

ISLAMIC WEALTH MANAGEMENT VS
CONVENTIONAL WEALTH MANAGEMENT

By:

YOUSUF BASHE AHMED

A research project submitted in fulfillment of the
requirements for the degree of
B.I.B.F. (HONS) (ISLAMIC BANKING AND FINANCE)

KULLIYYAH MUAMALAT
INSANIAH UNIVERSITY COLLEGE

JULY 2012

ABSTRACT

The purpose of this study is to investigate theoretical framework model of Islamic wealth management and conventional wealth management which might deliver a new enlightenment on significant factors that may influence customer a public learn more on how to manage their wealth. Research design approach, based on previous research finding, most significant determining factor that influence the Islamic banking customer to choose over conventional banking has been identified and proposed in the framework.

This study is expected to contribute to the knowledge in the wealth management and also to be explored in deeply in future because of the limitation of the information access and short period of time in conducting in this study. For this study, the data and information has been collected and extracted from different kinds of sources which include previous researchers and reviews, magazines, news papers published different regions online search.

It is hoped that this study may provide not only bank managers, but also the governments of Islamic countries, with a better understanding and a guideline to enhance the financial positions of Islamic banks.

TABLE OF CONTENTS

TITLE	PAGE NO
SUPERVISOR'S DECLARATION	i
STUDENT'S DECLARATION	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
TABLE OF CONTENTS	v

1. INTRODUCTION

1.0 Introduction	1
1.1 Background of the study	2
1.1.1 Wealth Management Cycle	4
1.1.2 Limits set by Allah	6
1.1.3 How Malaysia manage their wealth	9
1.1.4 Challenges in Islamic wealth management services	9
1.1.5 Conventional vs. Islamic wealth management	10
1.2 Problem statement	11
1.3 Research questions	12
1.4 Research objectives	12
1.5 Scope of the study	13
1.6 significant of the study	13

2. LITERATURE REVIEW

2.0 Literature review	16
-----------------------------	----

3. RESEACH METHODOLOGY

3.0 Research Design	23
3.1 expletory study	24
3.2 research framework	24
3.3 depend variable	27
3.4 In depend variable	28
3.5 distribution of wealth	29
3.5.1 Islamic perspectives	29
3.5.2 Conventional perspectives	30
3.5.2.1 Inheritance and estate taxes	30
3.6 Dividend paid to shareholders	32
3.6.1 Islamic perspectives	32
3.6.2 Conventional perspectives	32
3.6.3 Forms of payment	33
3.7 Employees salaries.....	35
3.7.1 Islamic perspective	35
3.7.2 Conventional perspective	36

4. DICUSSIONS

4.0 Introduction	38
4.1 Wealth Management	39
4.2Distribution of wealth	40

4.3 Dividends paid to shareholders.....	41
4.4 Employees' salaries and other benefits	43
4.4.1 Objectives of the salary and benefits policy	44

5. RECOMMENDATION AND CONCLUSION

5.0 Discussion	45
5.1 Objectives 1	46
5.2 Objectives 2.....	47
5.3 Objectives 3	47
5.4 Objectives 4	48
5.5 Objectives 5	48
5.6 Recommendation	49
5.7 Limitation of the study	50
5.8 Conclusion	51
5.9 References	53