CHAPTER 6

FINDINGS, CONCLUSION

AND SUGGESTIONS.
CHAPTER 6  
FINDINGS, CONCLUSION AND SUGGESTIONS

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>TITLE</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>SUMMARY OF THE STUDY</td>
<td>306-307</td>
</tr>
<tr>
<td>6.2</td>
<td>FINDINGS</td>
<td>308</td>
</tr>
<tr>
<td>6.2.1</td>
<td>FINDINGS BASED ON DESCRIPTIVE ANALYSIS</td>
<td>308-321</td>
</tr>
<tr>
<td>6.2.2</td>
<td>FINDINGS BASED ON INFERENTIAL ANALYSIS</td>
<td>322-328</td>
</tr>
<tr>
<td>6.2.3</td>
<td>GENERAL FINDINGS</td>
<td>329</td>
</tr>
<tr>
<td>6.3</td>
<td>CONCLUSIONS OF THE STUDY</td>
<td>329</td>
</tr>
<tr>
<td>6.3.1</td>
<td>CONCLUSIONS BASED ON DESCRIPTIVE ANALYSIS</td>
<td>329-330</td>
</tr>
<tr>
<td>6.3.2</td>
<td>CONCLUSIONS BASED ON INFERENTIAL ANALYSIS</td>
<td>330</td>
</tr>
<tr>
<td>6.4</td>
<td>SUGGESTIONS OF THE STUDY</td>
<td>331</td>
</tr>
<tr>
<td>6.4.1</td>
<td>SUGGESTIONS TO THE ISLAMIC BANKS AND CONVENTIONAL BANKS</td>
<td>331-332</td>
</tr>
<tr>
<td>6.4.2</td>
<td>SUGGESTIONS FOR THE SEBI</td>
<td>332</td>
</tr>
<tr>
<td>6.4.3</td>
<td>SUGGESTIONS FOR THE MUTUAL FUND HOUSES</td>
<td>332</td>
</tr>
<tr>
<td>6.4.4</td>
<td>SUGGESTIONS FOR THE GOVERNMENT</td>
<td>333</td>
</tr>
<tr>
<td>6.4.5</td>
<td>SUGGESTIONS FOR THE MUSLIM SALARIED PEOPLE</td>
<td>333-334</td>
</tr>
<tr>
<td>6.4.6</td>
<td>SUGGESTIONS FOR THE ECONOMIC POLICY PLANNER</td>
<td>334</td>
</tr>
<tr>
<td>6.5</td>
<td>SCOPE FOR FURTHER STUDY</td>
<td>335</td>
</tr>
</tbody>
</table>
CHAPTER 6
FINDINGS, CONCLUSION AND SUGGESTIONS

6.1 SUMMARY OF STUDY:

Islamic finance has grown rapidly over the past decade, and its banking segment has become systemically important in number of countries in a wide range of regions. Islamic finance is projected to continue to expand in response to economic growth in countries with large and relatively unbanked Muslim populations. Islamic Financial Planning follows the principles of Quran of how to protect, to accumulate and to distribute the income and savings according to the Islamic Shariah. Islamic finance follows Shariah law where money cannot create or produce more money. It strictly acts as a medium of exchange or storing value, but not for the goal for making excessive profit. As a result, investors cannot earn interest on money they lend nor be required to pay it on money they owe. Islamic finance prohibits any transaction that has a high degree of uncertainty regarding the content or outcome. Therefore the trading of futures, warrants, options and short selling is prohibited as it involves speculative activities with significant uncertainty.

It is the duty of every Muslims to find a Shariah based investment that adheres to rules and regulations described in the Quran. The main benefit of Shariah based investment is that it encourages people to invest in a socially responsible manner. They are advised to avoid investing in industries that promote alcohol, smoking, pornography and so forth. It is also against the Shariah law, to invest in companies that derive their profit mainly from interest, casinos and gambling, pork, hedging in silver and gold, ordinary insurance and financial services that generate their income from interest. Islamic financial system brings the most benefit to society in terms of equity and prosperity rather than having a conventional system with an aim of profit maximization principles or creating maximum return on capital.

Islamic investment is based on principle of profit and loss sharing. The profit and loss sharing principle allows the financial institutions to earn a return on invested funds, provided that the financial institutions share the risk of investment and incurs the loss if the investment fails. Financial crisis arises because financial institutions charge interest and engage in risky investments and therefore, obeying Islamic financial requirements can help to avoid financial crisis.

Islamic financial system is based on five major system of belief founded on the Shariah bans and commandments. They are the prohibition of interest, profit and loss sharing, the absence of speculation and gambling like transactions, disallowing the derivation of money on money and the prevention of prohibited activities. Islamic financial market is regarded as fastest emergent market; on the other hand it is not free from issues, problems and challenges. It is hard to find enough coverage in the existing literature on the issues of viability of Islamic banks and ability to mobilize savings, pool risk and facilitate transactions. However it is worth to do the present study.
The present study focuses on the Islamic financial planning among Muslim salaried people in Mumbai. Researcher has made an attempt to analyze the impact of Islamic financial planning of Muslim salaried people on various dimensions such as Islamic investment behaviour, investment in Shariah product, Awareness of Shariah rules and Quran principles, Shariah investment advice, Investment pattern and Savings pattern of Muslim salaried people, Investment objective and Financial literacy knowledge of Muslim salaried people. For this purpose researcher has collected primary data from the Muslim salaried people and from the Islamic financial planner in the city of Mumbai. Secondary data were collected from internet websites of various research journal and studies and from the published sources. Data collected were analyzed using various statistical tools and techniques. Results and findings of such analysis are presented in this chapter.

The study comprises of six chapters. In the first chapter of “Introduction and Research Design”, researcher has described the method in which research is carried out, what are the problems and objectives of research, what is the sample size, how the samples are selected and how the title of the study justifies the work is explained.

The second chapter of the study is “Review of Literature”. This chapter is devoted to review the literature comprising of earlier studies related to the Islamic financial planning of Muslim salaried people. The study is conducted in the field of Islamic financial planning of Muslim salaried people and relevant literature is reviewed to find the gap in the literature and accordingly frames the problems, hypothesis and objectives for the research study.

Third chapter of the study is “Issues and challenges before Muslim salaried people in Islamic financial planning”. This chapter discusses the introduction and issues and challenges related to Islamic financial planning, Islamic financial product, Islamic investment, Shariah principles, Islamic market economy, inflation, market forces, liberalization, Privatization and Globalization and demonetization, and traditional belief.

The fourth chapter of the study is “Practices and opportunities in Islamic financial planning”. This chapter gives the detail about the Practices and opportunities in Islamic financial planning.

The fifth chapter of the study is “Analysis and Interpretation of Data”. This chapter deals with the primary and secondary data collected by Muslim salaried people and Islamic Financial planners are processed through statistical packages. And data is being evaluated to study objectives and to test the hypothesis mentioned.

