Chapter – 6
Summary of Findings

6.1 Introduction

The conventional accounting has been accused in some cases, in the social and critical accounting literature as creating disastrous social and environmental realities as well as promoting certain negative social values rather than being objective and neutral as held out be, by the accounting profession. If this were true, the impact of conventional accounting would be more disastrous for Islamic society, which has a different world-view and values compared to Western capitalistic societies which nurtured conventional accounting.

Thus the researcher was motivated to enquire as to what factors made conventional accounting and financing inappropriate for Islamic society and what factors drove the need for the development of an ‘Islamic accounting and financing’ which would be more appropriate for Islamic society. Having argued the need for an Islamic system, the study aimed to map a theoretical outline of Islamic accounting and financing in terms of its objectives and characteristics and consequences.

In short the intentions of this research were taken to identify the need for and to enquire into the objectives and characteristics of an “Islamic system” derived from Islamic values and an Islamic worldview which is more appropriate to an Islamic society; to study the academic perception on Muslim accounting practices and also to ascertain the extent to which conventional system is unsuitable for Muslims and Islamic organisations by obtaining information regarding its behavioural effects. This research also analyses the study of the theoretical perception of Islamic accounting, on banking practices and decision-usefulness and developing the characteristics of Islamic accounting, which will achieve the objectives of Islamic accounting to the extent that it is not already defined by the Islamic Shariah.

The Islamic system has been critically analysed as compared to the conventional system with the critical review of the ethical framework of Islamic business organisations and also the ability of Islamic scriptural sources to provide for the development of a regulatory
framework for contemporary Islamic organisation. The appropriateness of conventional accounting information and principles for Islamic organisations, is the main and subsidiary objectives of Islamic accounting and its relative importance of stakeholders other than shareholders as users of Islamic accounting.

The information which Islamic accounting should provide and its characteristics are basically the financial Institutions, which are very important for every economy because they are the most contributing factor to keep “economies on the path of economic growth and development”. Financial ratios are the indicator of financial health of organization. The sectional analysis is here important as it is important to management to improve organization future performance. The purpose of the study is to provide full picture of banks financial position to investors, management and shareholders .The another purpose of research is to make people aware of Islamic banks financial position and to make comparison of performance of Islamic and Conventional accounting practices have been regulate and to make comparison on perception level by asking questionnaire to Muslim community as they can compare their practices with Islamic and non-Islamic system as they are allowed for both the practices. In order to identify, the perception on the system of practicing, the comparison has been made in between Siha and Sunni. So, the perception has been studied here by taking both the groups to fit the objectives of the study. The perception on banking and investment attitude and comparative features in both Islamic and conventional approaches has been studied in the following measurements.

6.2 Profile of the Respondents

- Domicile

Domicile of the respondents have been cross sectional tested with the relationship of their occupation, age, income and domicile. Domicile wise respondents have been reported from city areas like, Cuttack and Bhubaneswar, urban areas like Kendrapada, Khordha, Jajpur and Bhadrak. Semi-urban areas of Odisha like, Salipur & Niali, rural areas like Pipili & Kaipadar & are from the different areas of were included to a total of 320 out of 350 respondents. The respondents were selected at random and the areas were selected from the sense of populous area. 30 respondents were rejected and out of the total 320 respondents were found to be valid and taken in to measurement.
The domicile type of the respondents have been categorized as city area, urban, Semi-Urban, and Rural, where, maximum respondents represent to city area, i.e. 120 (37.1%) followed by urban areas i.e. 85(26.2%) and lowest no. of respondents belong to rural areas i.e. 37(11.4%). It is also found that the domicile wise respondents indicates maximum of them represent to city areas followed by urban areas. As maximum Muslims are found in these areas, the number of collection of questionnaire were found to be more than other areas.

- **Age**

It indicated the sectional relationship in both numbers and percentage wise. The age type of the respondents have been categorized as less than 20 years, 21-30 years, 31-50 years, 51-60 years and more than 61 years, where, maximum respondents within the age of 31-50 years i.e. 108 followed by 21-30 years of age, i.e. 85. It reported the sectional age type and the number of respondents. It indicated sectional wise in bar chart. The age type of the respondents have been categorized as less than 20 years, 21-30 years, 31-50 years, 51-60 years and more than 61 years, where, maximum respondents are within the age of 31-50 years i.e. 108 followed by 21-30 years of age, i.e. 85.

