRITY (ACADEMIC MISCONDUCT)**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's *Code of Student Conduct*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's *Code of Student Conduct* and this syllabus may constitute "Academic Misconduct."

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

### **Disability Statement**

**The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12<sup>th</sup> Avenue.**

**CAUTION:** This course requires more than the memorization of a few facts and definitions. More importantly, it requires time and reflection.

***WELCOME TO THE CLASS, AND REMEMBER THAT NOTHING IS BEYOND THE REACH OF DETERMINATION AND HARD WORK!***

***I wish you all the best!***

## **Topics and Approximate Date of Coverage**

### **Week One, Week of January 6**

Introduction to the course

Chapter 1: Why Islamic Finance? Why Malaysia?

### **Week Two, Week of January 13**

Chapter 2: Sources of Islamic Law

Primary and secondary sources, law schools and Sharia law

### **Week Three, Week of January 20**

Chapter 3: The Islamic Economy

*Zakat, Riba, Gharar Maysir*, and the Islamic economic order

### **Week Four, Week of January 27**

Chapter 4: Forms of Islamic Finance

PLS and non-PLS finance, and legal issues

### **Week Five, Week of February 3**

Chapter 5: Islamic Banks

The liabilities of Islamic banks, problems with Islamic assets, and the practice of Islamic banking

### **Week Six, Week of February 10**

Chapter 6: Special Sectors

Insurance, home finance, and investment

### **Week Seven, Week of February 17**

Chapter 7: Public Finance and the Monetary Authorities

Public finance, monetary policy, and supervision of the financial sector

### **Week Eight, Week of February 24**

Chapter 8: Islamic Finance: A Tentative Verdict

Pros and cons in comparison with conventional finance

## **Midterm Exam, Chapters 1 - 8**

### **Week Nine, Week of March 2**

Preparing for the trip

Understanding the other culture: dress codes for sightseeing and visits, what to prepare in advance, cultural considerations and what to expect

Group work in collecting information \_ 10 minutes' power point presentation per group

## **Spring Break, March 7-14, Study abroad, trip to Malaysia**

\*The following schedule is subject to change.

### **Spring Break, March 7<sup>th</sup>**

Depart USA

**Spring Break, March 8<sup>th</sup>**

In flight

**Spring Break, March 9<sup>th</sup>**

Arrive in Malaysia and check-in to hotel

Group lunch

Cultural Excursion to Pavilion KLCC

Group welcome dinner

**Spring Break, March 10<sup>th</sup>**

Group breakfast

8:30am Business Meeting / Guest Speaker

Group lunch

1:00pm Business Meeting / Guest Speaker

Free time for dinner

**Spring Break, March 11<sup>th</sup>**

Group breakfast

8:30am Business Meeting / Guest Speaker

Half-Day Cultural Excursion to Putrajaya

Free time for dinner

**Spring Break, March 12<sup>th</sup>**

Group breakfast

8:30am Business Meeting / Guest Speaker

Group lunch

1:00pm Business Meeting / Guest Speaker

Free time for dinner

**Spring Break, March 13<sup>th</sup>**

Group breakfast

Full Day Cultural Excursion to Batu Caves

Group lunch

Group farewell dinner

**Spring Break, March 14<sup>th</sup>**

Breakfast

4:30 depart hotel

Depart Malaysia

**Spring Break, March 15<sup>th</sup>**

Arrive in USA

**Week Ten, Week of March 16**

Trip Reflections

Presentations begin

**Week Eleven, Week of March 23**

Presentations

Country specific application

**Week Twelve, Week of March 30**

Presentations

Country specific application

**Week Thirteen, Week of April 6**

Presentations

Country specific application

**Week Fourteen, Week of April 13**

Presentations

Country specific application

**Week Fifteen, April 20**

Last day of class, wrap up

**Final Exam, Comprehensive Exam, Thursday, April 25<sup>th</sup>, 2:00pm – 3:45pm**