This final sixth chapter “Findings, Conclusion and Suggestions”. It deals with the outcome of the data analysis and interpretation. It shows in detail about the findings the researcher has found out from the primary survey and secondary data and researcher has given the suggestions for the same and scope for further research is also stated.
6.2 FINDINGS OF THE STUDY:

6.2.1. FINDINGS BASED ON DESCRIPTIVE ANALYSIS:

In the earlier chapter researcher has analyzed the data collected from primary and secondary sources. Such analysis was conducted for detailed understanding of the objectives of the study. Descriptive analysis is largely the study of distribution of one variable. This study provides us with Respondents profile, Respondents total income, total savings and total investment, Shariah based investment avenues, Shariah based investment objectives, Shariah based investment advice and investment opportunities, Islamic financial planning and management, Shariah governance screening, Financial literacy knowledge etc. Researcher has also presented that with the help of various tables, graphs and charts for better understanding.

FOLLOWING ARE THE FINDINGS OF THE STUDY BASED ON OBJECTIVES:

(A) The first objective of the study was to study and analyze the behaviour of Muslim Salaried People towards financial planning and management. Under this objective the Researcher focuses to enquire the view of Respondents about Islamic financial planning and management. Here to analyze the behaviour of Muslim Salaried People towards financial planning and management researcher taken opinion on five point agreement scales. The codes are as Strongly Disagree – 1, Disagree – 2, Neutral – 3, Agree – 4, Strongly Agree – 5.

Following are the findings:

1. Out of total 400 respondents, 204 (51%) invest less than 10% amount of their total savings. 165 (41.25%) invest amount between 10% and 25%. only 31 (7.75%) invest between 25% and 50%. Graduate male respondents with age categories of 31-40 years invest more as compare to female respondents and majority of the investment is less than 25% of total savings.

2. Out of 400 respondents, 22 (5.5%) respondents investing in share market, 2 (0.5%) investing in bullion market, 123 (30.17%) investing in Mutual funds, 40 (10%) investing in bonds, 117 (29.25%) investing in gold/silver, and 96 (24%) investing in real estate. Graduate male respondents with age categories of 31-40 years invest more as compare to female respondents and majority of the investment is in Mutual funds.

3. Out of total 400 respondents, 121(30.25%) of respondents Shariah based investment objective is income and capital preservation, 67(16.75%) of respondents Shariah based investment objective is long term growth and 212(53%) of respondents Shariah based investment objective is short term growth. Majority of the graduate male respondents with age categories of 31-40 years invest more for the short term growth Shariah based investment objective as compare to income and capital preservation and long term growth.
4. Out of total 400 respondents, 266(66.5%) are either strongly agree or agree with the statement that Islamic financial market is better than conventional financial market.

5. Regarding statement better financial planning and management is necessary for making soundful investment almost, 381(85%) respondents are either strongly agreed or agreed.

6. 369(92.3%) respondents feel that financial planning and management according to Shariah rules is necessary before investing their income.

7. Mean value related to statement Islamic financial market is better than conventional financial market is 4.05 with low standard deviation value 0.876 indicates that most of respondents agree with this statement. Hence we may infer that Islamic financial market is better than conventional financial market.

8. Mean value related to statement better financial planning and management is necessary for making soundful investment is 4.52 with low standard deviation value 0.725 indicates that most of respondents strongly agree with this statement. Hence we may infer that better financial planning and management is necessary for making soundful investment.

9. Mean value related to statement better financial planning and management according to Shariah rules is necessary before investing your income is 4.28 with low standard deviation value 0.95 indicates that most of respondents agree with this statement. Hence we may infer that better financial planning and management according to Shariah rules is necessary before investing the income.

Hence from the above findings it is revealed that “Shariah rules are necessary for better investment and better financial planning and management”.
The second objective was to study and assess the income and investment behavior of Muslim salaried people. Under this objective the Researcher focuses to enquire the view of respondents about income and investment behavior of Muslim salaried people. Here to assess the income and investment behavior of Muslim salaried people, researcher applied frequency distribution statics.

Following are the findings:

1. Out of total 400 respondents, 12(3%) of respondents has annual income of less than Rs. 2 lakh, 88(22%) of respondents has annual income between 2 lakh and 3.5 lakh, 285(71.25%) of respondents has annual income between 3.5 lakh and 5 lakh and 15(3.75%) of respondents has annual income of above Rs. 5 lakh. Majority of the graduate male respondents with age category of 31-40 years have their annual income between 3.5 lakh and 5 lakh.

2. Out of total 400 respondents, 78(19.5%) of respondents has annual saving of less than Rs. 10,000, 82(20.5%) of respondents has annual saving between Rs.10,000 and 20,000, 209(52.25%) of respondents has annual saving between Rs. 20,000 and Rs. 40,000 and 31(7.75%) of respondents has annual saving of Rs. 40,000 and above. Majority of the graduate male respondents with age category of 31-40 years has an annual savings between Rs. 20,000 and Rs. 40,000.

3. Out of total 400 respondents, 178(44.5%) of respondents save their annual salary between 0% to 15%, 190(47.5%) of respondents save their annual salary between 15% to 30%, 30(7.5%) of respondents save their annual salary between 30% to 50% and 2(0.5%) of respondents save their annual salary more than 50%. Majority of the graduate male respondents with age category of 31-40 years save their annual salary between 15% to 30%.

4. Out of total 400 respondents, 29(7.25%) of respondents resulting newspaper as a source of investment advice, 118(29.5%) of respondents resulting new channel as a source of investment advice, 112(28%) of respondents resulting family or friends as a source of investment advice, 10(2.5%) of respondents resulting books as a source of investment advice, 3(0.75%) of respondents resulting internet as a source of investment advice, 54(13.5%) of respondents resulting magazines as a source of investment advice, 49(12.25%) of respondents resulting advisors as a source of investment advice, 25(6.25%) of respondents resulting financial planner as a source of investment advice. Majority of the graduate male respondents with age category of 31-40 years resulting news media as a source of investment advice.

Hence from the above findings it is revealed that “Muslim salaried people saves and invest 15% to 30% of their annual salary”.
(C) The third objective was to study and examine the financial literacy knowledge of Muslim salaried people as per Sharia. Under this objective the Researcher focuses to enquire the view of respondents about financial literacy knowledge of Muslim salaried people as per Sharia. Here to examine the financial literacy knowledge of Muslim salaried people as per Sharia researcher taken opinion on five point agreement scales. The codes are as Strongly Disagree –1, Disagree – 2, Neutral – 3, Agree -4, Strongly Agree -5.

Following are the findings:

1. Out of total 400 respondents, 365(91.25%) of respondents have awareness regarding the Shariah rules governing the Islamic investment opportunities and 35(8.75%) do not have awareness regarding the Shariah rules governing the Islamic investment opportunities. Majority of the graduate male respondents with age category of 31-40 years have awareness regarding the Shariah rules governing the Islamic investment opportunities available for Muslim Salaried People in Mumbai.

2. Out of total 400 respondents, 189(47.25%) of respondents consult Shariah advisory committee for screening the Shariah based investment products, 162(40.5%) of respondents consult Shariah advisory firm for screening the Shariah based investment products, 47(11.75%) of respondents consult Shariah advisory firm for screening the Shariah based investment products and only 2(0.5%) of respondents consult other than the Shariah governance. Majority of the graduate male respondents with age category of 31-40 years consult Shariah governance committee for screening the Shariah based investment products in Mumbai.