- **Monthly Income**

Monthly Income (average) of the total respondents indicates in both numbers and percentage wise. The Income groups of the respondents have been categorized as Less than Rs.10,000, Less than Rs.30,000, Less than Rs.50,000, Less than Rs.80,000 and more than Rs.80,001. It is found that, maximum respondents are having income less than Rs.30,000 and their percentage revealed 38.9 percent of the total followed by the income of Less than Rs.10,000, i.e. 35.8 percent. So it is concluded that, mostly the respondents are found in the income group of Rs.10,000 to Rs.30,000 than other higher income groups. It also highlighted here on the “income” of the respondents, it has been marked that the income level of the respondents ranges from less than Rs.10000 to more than Rs.80,000, where five groups of income have been included in the present study. It is revealed that, mostly the respondents are found in the income group of Rs.10,000 to Rs.30,000 than other higher income groups.
• **Qualification**
  The qualification type of the respondents have been categorized as H.S.C, Graduate, Post-Graduate, Professionals & Technical and Any other degree holder, where as maximum respondents are found graduates, i.e. 133 (41.0%) followed by High school Certified, i.e. 58(17.9%) of the total. Only 44 respondents have Post Graduation certificate.

• **Occupation**
  The Occupational type of the respondents have been categorized as employee, Professionals, Pensioners, Students and Self Employed, where as maximum respondents are employee in both private and public sector, i.e. 105 (32.04%) followed by self-employed, i.e. 89(27.5%) of the total. Only 26 respondents are professionals out of the total.

• **Category**
  The type of respondents has been categorized Siha and Sunni, where the respondents are presently in the related to the present practices of Islamic accounting. Maximum number of respondents was from Sunni, i.e. 246 followed by Siha category of respondents, i.e. 74.

### 6.3 Reliability Analysis

From our research, we can see that all 320 of our participants answered all our questions. In our study there are 45 questions, when total scores of the questionnaire are examined; participants scored a mean of 97.20, with a variance of 376.083, and a standard deviation of 19.393. The relatively small standard deviation thus indicates that there are not wide variations in the scores of our participants for the overall total score on the questionnaire.

The Minimum and Maximum values are the two most extreme scores selected by participants. In our case these are 1.428 and 3.288; with mean score on items is 2.160 indicating that no respondents selected responses from the most extreme ends of the scale.
Besides, the Cronbach’s alpha value for overall scale is equal to .898 and Cronbach’s alpha based on standardized items is .901. An Alpha score above 0.70 is generally taken to indicate a scale of high reliability, 0.5 to 0.70 is generally accepted as indicating a moderately reliable scale. Since our overall alpha coefficient (standardized) is 0.898 and alpha coefficient of each question is above 0.80, we may conclude that our questions are reliable enough to making the measurements correct and accurate.

6.4 Factors responsible for selecting Islamic Accounting System vis-à-vis Conventional Accounting System

The objective of factor analysis in our research is to determine the factors responsible or affecting the decision in favor of Islamic accounting against the Conventional accounting by both the Shi'a and Sunni community.

Factor Analysis

“The primary data consisted of 320 replied questionnaires with 45 separate metric variables pertaining to the factors related to Islamic accounting system and Conventional accounting systems. In this research, the perceptions of Muslim community related to Islamic accounting system and Conventional accounting systems on forty five attributes are examined to first understand if these perceptions can be grouped and secondly reduce the forty five variables to a smaller number”.

“The forty five number of perceptions examined presents a complex picture of 2025 (45 X 45) separate correlations. If the forty five variables can be represented in a smaller number of composite variables, then we can understand that the factor analysis should be the best proper technique to analyze the data. Understanding the structure of perceptions of variables requires R-type factor analysis and a correlation matrix between variables as the case of this research presents the above requirements. Considering that we used the metric variables for this research, so they constitute a homogeneous set of perceptions and appropriate for factor analysis”.

“The Correlation Matrix Table shows the correlation matrix for 45 perceptions related to Islamic accounting system and Conventional accounting systemstors. Inspection of the correlation matrix reveals that 1551 of the 2025 correlations (76.59%) are significant either at 0.05 levels or at the 0.01 level. This provides for proceeding to the next level which is the
empirical examination of adequacy for factor analysis on both an overall basis and for each variable”.

