

Course Syllabus for Post Graduate Diploma in Islamic Economics



**International Institute of Islamic Economics and
Finance (IISEF)**

Geneva School of Business and Economics

July 2021

Background

The Post Graduate Diploma in Islamic Economics is a 3 - 6 months program that focus on both micro and macro economics from Islamic perspective. This is highly an academic course, prepares the students for master degree or prepares them to work in Islamic bank on consultancy position.

Admission Eligibility

To be admitted to the program, students must have a basic knowledge of English language and bachelor degree

Duration of the course

The duration of the course will be 3 – 6 months (Students have flexibility of studying the program at their own pace and can complete within 24 months). Average completion time is 8 weeks.

Medium of Instruction

Medium of Instruction will be English.

Mode of study: Distance learning. Students will be provided access to our learning management system to access E-learning materials. The students need to complete the assessments given at the end of each module.

Course Number		Credit
ISCON110	Introduction to Economic systems	3
ISCON120	Foundation of Islamic Economic paradigm	3
ISCON130	The Islamic Economic system	3
ISCON140	Basics of micro economics	3
ISCON150	Basics of macro economics	3
ISCON210	Macro economic equilibrium in Islamic economics	3
ISCON220	The Islamic financial system and economics	3
ISCON230	Fiscal policy in Islamic economy	3
ISCON240	Monetary policy in Islamic economy	3
ISCON310	Mini thesis	6
	Total credits	33

Grading policy

Letter grade	Criteria	Position
A+	95 or above	Excellent
A	90 or above	Very good
B+	85 or above	Good
B	80 or above	Average
C+	75 or above	Pass
C	70 or above	Marginal Pass
F	Below 70	Fail

Modules

ISCON110 Introduction to Economic systems (3 Credits)

This module introduces the economic systems and differentiate Islamic system with western market capitalist system. Learning objectives:

- 1. The differences between economic systems and the role that government plays.*
- 2. How the ideal Islamic system differs from the Western market capitalist system.*
- 3. The role of markets and how they differ in Islam and in the market capitalist system.*
- 4. What institutions are and why they matter for economic prosperity.*
- 5. Governments have an important role no matter the system.*

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON120 Foundation of Islamic Economic paradigm (3 Credits)

This module introduces the Islamic economic system by emphasizing on importance of justice in Islam, how the justice is linked with economic system and Islamic law and Islamic economics are inter related. *Learning objectives:*

- 1. How Islam differs from other religions.*
- 2. The difference between individual and societal goals in Islam.*
- 3. The importance of rules (i.e., institutions) and rule compliance in Islam.*
- 4. Why justice is so important in Islam.*
- 5. The role of Shariah in Islamic economics and finance.*
- 6. The meaning of maqasid-al-Shariah (objectives of Shariah).*
- 7. The foundational elements of Islamic teachings.*
- 8. The importance of agent-trustee in Islam and in preserving the rights of all generations.*

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 130 The Islamic Economic system (3 Credits)

The Islamic economic system formed based on justice concepts in Islam. The Islamic finance is part of Islamic economic system and basis of Islamic finance is justice. This module differentiate both conventional and Islamic financial system and explains how the concept of interest influence both the system.

Learning objectives:

1. Role of justice and ethics in the Islamic system.
2. Manifestation of justice in policies in Islam.
3. The differences between the Islamic and conventional financial systems.
4. Why interest and interest-based debt instruments are prohibited in Islam.
5. Role of government in the Islamic and in the conventional financial systems.
6. Importance of ethical behavior in Islam.
7. Importance of modest lifestyles and sharing of income and wealth in Islam.
8. Islam's requirement that individuals be ethical and unselfish.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 140 Micro economic concepts (3 Credits)

Micro economics concepts plays vital role in understanding the over all economic system. Micro economics concepts explain how demand, supply and equilibrium works in a capital market economy. This module introduces conventional micro economic concepts with Islamic economic concepts.

Learning objectives:

1. How consumers and producers form their decisions.
2. How these decisions differ in Islam from those in the conventional system.
3. How supply and demand functions are determined and how price equilibrium is reached in markets.
4. The role and importance of markets in efficient resource allocation.
5. Role of the state and its policies in an economic system.
6. Difference between needs and wants.
7. Determinants of supply and demand curves.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 150 Macro economics concepts

Macro economics deals with over all performance of an economy which can be defined as country or region. Macro economy would describe the output of the country, it' employment, production and internal exchange. The module explain the macro economics in general not specifically with Islamic economic concepts.