3. Mean value related to statement financial awareness is necessary for making investment in Shariah based products is 3.86 with low standard deviation value 0.930 indicates that most of respondents agree with this statement. Hence we may infer that financial awareness is necessary for making investment in Shariah based products.

4. Mean value related to statement Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision is 2.91 with low standard deviation value 1.209 indicates that most of respondents agree with this statement. Hence we may infer that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision.

5. Out of total 400 respondents, 269(67.3%) are either strongly agree or agree with the statement that financial awareness is necessary for making investment in Shariah based products and 23 (5.8%) of respondents are either strongly disagree or disagree.

7. Out of total 400 respondents, 144(36.1%) are either strongly agree or agree with the statement that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision and 203(43.5%) of respondents are either strongly disagree or disagree.
Hence from the above findings it is revealed that “financial awareness and better expert opinion from Shariah governance is necessary for making investment in Shariah based product”.

(D) The fourth objective was to study the Islamic investment avenues available for Muslim salaried people based on Quran principles. Under this objective the Researcher focuses to enquire the view of respondents about the Islamic investment avenues available for Muslim salaried people based on Quran principles. Here to analyze the Islamic investment avenues available for Muslim salaried people based on Quran principles researcher taken opinion on five point agreement scales. The codes are as Strongly Disagree –1, Disagree – 2, Neutral – 3, Agree -4, Strongly Agree -5.

Following are the findings:

1. Out of total 400 respondents, (86.8%) are either strongly agree or agree with the statement that Shariah principles are mandatory for making investment decision and (5.8%) of respondents are either strongly disagree or disagree.

2. Out of total 400 respondents, (73.8%) are either strongly agree or agree with the statement that Shariah based investment products is given better returns to Muslim salaried people and (26.3%) of respondents are either strongly disagree or disagree.

3. Out of total 400 respondents, (71.8%) are either strongly agree or agree with the statement that Investment schemes prepared as per Shariah rules is a profitable venture in India and (3.5%) of respondents are either strongly disagree or disagree.

4. Out of total 400 respondents, (78.8%) are either strongly agree or agree with the statement that Investment strategies framed as per Shariah rules is given better returns to Muslim salaried people and (8%) of respondents are either strongly disagree or disagree.

5. Out of total 400 respondents, (48.6%) are either strongly agree or agree with the statement that Shariah based investment is the faith based investment for Muslim salaried people and (47.3%) of respondents are either strongly disagree or disagree.

6. Out of total 400 respondents, (72.8%) are either strongly agree or agree with the statement that Muslim salaried people are getting better return from making investment in Shariah based investment products and only (5%) of respondents are either strongly disagree or disagree.

7. Out of total 400 respondents, (68%) are either strongly agree or agree with the statement that Shariah rules based investment products are available in Indian financial market and only (6.3%) of respondents are either strongly disagree or disagree.
8. Out of total 400 respondents, (96.8%) are either strongly agree or agree with the statement that Screening the do and don’t of the investment opportunities is necessary before making investment decision and only (3.3%) of respondents are either strongly disagree or disagree.

9. Out of total 400 respondents, Only 76(19%) of respondents investing their money in non-Shariah based investment product and under that only 82(20.5%) of respondents investing their money in Entertainment.

10. Out of total 400 respondents, 365(91.3%) of respondents have awareness of Shariah rules which governing the investment opportunities and 33(8.3%) do not have Shariah awareness regarding that.

11. Out of total 400 respondents, 291(72.8%) of respondents following Quran principle of prohibition of interest before making interest, 60(15%) of respondents following Quran principle of Profit and loss sharing, 8(2%) following Quran principles of Absence of speculation, 3(0.8%) of respondents following Quran principle of Derivation of money on money, 38(9.5%) of respondents following Quran principle of Avoidance of unlawful activities.

12. Out of total 400 respondents, 346(86.5%) of respondents always considering Quran principles of Prohibition of interest before making investment decision and 9(2.3%) of respondents never considering Quran principles of Prohibition of interest.

13. Out of total 400 respondents, 162(40.5%) of respondents always considering Quran principles of Profit and loss sharing before making investment decision and 6(1.5%) of respondents never considering Quran principles of Profit and loss sharing.

14. Out of total 400 respondents, 191(47.8%) of respondents always considering Quran principles of Absence of speculation and gambling before making investment decision and 22(5.5%) of respondents never considering Quran principles of Absence of speculation and gambling.

15. 206(51.5%) of respondents always considering Quran principles of Derivation of money on money before making investment decision and 19(4.8%) of respondents never considering Quran principles of Derivation of money on money.

16. 363(90.8%) of respondents always considering Quran principles of Avoidance of unlawful (haram)activities before making investment decision and 8(2%) of respondents never considering Quran principles of Avoidance of unlawful (haram)activities before making investment decision.

Hence from the above findings it is revealed that “Quran Principles is necessary for making investment decision in Islamic financial market”.

313
The fifth objective was to study the problems and difficulties faced by Muslim salaried people towards investment in present scenario. Under this objective the Researcher focuses to enquire the view of respondents about problems and difficulties faced by Muslim salaried people towards investment in present scenario. Here to analyze the problems and difficulties faced by Muslim salaried people towards investment in present scenario researcher taken opinion on five point agreement scales. The codes are as Strongly Disagree – 1, Disagree – 2, Neutral – 3, Agree -4, Strongly Agree -5.

Following are the findings:

1. Out of 400 respondents, 324 (81%) of respondents give preference to religion for investment of money in Islamic Financial Market only, 76 (19%) of respondents give preference to Shariah principles for investment in Islamic Financial Market only. Majority of the graduate male respondents with age category of 31-40 years give preference to religion for investment in Islamic Financial Market only.

2. Mean value related to statement that Shariah rules forbid you from making investment in conventional financial market is 2.50 with low standard deviation value 1.069 indicates that most of the respondents agree with this statement. Hence we may infer that Shariah rules forbid you from making investment in conventional financial market.

3. Mean value related to statement that large family size is the biggest obstacle of Muslim salaried people in the path of investment is 1.74 with low standard deviation value 1.085 indicates that most of the respondents agree with this statement. Hence we may infer that large family size is the biggest obstacle of Muslim salaried people in the path of investment.

4. Mean value related to statement that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment is 3.77 with low standard deviation value 0.183 indicates that most of the respondents agree with this statement. Hence we may infer that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.

5. Mean value related to statement that Inflation is the biggest obstacle of Muslim salaried people in the path of investment is 2.98 with low standard deviation value 0.635 indicates that most of the respondents agree with this statement. Hence we may infer that Inflation is the biggest obstacle of Muslim salaried people in the path of investment.

6. Mean value related to statement that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment is 1.91 with low standard deviation value 0.764 indicates that most of the respondents agree with this statement. Hence we may infer that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment.