Before conducting a factor analysis it is essential that we check our sampling adequacy and sphericity to see if it is worth proceeding with our analysis. “In order to make the assumptions complete, the next step is to assess the overall significance of the correlation matrix with the KMO and Bartlett's Test”.

Bartlett’s Test of Sphericity lets us know if there is a relationship between the variables. If no relationship is found then there is no point proceeding with the factor analysis. We may simply have too few participants for us to find the effects we are looking for and therefore insufficient power for a factor analysis. A p value<0.05 indicates that it makes sense to continue with the factor analysis. “Considering the data in this research, the correlations, when taken overall, are significant at the 0.0001 level (according to KMO and Bartlett's Test table) which is 6520.778. Since we have found p<0.001 we can conclude that there are relationships with our variables and it does makes sense to continue with the factor analysis. However, by doing so, just we test only the presence of nonzero correlations and not the pattern of these correlations. To know the pattern of these correlations, we must again refer to the KMO and Bartlett's Test table”.

The ‘Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)” is calculated using correlations and partial correlations to test whether the variables in our sample are adequate to correlate. That is, it calculates whether variables are so highly correlated that we cannot distinguish between them (multicollinearity). A general rule of thumb is that KMO value should be greater than 0.5 for satisfactory factor analysis to proceed. The higher the value, the better is the analysis. By observing the above results we can see that “the overall test is the measure of sampling adequacy (MSA), which as far as this research is concerned; fortunately, it falls in the acceptable range of (above 0.5) with a value of 0.845. Therefore, we can proceed with our factor analysis”. A value nearer to zero suggests that the partial correlations are high in relation to the actual correlations.

“Examinations of the values for each variable identifies that most of the variables have also the values above 0.50. Therefore, most of the variables obtain and exceed the minimum acceptable MSA level and thus all the forty five concerned variables are statistically significant and collectively meet the necessary threshold of sampling adequacy with an MSA value of 0.655. Each of the variables meets the fundamental requirement of
factor analysis. However, with the exception of factor 39, that has lower than required MSA of 0.5 with a value of 0.446. This indicates the high strength of the interrelationships among the variables in the reduced set. All the measures tested above, indicate that the reduced set of variables is appropriate for factor analysis and the analysis can be proceed to the next stage”.

In factor analysis we are looking for variability in one variable common to other variables, as this indicates that they are linked by an underlying factor. At first SPSS assumes (in a principal component analysis) that 100 percent of the variance of each variable is common variances, so gives each variable a communality of 1.000. However, when it has extracted the factors if works out how much of the variability of each variable really can be explained by the external factors, and gives an updated value of communality.

“Communalities show the amount of variance in a variable that is accounted for by various factors taken together. Large communalities indicate that a large amount of variance in a variable has been extracted by the factor solution. Small communalities show that a substantial portion of the variance in a variable is unaccounted for the factors. By observing our example we can see that all the variance of “Q1” is initially given a communality value of 1.000, but after extracting the factors we find it has a communality of 0.696. This indicates that around 70 percent of its variability is explained by the factors”.

“Factor analysis procedures are based on the initial computation of a complete table of inter-correlations among the variables (correlation matrix). This correlation matrix is then transformed through estimation of a factor model to obtain a factor matrix. The loading of each variable on the factors are then interpreted to identify the underlying structure of the variables (Hair et al., 1998). In this research, the factors related to Islamic accounting system and Conventional accounting systems are taken into consideration and steps of factor analysis are examined. As we understood in previous stages, the components of factor analysis are appropriate. At first, we select the number of components to be retained for further analysis. Total Variance Explained table contains the information regarding the forty five possible factors and their relative explanatory power as expressed by their Eigen values. In addition to assessing the importance of each component, we can also use the Eigen values to assist in selecting the number of factors. If we apply the latent root criterion, twelve components will be retained. As we consider the twelve factors and they would qualify, therefore, these results illustrate the need of multiple decision criteria in deciding the number of components to be
retained. The twelve factors retained represent 65 percent of the variance of the forty-five variables.

