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**COMPARITIVE ANALYSIS BETWEEN ISLAMIC AND
CONVENTIONAL FINANCIAL SYSTEMS IN THE LIGHT OF
ISLAMIC SHARIAH'S OBJECTIVES**



By:

Ismail Haroon

Muhammad Azhar-Ud-Din

BS (Accounting and Finance)

Supervisor

Mr. KHALID HUSSAIN

Department of Management Sciences

Bahria University, Islamabad

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Abstract

Islamic banking is focused on morality which really distinguish it from conventional banking. Most argue that Islamic banking could be a more morally appealing alternative because its foundations are derived from Islam. Evidence shows, however, that this is not the case. Indeed, Islamic banking's current practice has failed to generate its goals based on the moral principles of Islam: enhancing justice, fairness, and social well-being. This essay examines the degree to which Islamic banking is ethical and concludes that the industry's practice does not seem de facto ethical from the Islamic ethical values perspective. Islamic banking practice misinterprets Islam and does not help to solve social issues. The interaction between qiyas and maqasid al-shari'a is one supplementary way to interpret their failure of the prior in terms of Islamic banks' practical misuse of the latter. Interpretive approach has been used in this essay to the current argument about why Islamic banking has failed and suggests ways to move cautiously in the future.