7. Mean value related to statement that Muslim salaried people face more inflation as compare to non-Muslim salaried people is 1.89 with low standard deviation value 0.919 indicates that most of the respondents agree with this statement. Hence we may infer that Muslim salaried people face more inflation as compare to non-Muslim salaried people.
8. Mean value related to statement that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities is 2.02 with low standard deviation value 1.315 indicates that most of the respondents agree with this statement. Hence we may infer that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities.

9. Out of total 400 respondents, 241(60.3%) of respondents are either strongly disagree or disagree with the statement that the Shariah rules forbid you from making investment in conventional financial market and 59(14.8%) of respondents are either strongly agree or agree.

10. Out of total 400 respondents, 323 (80.8%) of respondents are either strongly disagree or disagree with the statement that the large family size is the biggest obstacles of Muslim salaried people in the path of investment and 46 (11.6%) of respondents are either strongly agree or agree.

11. Out of total 400 respondents, 294 (73.6%) of respondents are either strongly agree or agree with the statement that the lack of awareness is the biggest obstacles of Muslim salaried people in the path of investment and 21 (5.3%) of respondents are either strongly disagree or disagree.

12. Out of total 400 respondents, 59 (14.8%) of respondents are either strongly agree or agree with the statement that the Inflation is the biggest obstacle of Muslim salaried people in the path of investment and 69 (17.3%) of respondents are either strongly disagree or disagree.

13. Out of total 400 respondents, 340(85%) of respondents are either strongly disagree or disagree with the statement that the traditional belief is the biggest obstacle of Muslim salaried people in the path of investment and only 20 (5%) of respondents are agree.

14. Out of total 400 respondents, 311 (77.8%) of respondents are either strongly disagree or disagree with the statement that the Muslim Salaried People face more inflation as compare to non- Muslim Salaried People and only 16(4.1%) of respondents are either strongly agree or agree.

15. Out of total 400 respondents, 280 (70%) of respondents are either strongly disagree or disagree with the statement that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities and only 72(18%) of respondents are either strongly agree or agree.

Hence from the above findings it is revealed that “because of lack of awareness Muslim salaried people faces more inflation, problems and difficulties towards investment opportunities in present scenario”.

315
(E) The fifth objective was to study the views of Financial Planner towards the Islamic financial planning of Muslim Salaried People. Under this objective the Researcher focuses to enquire the view of respondents about the views of Financial Planner towards the Islamic financial planning of Muslim Salaried People. Here to analyze the views of Financial Planner towards the Islamic financial planning of Muslim Salaried People researcher taken opinion on five point agreement scales. The codes are as Strongly Disagree – 1, Disagree – 2, Neutral – 3, Agree -4, Strongly Agree -5.

Following are the findings:

1. Out of 20 respondents, 7(35%) are either strongly agree or agree with the statement Muslim salaried people are an untapped financial market in India and almost, 5(25%) are disagree with the statement.

2. Regarding statement that Ample opportunities for investment in Indian stock market are available to Muslim salaried people and almost, 11(55%) of respondents are agree and 5(25%) of respondents are either strongly disagree or disagree with the statement.

3. Out of 20 respondents, 13(65%) are either strongly agree or agree with the statement Investment strategies framed as per Islamic rules is given better returns to Muslim salaried people and only 1(5%) of respondents are disagree with the statement.

4. Regarding statement that an investment scheme prepared as per Islamic rules is a profitable venture in India and almost 13(65%) of respondents are either strongly agree or agree and 5(25%) of respondents are either strongly disagree or disagree with the statement.

5. Out of 20 respondents, 6(30%) are strongly agree with the statement Shariah based investments are available in Indian financial market and almost, 4(20%) of respondents are either strongly disagree or disagree with the statement.

6. Out of 20 respondents, 14(70%) are strongly agree or agree with the statement Traditional outlook and Shariah rules has keeps away Muslim salaried people from investment opportunities which are available in Indian financial market.

7. Out of 20 respondents, 17(85%) are strongly agree or agree with the statement if Islamic financial market improved their services they would dominate the Indian financial market and only 2(10%) of respondents are disagree with the statement.
8. Out of 20 respondents, 8(55%) are either strongly disagree or disagree with the statement that large family size is the biggest obstacle of Muslim salaried people in the path of investment and almost 11(40%) of the respondents are either strongly agree or agree with the statement.

9. Out of 20 respondents, 7(35%) are either strongly agree or agree with the statement that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.

10. Out of 20 respondents, 15(75%) are either strongly agree or agree with the statement that Inflation is the biggest obstacles of Muslim salaried people in the path of investment.

11. Out of 20 respondents, 8(60%) are either strongly disagree or disagree with the statement that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment and only 12(40%) are either strongly agree or agree with the statement.

12. Out of 20 respondents, 12(60%) are strongly disagree or disagree with the statement that Muslim salaried people face more inflation as compare to non-Muslim salaried people and only 7(35%) are either strongly agree or agree with the statement.

13. Out of 20 respondents, 13(65%) are either strongly agree or agree with the statement that Shariah based investment products are the better solution to fight against inflation and almost 4(20%) are disagree with the statement.

14. Out of 20 respondents, 13(65%) are either strongly agree or agree with the statement that Shariah based investment is the faith based investment for Muslim salaried people and almost 3(15%) are disagree with the statement.

15. Out of 20 respondents, 12(60%) are either strongly agree or agree with the statement that Muslim salaried people are getting more return from making investment in Shariah based products as compare to non-Shariah products and only 1(5%) are disagree with the statement.

16. Out of 20 respondents, 20(100%) are either strongly agree or agree with the statement that Financial awareness is necessary for making investment in Shariah based products.

17. Out of 20 respondents, 12(60%) are either strongly agree or agree with the statement that Shariah principles are mandatory for making investment decision and 2(10%) are disagree with the statement.

18. Out of 20 respondents, 11(55%) are either strongly agree or agree with the statement that Muslim salaried people follow the Shariah principles while investing their money.
19. Out of 20 respondents, 10(50%) are either strongly agree or agree with the statement that lack of awareness of Shariah rules among Muslim salaried people and almost 5(25%) are either strongly disagree or disagree.

20. Out of 20 respondents, 15(75%) are either strongly agree or agree with the statement that qualified staff would greatly enhance the performance of Shariah based investment products in Indian financial market and only 1(5%) of respondents are disagree with the statement.

21. Out of 20 respondents, 6(30%) are either strongly agree or agree with the statement that Muslim salaried people have limited knowledge of Shariah based investment products and services and 3(15%) of respondents are either strongly disagree or disagree.

22. Regarding statement that Shariah based financial market is more stable in Indian financial market 11(55%) of the respondents are either strongly disagree or disagree and almost 6(30%) are agree with the statement.

23. Mean value related to statement that Muslim salaried people are an untapped financial market in India is 3.15 with low standard deviation value 0.875 indicates that most of the respondents agree with the statement. Hence we may infer that Muslim salaried people are an untapped financial market in India.

24. Mean value related to statement that Ample opportunities for investment in Indian stock market are available to Muslim salaried people is 3.25 with low standard deviation value 0.967 indicates that most of the respondents agree with the statement. Hence we may infer that Ample opportunities for investment in Indian stock market are available to Muslim salaried people.