Using our criterion of selecting eigen values over 1, we can see from the highlighted numbers in the Total Variance Explained table that twelve components (or factors) have been produced that have eigen values greater than this amount. The Initial Eigen values Total column shows the Eigen values we are interested in. Only twelve factors have Eigen values greater than 1. The % of Variance column shows how much variance each individual factor can explain. The Cumulative % column shows an amount of variance accounted for by each consecutive factor added together. From our example we can see that factor 1 has an Eigen value of 10.62, which accounts for 23.60 percent of the variance. Our criterion for factor analysis is Eigen values greater than 1, so we therefore have twelve factors which can explain a cumulative 65.39 percent of the variance in the data. We can see that the Extraction Sums of Squared Loadings values are exactly the same as the Initial Eigen values, however only the twelve factors that have been extracted are shown. The rotation method changes the Eigen values and variances explained by each factor but keep the total variance the same. The extracted factors are shown in the Rotation Sums of Squared Loadings columns.

“The result of the previous stage is shown in table below, the Unrotated Component Analysis factor Matrix. To begin the analysis, at first we explain the numbers included in the table. Twelve columns of numbers are shown which the result is for the twelve factors that are extracted (factor loadings of each variable on each of the factors)”.

The Unrotated Component Matrix details the factor loadings onto our twelve factors before they have been rotated. This Unrotated component matrix table gives us the initial picture of the loadings of the variables onto the factors, but it can be made clearer by rotation. For example, we can see that 31 variables out of 45 appear to load onto factor 1 to a reasonable extent and there is no variable against factor 10, 11 and 12. However, rotation will simplify the picture and show which variables really are important to factor 1. As we have selected “the Principal Component Analysis with a Varimax rotation, the Rotated Component Matrix gives us clearer picture than the Component Matrix of our factor loadings onto twelve factors. Therefore, the only way is to rotate the factor matrix to redistribute variance from the earlier factors to the later factors. Hair et al. (1998), mention that rotation should result in a simpler and theoretically more meaningful factor pattern. Therefore, to do so, as explained in
methodology section, we apply an orthogonal (VARIMAX) rotation. The VARIMAX rotated component analysis factor matrix is shown in the table above.”

We noted that in the rotated factor solution, variables 1, 2, 3, 4, 5, 7, 8, 11 & 13 loads significantly on factor 1; variables 9, 10, 16, 17, 18, 19 & 26 loads significantly on factor 2; variables 20, 29, 38, 43 & 44 loads significantly on factor 3 and so on. “After deriving the satisfactory factor solution, we should attempt to assign some meaning to it. In order to do so, an interpretation of the pattern of factor loadings for the variables including their signs and an effort to name each of the factors is essential. Before, interpretation, a minimum acceptable level of significance for factor loadings must be selected”.

“Taking into consideration the above mentioned, if we look at the results represented in VARIMAX table, we can illustrate the procedure. The factor solution was derived from component analysis with a VARIMAX rotation of the twenty four perceptions of factors related to Islamic accounting system and Conventional accounting systems. The cut-off point of loadings for interpretation purpose in the research is +/-0.35 or above on the guideline presented in the following table and our sample size which is 320”.

Factor 1 has nine significant loadings; factor 2 has seven & factor 3 has five significant loadings and so on. In our analysis above, we see the groups of all variables with positive signs. These variables can be considered as the major determinants for opting Islamic accounting system against Conventional accounting systems and represents the trade-off of the variables in this regard. Overall, we can name them as “Factors facilitating for opting Islamic accounting system against Conventional accounting systems”.

As mentioned above, and “based on the loadings of the forty five variables on each factor (for factor loading greater than 0.35) and the loadings of the twelve summarized categories, the model was developed and is presented figure below. Before presenting the model, we would like to mention that according to Hair et al. (1998), the process of naming factors is based primarily on the subjective opinion of the researcher. Different researchers in many instances will no doubt assign different names to the same result because of differences in their backgrounds and training. For this reason the process of labeling factors is subject to considerable criticism. But if a logical name can be assigned that represents the underlying nature of the factors, it usually facilitates the presentation and understanding of the factor solution and therefore is a justifiable procedure. As mentioned above and presenting the model in Figure, we obtained twelve summarized factors by analyzing the data through
Component Analysis and using VARIMAX method as twelve factors including their sub processes. We now have a much clearer picture of our twelve factors. Rotation has shown that different variables load onto different factors. We can look at the variables loading onto each factor and choose suitable names for factors”.