Learning objectives:

1. How economic output is measured.
2. Why economic output from the depletion of natural resources is not the same as other output of goods.
3. How economic output is determined.
4. Determinants of consumption and investment functions.
5. What unemployment and inflation are.
6. Why there is unemployment and inflation.
7. Impact of government expenditures and taxes on economic activity, employment, and national debt.
8. Why countries trade and the role of exchange rates.
9. Why government policies have an important role in achieving full employment and stable prices.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 210 Macro economic equilibrium in Islamic economics

In an Islamic financial system, all financial arrangements are based on sharing risk and return. Hence, all financial assets are contingent claims, and there are no debt instruments with fixed and/or predetermined rates of return. This module links the interest with financial system. The module explores the prohibitions of interest-based instruments in Islamic finance and how Islamic financial instruments contribute to the better of overall well-being economy.

Learning objectives:

1. The prohibition of fixed interest-bearing debt instruments and economic management.
2. Islamic-endorsed assets and the needed range of financial instruments for macroeconomic analysis.
3. In the Islamic system, the return on financial instruments and its link to the real sector.
4. In the Islamic system, the link between the real and the financial sectors and its one-to-one mapping.
5. Stable economic equilibrium without interest-bearing debt instruments.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 220 The Islamic financial system and economics

The primary role of a financial system is to create incentives and mechanisms for an efficient allocation of financial and real resources for competing aims and objectives across time and space. The module links the economy, the traditional financial system with Islamic financial system.

Learning objectives:

1. The essential role and functions of a financial system.
2. The link between the real and the financial sector.
3. The notion and implications of risk sharing in finance.
4. The contrast between conventional and Islamic banking.
5. The menu of permissible and prohibited instruments and the nature of risk-sharing financial assets.

6. The form of Islamic insurance.
7. The nature of Islamic capital markets.
8. The importance of vibrant stock markets in the Islamic system.
9. The stability and growth implications of the Islamic financial system.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 230 Fiscal policy in Islamic economy

The role of the state in an Islamic economy is to ensure that everyone has equal access to resources and a means of livelihood; that there are rewarding employment opportunities for all those who can work; that market rules, regulations, and supervision minimize business uncertainties so that justice is attained and transfers take place from the more able to the less able; and that distributive justice is ensured for the next generation.

Learning objectives:

1. The goals and objectives of fiscal policy in the conventional and the Islamic systems.
2. The role and importance of societal welfare in Islam.
3. The instruments of fiscal policy in the conventional system.
4. The instruments of fiscal policy in the Islamic system.
5. The financing (taxation and borrowing) of government expenditures in the conventional and in the Islamic system.
6. The workings of the multiplier.
7. The difficulty of achieving full employment and stable prices.
8. The implications of deficit financing and national debt.
9. The workings and limitations of fiscal policy in the longer run.
10. Waqf as a complementary fiscal instrument in Islamic finance.
11. The role of built-in stabilizers.

12. The arguments for and against different forms of taxation.
13. The concept of public-private partnerships.
14. National participation papers as a financial instrument.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 240 Monetary policy in Islamic economy

The most important objective of monetary policy is to influence the portfolio decisions of the private sector (consumers and producers). Monetary policy manipulates the incentive structure of the private sector in terms of credit availability to induce portfolio adjustment in the demand of this sector. Monetary policy is normally implemented by a country's central bank. The module explore the goals of the monetary policy, instruments, linking to the non-interest-bearing system.

Learning objectives:

1. The goals and objectives of monetary policy in the conventional and Islamic system.
2. The instruments, channels, and impact of monetary policy in the conventional and the Islamic systems.
3. The different views regarding the effectiveness and track record of discretionary monetary policy.
4. The monetary policy role of commercial banks in the two systems.
5. Lags in monetary policy.
6. The complementary role of monetary policy to fiscal policy.
7. The short-run and long-run trade-offs between inflation and employment.
8. The role and monetary instruments of central banks in the conventional and the Islamic systems.

9. The non-interest-bearing securities of monetary policy in the Islamic system.
10. The potency and directness of monetary policy in the Islamic system.

Assessments: Students need to complete end of chapter questions. There is no limitation on word count. Minimum expected word count is 500 words.

ISCON 310 Mini thesis

Students need to complete 2000 word mini thesis on Islamic economics or finance. Students have freedom to select the thesis topics.