25. Mean value related to statement that Investment strategies framed as per Islamic rules is given better returns to Muslim salaried people is 4.10 with low standard deviation value 1.021 indicates that most of the respondents agree with the statement. Hence we may infer that Investment strategies framed as per Islamic rules are given better returns to Muslim salaried people.

26. Mean value related to statement that an investment scheme prepared as per Islamic rules is a profitable venture in India is 3.60 with low standard deviation value 1.353 indicates that most of the respondents agree with the statement. Hence we may infer that an investment scheme prepared as per Islamic rules is a profitable venture in India.

27. Mean value related to statement that Shariah based investment are available in Indian financial market is 3.35 with low standard deviation value 1.226 indicates that most of the respondents agree with the statement. Hence we may infer that Shariah based investment are available in Indian financial market.

28. Mean value related to statement that Traditional outlook and Shariah rules has keeps away Muslim salaried people from investment opportunities which are available in Indian financial market is 4.35 with low standard deviation value 0.933 indicates that most of the
respondents agree with the statement. Hence we may infer that Traditional outlook and Shariah rules has keeps away Muslim salaried people from investment opportunities which are available in Indian financial market.

29. Mean value related to statement that if Islamic financial market improved their services they would dominate the Indian financial market is 3.85 with low standard deviation value 1.089 indicates that most of the respondents agree with the statement. Hence we may infer that if Islamic financial market improved their services they would dominate the Indian financial market

30. Mean value related to statement that Large family size is the biggest obstacle of Muslim salaried people in the path of investment is 2.60 with low standard deviation value 1.698 indicates that most of the respondents agree with the statement. Hence we may infer that large family size is the biggest obstacle of Muslim salaried people in the path of investment.

31. Mean value related to statement that Lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment is 3.55 with low standard deviation value 0.826 indicates that most of the respondents agree with the statement. Hence we may infer that Lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.

32. Mean value related to statement that Inflation is the biggest obstacles of Muslim salaried people in the path of investment is 4.35 with low standard deviation value 0.875 indicates that most of the respondents agree with the statement. Hence we may infer that Inflation is the biggest obstacles of Muslim salaried people in the path of investment.

33. Mean value related to statement that Traditional belief is the biggest obstacle of Muslim salaried people in the path of investment is 2.55 with low standard deviation value 1.791 indicates that most of the respondents agree with the statement. Hence we may infer that Traditional belief is the biggest obstacle of Muslim salaried people in the path of investment.

34. Mean value related to statement that Muslim salaried people face more inflation as compare to non-Muslim salaried people is 2.35 with low standard deviation value 1.663 indicates that most of the respondents agree with the statement. Hence we may infer that that Muslim salaried people face more inflation as compare to non-Muslim salaried people.

35. Mean value related to statement that Shariah based investment products are the better solution to fight against inflation is 3.55 with low standard deviation value 0.945 indicates that most of the respondents agree with the statement. Hence we may infer that Shariah based investment products are the better solution to fight against inflation.

36. Mean value related to statement that Shariah based investment is the faith based investment for Muslim salaried people is 3.60 with low standard deviation value 0.883 indicates that most of the respondents agree with the statement. Hence we may infer that Shariah based investment is the faith based investment for Muslim salaried people.
37. Mean value related to statement that Muslim salaried people are getting more return from making investment in Shariah based products as compare to non-Shariah products is 3.65 with low standard deviation value 0.745 indicates that most of the respondents agree with the statement. Hence we may infer that Muslim salaried people are getting more return from making investment in Shariah based products as compare to non-Shariah products.

38. Mean value related to statement that Financial awareness is necessary for making investment in Shariah based products is 4.60 with low standard deviation value 0.503 indicates that most of the respondents agree with the statement. Hence we may infer that financial awareness is necessary for making investment in Shariah based products.

39. Mean value related to statement that Shariah principles are mandatory for making investment decision is 3.70 with low standard deviation value 0.923 indicates that most of the respondents agree with the statement. Hence we may infer that Shariah principles are mandatory for making investment decisions.

40. Mean value related to statement that Muslim salaried people follow the Shariah principles while investing their money is 3.80 with low standard deviation value 0.834 indicates that most of the respondents agree with the statement. Hence we infer that Muslim salaried people follow the Shariah principles while investing their money.

41. Mean value related to statement that Lack of awareness of Shariah rules among Muslim salaried people is 3.55 with low standard deviation value 1.638 indicates that most of the respondents agree with the statement. Hence we may infer that Lack of awareness of Shariah rules among Muslim salaried people.

42. Mean value related to statement that Qualified staff would greatly enhance the performance of Shariah based investment products in Indian financial market is 4 with low standard deviation value 0.858 indicates that most of the respondents agree with the statement. Hence we may infer that qualified staff would greatly enhance the performance of Shariah based investment products in Indian financial market.

43. Mean value related to statement that Muslim salaried people have limited knowledge of Shariah based investment products and services is 3.30 with low standard deviation value 0.923 indicates that most of the respondents agree with the statement. Hence we may infer that Muslim salaried people have limited knowledge of Shariah based investment products and services.

44. Mean value related to statement that Shariah based financial market is more stable in Indian financial market is 2.85 with low standard deviation value 1.565 indicates that most of the respondents agree with the statement. Hence we may infer that Shariah based financial market is more stable in Indian financial market.

45. Mean value related to statement that Prohibition of interest is 4.55 with low standard deviation value 0.605 indicates that most of the respondents agree with the statement. Hence we may infer that Prohibition of interest is 4.55 with low standard deviation.
46. Mean value related to statement that Profit and loss sharing is 4.35 with low standard deviation value 0.875 indicates that most of the respondents agree with the statement. Hence we may infer that Profit and loss sharing is agreed by most of the respondents.

47. Mean value related to statement that Absence of speculation and gambling is 4.25 with low standard deviation value 0.967 indicates that most of the respondents agree with the statement. Hence we may infer that Absence of speculation and gambling is agreed by most of the respondents.

48. Mean value related to statement that Derivation of money on money is 3.70 with low standard deviation value 1.455 indicates that most of the respondents agree with the statement. Hence we may infer that Derivation of money on money is agreed by most of the respondents.

49. Mean value related to statement that Avoidance of unlawful (haram) activities is 4.80 with low standard deviation value 0.410 indicates that most of the respondents agree with the statement. Hence we may infer that Avoidance of unlawful (haram) activities is agreed by most of the respondents.

50. Out of total respondents, 60% of Muslim Salaried People consider Quran Principles, Prohibition of interest before making the investment decisions, 55% of Muslim Salaried People consider Quran Principles, Profit and loss sharing and Absence of speculation and gambling before making the investment decisions, Only 30% of Muslim Salaried People consider Quran Principles, Derivation of money on money before making the investment decisions, (80%) consider Quran Principles, Avoidance of unlawful (haram) activities before making the investment decisions.