- Factor 1 seems to be related to the Islamic Banking environment.
- Factor 2 is related to the financial benefits arising out of investments in Islamic banking system.
- Factor 3 emphasized on the Religious inclination.
- Factor 4 emphasizing on the Accounting practice methods.
- Factor 5 advocates regarding the Investors’ security.
- Factor 6 related to variables that gives importance on the Investment environment.
- Factor 7 emphasized on the Flexibility of the banking system.
- Factor 8 is related to the Investment opportunities.
- Factor 9 is related to Awareness of people regarding Islamic banking.
- Factor 10 includes the variables regarding the Effective financing.
- Factor 11 is related to the Governance by the banks.
- Factor 12 is emphasizes on the legal aspects related to Islamic banking operations or the Regulatory framework.

The Component Transformation Matrix shows the correlations used in transforming the Component Matrix to the Rotated Component Matrix. The religious impact & influence of Islamic banking & finance system along with transparent profit distribution system & cost of borrowing which is not fixed but depends on the outcome of business are the major factors pertaining to people opting for Islamic banking system. Islamic stock broking is the next determining factor for choosing Islamic banking system as a whole.

6.5 Factors responsible for Effectiveness of Different Mode of Financing Multiple Dichotomy Analysis

The objective of this analysis in our research is to determine the effectiveness of various modes of Islamic financing. As multiple mode of financing was done by the respondents, we used multiple dichotomy analysis method for study.
It is found that, Musharaka (96.8%), Mudaraba (94.3%) and Murabah (92.4%) are the three major modes of financing adopted by the respondents. This is followed by Ijara(88.9%), Bai Salam (82.9%) and Istitna (81.3%). Further, Qarhd and Bai Muajjall are the next two modes of financing with a percent case of 74.7% each. Airahn (69.6%) and Kafala(65.2%) are the other two modes of financing. Wakalah is less sought after mode of financing as its percentage case is 58.2%.

6.6 Age & Reasons of opting for Islamic Banking

H₀ There is no significant difference between the reasons for opting for Islamic banking among various age groups.

It can be seen that the opinion regarding Islamic banking vis-à-vis traditional or conventional banking is more than the mean for age group of below 20 (mean = 78.61%), 21 – 30 (68.01%) and above 60 (84.75%). The mean value for 31 - 50 is 60.83% and for the age group of 51 – 60 is 57.98% respectively. These differences seem to be supporting our hypothesis that the opinion of respondents in various age groups regarding Islamic banking vis-à-vis traditional or conventional banking vary significantly among various age groups. But to ascertain whether this result is significant or due to chance the ANOVA table IS examined.

The Std. Deviation indicates the spread of scores in the five age groups. The largest spread of scores was found in the age group below 20 years (45.32). The Std Error (standard error) is an estimate of the standard deviation of the sampling distribution of the mean. The 95% Confidence Interval for Mean indicates that we are 95 per cent confident that the true (population) mean will be between the upper and lower limits. The sample means fall between these two values.

Here, we see that the Sig. value is 0.000, which is less than 0.05. We can therefore assume that the variances are very much un-equal.

The degrees of freedom (df) need to be reported. In ANOVAs there will be two values, one for the factor (Between Groups) and one for the error (Within Groups), so here df=(4.31). If SPSS states that the probability (Sig.) is 0.000, it means that SPSS has rounded up or down the amount to the nearest number at three decimal places. However, we would always round the last 0 to a 1, so that p<0.001. The conventional way of reporting the finding is to state the test statistic (F), degrees an example can be seen below.

-177-
F (4.31) = 6.476; p<0.001

As p<0.001, this indicates that there is a highly significant difference between the three groups. However, it does not state where the significance lies.

The Sum of Squares gives a measure of the variability in the scores due to a particular source of variability. The Mean Square is the variance (sum of squares divided by degrees of freedom). Note that there is a lot of variability due to our factor and much less due to error.