Hence from the above findings it is revealed that expert opinion of financial planner is necessary for making better financial planning and for better investment.
6.2.2. FINDINGS BASED ON INFERENTIAL ANALYSIS:

(A) The first null hypothesis was “Traditional outlook and Shariah rules have not significantly influenced the investment opportunities of Muslim salaried people”. To test above null hypothesis we use one sample sign test with hypothesized mean value 3. One sample nonparametric sign test of median vs hypothesized score 3 for influence of Traditional outlook and Shariah rules on the investment opportunities of Muslim salaried people.

<table>
<thead>
<tr>
<th>Hypothesized scores different characteristics related to influence of Traditional outlook and Shariah rules on the investment opportunities of Muslim salaried people.</th>
<th>Median score</th>
<th>Sample size</th>
<th>Calculated ‘z’ value (one tailed, upper)</th>
<th>Significant P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\mu_0 = 3.0$</td>
<td>n= 387</td>
<td>z = 6.61</td>
<td>p =0.000</td>
<td></td>
</tr>
</tbody>
</table>

Critical z values:

1. At 5% level of significance the corresponding z value is 1.645
2. At 1% level of significance the corresponding z value is 2.326
Observation:

From the above table it is observed that ‘z’ value for null hypothesis is 6.61 which is greater than +1.645 (also greater than +2.326). Also p value is 0.0000 which is less than 0.01. **Hence we reject null hypothesis at 5% & 1% level of significance.**

Thus we can conclude that “Traditional outlook and Shariah rules have significantly influenced the investment opportunities of Muslim salaried people”.

(B) The second null hypothesis was “Inflation and large family size has not significantly influenced the investment decision of Muslim salaried people”. To test above null hypothesis we use one sample sign test with hypothesized mean value 3. One sample nonparametric sign test of median vs hypothesized score 3 for influence of Inflation and large family size on the investment decision of Muslim salaried people

<table>
<thead>
<tr>
<th>Hypothesized scores different characteristics related to influence of influence of Inflation and large family size on the investment decision of Muslim salaried people.</th>
<th>Median score</th>
<th>Sample size</th>
<th>Calculated ‘z’ value (one tailed, upper )</th>
<th>Significant P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\mu_0 = 3.0$</td>
<td>n= 378</td>
<td>$z = 15.28$</td>
<td>p =0.000</td>
<td></td>
</tr>
</tbody>
</table>

Critical z values:

<table>
<thead>
<tr>
<th>Critical z values:</th>
<th>Median score</th>
<th>Sample size</th>
<th>Calculated ‘z’ value (one tailed, upper )</th>
<th>Significant P value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. At 5% level of significance the corresponding z value is 1.645
2. At 1% level of significance the corresponding z value is 2.326

**Observation:**

From the above table it is observed that ‘z’ value for null hypothesis is 6.61 which is greater than +1.645 (also greater than +2.326). Also p value is 0.0000 which is less than 0.01. Hence we reject null hypothesis at 5% & 1% level of significance.

Hence we can conclude that “**Inflation and large family size has significantly influenced the investment decision of Muslim salaried people**”.

(C) The third null hypothesis was “**Quran principles are not significantly affecting the investment decision of Muslim salaried people**”. To test above null hypothesis we use one sample sign test with hypothesized mean value 3. **One sample nonparametric sign test of median vs hypothesized score 3 for effect of Quran principles on the investment decision of Muslim salaried people**

<table>
<thead>
<tr>
<th>Hypothesized scores different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people.</th>
<th>Median score</th>
<th>Sample size</th>
<th>Calculated ‘z’ value (one tailed, upper )</th>
<th>Significant P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>μ₀ = 3.0</td>
<td>n= 390</td>
<td>z = 18.48</td>
<td>p =0.000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Observed Mean rating scores for different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people.</th>
<th>M= 4.4</th>
<th></th>
<th></th>
</tr>
</thead>
</table>

324
Critical z values:

1. At 5% level of significance the corresponding z value is 1.645
2. At 1% level of significance the corresponding z value is 2.326

Observation:

From the above table it is observed that ‘z’ value for null hypothesis is 19.50 which is greater than +1.645 (also greater than +2.326). Also p value is 0.0000 which is less than 0.01. **Hence we reject null hypothesis at 5% & 1% level of significance.**

Thus we can conclude that “Quran principles are significantly affecting the investment decision of Muslim salaried people”.

(D) The fourth null hypothesis was “Muslim salaried people are not significantly considering investment which is based on Shariah principles”. To test above null hypothesis we use one sample sign test with hypothesized mean value 3. **One sample nonparametric sign test of median vs hypothesized score 3 for consideration of investment which is based on Shariah principles by Muslim salaried people**

<table>
<thead>
<tr>
<th>Hypothesized scores different characteristics related to consideration of investment which is based on Shariah principles by Muslim salaried people.</th>
<th>Median score</th>
<th>Sample size</th>
<th>Calculated ‘z’ value (one tailed, upper )</th>
<th>Significant P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>μ₀ = 3.0</td>
<td>n= 391</td>
<td>z = 19.50</td>
<td>p = 0.000</td>
<td></td>
</tr>
</tbody>
</table>

Observed Mean rating scores for different characteristics related to consideration of investment which | M= 3.875 | | | |
is based on Shariah principles by Muslim salaried people.

<table>
<thead>
<tr>
<th>Critical z values:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. At 5% level of significance the corresponding z value is 1.645</td>
</tr>
<tr>
<td>2. At 1% level of significance the corresponding z value is 2.326</td>
</tr>
</tbody>
</table>

**Observation:**

From the above table it is observed that ‘z’ value for null hypothesis is 19.50 which is greater than +1.645 (also greater than +2.326). Also p value is 0.0000 which is less than 0.01. **Hence we reject null hypothesis at 5% & 1% level of significance.**

Hence we can conclude that “**Muslim salaried people are significantly considering investment which is based on Shariah principles**”.

(E) The fifth null hypothesis was **“There is not a significant relationship between incomes and investment behavior of Muslim salaried people”**. To test above main hypothesis, we consider individual association of investment behavior variables like annual savings, percentage of salary saved and percentage of salary saved amount invested with annual income in the form of different sub-hypothesis. Details are as follows.

**Sub-Hypothesis 1**

Null Hypothesis **“There is no significant association between investment behavior variable annual savings and annual income of Muslim salaried people”**. To test the above null hypothesis we use nonparametric chi-square test of independence. The details are as follows. **Chi-Square Tests results of investment behavior variable annual savings and annual income**

<table>
<thead>
<tr>
<th>Pearson Chi-Square value</th>
<th>Degree of freedom</th>
<th>P value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated</td>
<td>Table (1% l.o.s.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>241.591</td>
<td>21.67</td>
<td>9</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Observations:

From the table above it is observed that calculated Pearson Chi-Square value 241.591 is greater than critical Chi-Square value 21.67 (obtained from table at 1% level of significance with degree of freedom 9). Also p value is 0.00 which is less than significant value 0.01 i.e.1%. Hence null hypothesis is rejected at 1% level of significance with degree of freedom 9. Hence result is significant.

Hence it can be concluded that “there is significant association between investment behavior variable annual savings and annual income of Muslim salaried people”.

Sub-Hypothesis 2

Null Hypothesis “There is no significant association between investment behavior variable percentage of salary saved and annual income of Muslim salaried people”. To test the above null hypothesis we use nonparametric chi-square test of independence. The details are as follows. Chi-Square Tests results of investment behavior variable percentage of salary saved and annual income.

<table>
<thead>
<tr>
<th>Pearson Chi-Square value</th>
<th>Degree of freedom</th>
<th>P value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated</td>
<td>Table (5 % Lo.s.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>110.80</td>
<td>21.67</td>
<td>9</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Observations:

From the table above it is observed that calculated Pearson Chi-Square value 110.80 is greater than critical Chi-Square value 21.67 (obtained from table at 5% level of significance with degree of freedom 9). Also p value is 0.00 which is less than significant value 0.01 i.e.1%. Hence result is significant. Hence null hypothesis is rejected at 5 % level of significance with degree of freedom 9.

Hence it can be concluded that “there is significant association between investment behavior variable percentage of salary saved and annual income of Muslim salaried people”.
Sub-Hypothesis 3

Null Hypothesis “There is no significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people”. To test the above null hypothesis we use nonparametric chi-square test of independence. The details are as follows. Chi-Square Tests results of demographic percentage of salary saved amount invested annual income.

<table>
<thead>
<tr>
<th>Pearson Chi-Square value</th>
<th>Degree of freedom</th>
<th>P value</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated</td>
<td>Table (1% Lo.s.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.55</td>
<td>16.81</td>
<td>6</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Observations:
From the table above it is observed that calculated Pearson Chi-Square value 22.55 is greater than critical Chi-Square value 16.81 (obtained from table at 1% level of significance with degree of freedom 6). Also p value is 0.00 which is less than significant value 0.01 i.e.1%. Hence null hypothesis is rejected at 1% level of significance with degree of freedom 6. Hence result is significant.

Hence it can be concluded that “there is significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people”.

Overall conclusion:

It may be concluded that “there is a significant relationship between incomes and investment behavior of Muslim salaried people”.

328
6.2.3. GENERAL FINDINGS:

1. Out of total 420 respondents, 260 (61.90%) are male respondents and 160 (38.10%) are female respondents. Under this 50% respondents are from Western line, 35% respondents are from Central line and 15% respondents are from Harbour line.

2. Out of total 400 respondents 208 (52%) are Graduate, 129 (32.25%) are postgraduate and 63 (15.75%) are professionals belonging 82 (20.5%) are from private sector, 68 (17%) are from public sector and 250 (62.5%) are from profession.

3. Majority of the respondents have annual income between 3.5-5 lakh and annual saving between Rs. 20000 and Rs. 40000.

4. Majority of the respondents save 15%-30% of their annual income and invest less than 10% of their annual savings.

5. Majority of the respondents saving objective is children’s education and investment objective is short term growth.

6. Majority of the respondents take investment advice from news media and opinion from Shariah governance body before investing their money in financial market.

7. Majority of the respondents mostly preferred Mutual funds and Gold as a Shariah based investment avenues to invest their money.

8. Majority of the respondents invest their money other than Shariah based investment avenues because of high return on investment.

9. Majority of the respondents prefer to invest their money in Islamic financial market because of religion and Shariah principles’ prohibition of interest.

10. Majority of the respondents is well aware about the Shariah Principles, rules and governance and strongly agreed with the statement that Shariah based investment is the faith based investment for Muslim salaried people.

6.3 CONCLUSIONS OF THE STUDY:

6.3.1. CONCLUSIONS BASED ON DESCRIPTIVE ANALYSIS

1. Shariah rules are necessary for better investment and better financial planning and management.

2. Muslim salaried people save and invest almost 15% to 30% of their annual salary for short term and long term growth investment objective.

3. Financial awareness and better expert opinion from Shariah governance is necessary for making investment in Shariah based product.
4. Because of lack of awareness Muslim salaried people faces more inflation, problems and difficulties towards investment opportunities in present scenario.

5. Expert opinion of financial planner is necessary for making better financial planning and for better investment.

6. Quran Principles is necessary for making investment decision in Islamic financial market.

6.3.2. CONCLUSIONS BASED ON INFERENTIAL ANALYSIS

1. Traditional outlook and Shariah rules have significantly influenced the investment opportunities of Muslim salaried people.

2. Inflation and large family size has significantly influenced the investment decision of Muslim salaried people.

3. Quran principles are significantly affecting the investment decision of Muslim salaried people.

4. Muslim salaried people are significantly considering investment which is based on Shariah principles.

5. There is significant association between investment behavior variable annual savings and annual income of Muslim salaried people.

6. There is significant association between investment behavior variable percentage of salary saved and annual income of Muslim salaried people.

7. There is significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people.

8. There is a significant relationship between income and investment behavior of Muslim salaried people.
6.4 SUGGESTIONS OF THE STUDY

6.4.1. SUGGESTIONS TO THE ISLAMIC BANKS AND CONVENTIONAL BANKS

A. SUGGESTIONS TO THE ISLAMIC BANKS:

1. The primary goal of Islamic banks should not be to maximize the profit as the conventional banking does, but rather to render socio-economic benefits to the Muslims.

2. Islamic banks needed to create an attractive incentive structures and investment opportunities in order to encourage Muslims.

3. Islamic banks should provide the financial literacy knowledge to Muslims in order to faces inflation, problems and difficulties towards investment opportunities in present scenario.

4. Islamic banks should provide a better expert opinion to Muslims in order to improve their understanding level regarding Islamic financial market and investment avenues.

5. Islamic banks should framed investment strategies and investment policy decisions in such a way that it provides better risk free return to the Muslims, so that the Islamic bank can grab more Muslim towards it.

6. Islamic banks should provide assurance to the Muslims regarding the risk free and safe and secured returns.

7. Islamic banks should recruit qualified staff that would greatly enhance the performance of Shariah based investment products in Indian financial market.

8. Expertise and skilled investment management team is required to define the risk return trade off in an effective manner. So, Islamic banking system requires having skilled and efficient staff.

9. As investment decisions are of participative kind so it becomes important to educate the investors through some investor’s education Programme.

B. SUGGESTIONS TO THE CONVENTIONAL BANKS:

10. Conventional banks can open an Islamic window to a large degree for the major bulk of Muslim populations that remain excluded due to religious reasons.

11. Initially, a few simple products which are similar to Conventional products may be considered for introduction through Islamic window of the Conventional banks after necessary notification by the government.

12. Through Islamic banking financial inclusion can be promoted and a larger pool of savings can be brought into the economy.
13. Muslims refrain from banking through the conventional banking system since it is based on paying or receiving an interest which is strictly prohibited by the Shariah law. In fact almost three quarter of the world’s remaining unbanked. Islamic banking removes these barriers and allows Muslims to benefit from the financial system.

14. By opening an Islamic window, Conventional banks can also motivate an international investors attracted to Shariah- compliant products.

6.4.2. SUGGESTIONS FOR THE SEBI:

15. SEBI shall concentrate more on Islamic bonds and other Shariah compliant investment products which are based on sharing of both profit and loss and it has an immense potential to generate a high liquidity.

16. SEBI should take the lead to encourage efforts to enhance the legal and regulatory framework required for Islamic finance to ensure uniformity with international practices.

17. SEBI can develop a legal and regulatory framework for Islamic finance and structure new capital market products that are Shariah compliant.

18. SEBI can take an initiative and develop necessary institutional and regulatory framework to attract Foreign Direct Investment (FDI) from the Islamic financial market.

19. SEBI can set up Shariah compliant Mutual funds, private equity and venture funds and can also provide portfolio management services.

6.4.3. SUGGESTIONS FOR THE MUTUAL FUND HOUSES:

20. Mutual fund houses shall concentrate more on Shariah compliant investment product as it has an immense potential to generate a high turnover and liquidity.

21. Mutual fund houses can give attractive and high return to the Muslim investors as it can easily grab the major bulk of population of India.

22. Mutual fund houses should educate the investors about Islamic ethical and socially responsible funds like Tata ethical fund and Taurus ethical fund.

23. Mutual fund houses may experience an explosive growth by increasing awareness of investors to social, environment, ethical and corporate governance issues.

24. Mutual fund houses can develop a legal and regulatory framework for Islamic finance to ensure uniformity with international practices.
6.4.4. SUGGESTIONS FOR THE GOVERNMENT:

25. The Islamic banks basically implement a new banking concept which involves low risk and high liquidity for the economic development and Islamic society development.

26. Islamic banks should be prepare in order to reduce the severity of business and enables the productive enterprises to tide over difficult periods without a shut down by sharing losses since Islamic banks believes in principles of profit and loss sharing.

27. Islamic banks to be regarded as a promoter of stability rather than instability. Hence it will be beneficial for the country to establish an Islamic bank.

28. Islamic banks can provide a high range of turnover and liquidity to the government in order to economic development.

29. Islamic banking should be taken into consideration likewise conventional banks. There should be some provisions with this respect in Banking regulation act.

30. The major challenges and prospects that Islamic bank facing is lack of awareness in order to avoid this there should be well-defined and properly implemented financial education programs in schools and colleges which can increase the financial literacy knowledge.

31. By establishing an Islamic bank the government can build a strong international relationship with many middle-east countries which can provide a foreign exchange currency to the government in order to faces inflation into the country.

32. Islamic finance can give the banking system a transparent arena by providing the disclosure of the investment portfolio.

33. As the Islamic finance system has great potential for our country, a survey is required to be conducted to know the voice of masses about the implementation of this system leading to awareness campaign at larger level.

34. The parallel implementation can be done by having strong guidelines on this system. The provisions should be designed in such a way, which will give a positive correlated growth for both the Islamic finance systems and Conventional finance system.

6.4.5. SUGGESTIONS FOR THE MUSLIM SALARIED PEOPLE:

35. Muslim salaried people should obtain financial literacy knowledge before making an investment decisions.

36. Muslim salaried people should obtain an expert opinion from the Islamic financial planner or from the Shariah advisory board before making an investment of money in financial market.

37. Muslim salaried people should do the Shariah screening process before making an investment of money.

38. Muslim salaried people should have knowledge about the Shariah and Quran principle regarding investment of money.
39. Muslim salaried people should take initiative to make investment of money in Shariah compliant products in order to promote Islamic finance in the country.

40. Muslim salaried people should aware about the ethical funds or Shariah complaint funds which are available in an Indian financial market.

6.4.6. SUGGESTIONS FOR THE ECONOMIC POLICY PLANNER:

41. A bulk of Muslim population will make available the noteworthy mass for the execution of the Shariah compliant banking activity.

42. India’s GDP is flourishing tremendously at fast rate unlike the other industrialized countries. Hence this is a great untapped area for the investors to grab an investment opportunity in India.

43. India has a large pool of legal, accounting and financial engineering skills. In fact, a number of Islamic banks in the Middle East countries are being managed by experts from India.

44. “India is home to the third-largest Muslim population in the world after Indonesia and Pakistan. 35% of the Muslims live in urban areas and many of them do not avail banking facilities because of illiteracy, ignorance and their traditional beliefs, the last one playing an imperative role to make the process obvious. Till the date Muslim community has largely kept away from capital markets, as most of them do not fulfil the criteria set by Shariah. An Islamic window in a conventional bank, having a local feel, would give confidence to such people to become constituent of a bank and thus help the financial inclusion effort made by the Government and the Reserve Bank of India”.

45. Shariah financing in India though the commercial banks would help increase their client base and contribute to the development of Islamic finance through their knowledge of product development. They would also be able to create similar products for domestic market.

46. It is interesting to note that huge investments in India, in Dollar terms, are taking place in Shariah compliant transactions. The big investors whether from India or a foreign country, have enough opportunities to make Shariah compliant investments. These investments are being routed through NBFCs and Mutual funds. One of the reasons why such investments do not get noticed is that they involve bulk investments and do not touch the life of ordinary masses. They are not very material from the angle of financial inclusion. It is only when the financing in a Shariah compliant manner is carried out keeping ordinary people in mind and its advantages are seen to have positive impact on their lives that the need for suitable legislative changes will get addressed. ‘Economic reason’ is likely to succeed much better where ‘politics and religion’ have failed.
6.5 SCOPE FOR FURTHER STUDY

The analysis provided in this thesis suggests a number of areas for further research:

1. Researcher has studied Islamic financial planning of Muslim salaried people in Mumbai. Further research can be conducted with reference to Islamic financial planning of Muslim salaried people in other metro cities of India and also in other countries of the world.

2. Researcher has made an attempt to evaluate the impact of Islamic financial planning on the investment behaviour of Muslim salaried people such as investment in Shariah product, Awareness of Shariah rules and Quran principles, Shariah investment advice, Investment pattern and Savings pattern of Muslim salaried people, Investment objective and Financial literacy knowledge of Muslim salaried people. Further study can be conducted with reference to its impact on stock market performance, banking sector, growth rate, wealth creation and such other parameters.

3. In depth effectiveness of each element of Islamic finance such as Islamic finance system, strategies, profit and loss system, practices, policies, culture, values, competencies, alignment and impact can also be studied.

4. Social significance of such Islamic finance can also be studied in light of socio-economic benefits to the Muslim.

5. Present study has covered the opinion of Islamic financial planner and Muslim salaried people. Opinion of other parties such as Shariah board, Shariah officer and Shariah advisory committee can also be taken into consideration.

6. Comparative study of Islamic finance and Conventional finance can also be studied.

7. Comparative study of Muslim salaried people and non-Muslim salaried people in light of Islamic finance can also be studied.

8. Awareness and knowledge of Islamic banking and Islamic based products among the students in university can also be studied.

9. Measuring of Financial literacy knowledge related to Islamic finance concepts and products can also be studied.

10. Investment characteristics of Islamic investment portfolios such as mutual funds and global indices can also be studied.

11. Researcher has studied Islamic financial planning of Muslim salaried people the same can be studied for the Muslim entrepreneurs.

All the suggestions provided by the researcher have been approved by the Chartered Accountants and letters has given in annexures.