The Multiple Comparisons table shows all the possible pair wise comparisons for our five groups of participants. In each comparison, one group is given the identifier ‘I’ and the second ‘J’. This is evident in the Mean Difference column, which gives the resulting figure when the mean of one group (J) has been subtracted from the mean of another group (I). In our example, the mean of group one (< 20 years) was shown to be 78.6122% in our descriptive statistics calculations, and the mean of the second group (21 – 30 years) 68.0118%.

78.6122(I) – 68.0118(J) = 10.6004

The Sig. column enables us to assess if the mean differences between the groups are significant. We can see from our example that the difference between the reasons for opting Islamic banking vis-à-vis traditional banking system between the age groups below 20 years and 31 to 50 years, as well as the between the age group below 20 years and 51 – 60 and as group as the p values are small and less than 0.05. We have not found significant differences between the age group below 20 years and 21 – 30 years as well as between the age group below 20 years and above 60 years as p<.05. However, this is only just outside the realm of claiming a significant difference, so examining the confidence intervals may give more information as to the strength of this difference.

The 95% Confidence Interval provides us with a different method for assessing the differences in our groups. From looking at the significance level we concluded that there is significant difference between the age group below 20 years and the age group 31 – 50 years (p < 0.5). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are 32.4680 to 3.0834. This is quite a long range with a difference of 29.4846.

Similarly we may “conclude that there is significant difference between the age group below 20 years and the age group 51 – 60 years (p < 0.5)”. Even, the confidence interval
calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are 37.6771 to 3.5874. This is quite a long range with a difference of 29.4846. Confidence intervals are therefore a good way of complementing significance levels, particularly if the figures are found to be on the edge of significance.

We found in the multiple comparisons table the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the age groups below 20 years, 21 – 30 years and 51 – 60 years. That is why they are put in one homogenous group. Similarly it is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the age groups below 20 years and 21 – 30 years. It is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the age groups below 20 years and above 60 years.

However, the reasons for opting Islamic banking vis-à-vis traditional banking system are significantly different among the age groups below 20 years, 21 – 30 years and 51 – 60 years with the age group below 20 years and 21 – 30 years and also below 20 years and above 60 years taken together in a group.

6.7 Domicile & Reasons of opting for Islamic Banking

H₀: There is no significant difference between the reasons for opting for Islamic banking among various domicile groups.

It is observed that the average opinion of respondents in various age groups regarding Islamic banking vis-à-vis traditional or conventional banking. It can be seen that the opinion regarding Islamic banking vis-à-vis traditional or conventional banking is more than the mean for city (mean = 70.371%), semi-urban (78.19%) and rural (72.64%). The mean value for urban is 50.68%. These differences seem to be supporting our hypothesis that the opinion of respondents in various locations regarding Islamic banking vis-à-vis traditional or conventional banking vary significantly. But to ascertain whether this result is significant or due to chance the ANOVA table is examined.

The Std. Deviation indicates the spread of scores in the five age groups. The largest spread of scores was found in the urban (36.94984). The table also displays the Total mean and standard deviations of all conditions together.
The Std Error (standard error) is an estimate of the standard deviation of the sampling distribution of the mean. The 95% Confidence Interval for Mean indicates that we are 95 per cent confident that the true (population) mean will be between the upper and lower limits. The sample means fall between these two values.

Levene’s Test of Homogeneity of Variances table, which tells us if we have met our second assumption (the groups have approximately equal variance on the dependent variable). “If the Levene’s test result is not significant (p>0.05)”, the variances are approximately equal. If this is the case then you need to consider transformation to make your variances more homogeneous. “If the Levene’s test result is significant (p<0.05) then the variances are significantly different”. Here, we see that the Sig. value is 0.000, which is less than 0.05. We can therefore assume that the variances are very much un-equal.

The ANOVA summary table is displayed next. This table contains the key information regarding our calculated F statistic.

The degrees of freedom (df) need to be reported. In ANOVAs there will be two values, one for the factor (Between Groups) and one for the error (Within Groups), so here df=(3.31). If SPSS states that the probability (Sig.) is 0.000, it means that SPSS has rounded up or down the amount to the nearest number at three decimal places. However, we would always round the last 0 to a 1, so that p<0.001. The conventional way of reporting the finding is to state the test statistic (F), degrees an example can be seen below.

F (3.31) = 12.830; p<0.001

As p<0.001, this indicates that there is a highly significant difference between the three groups. However, it does not state where the significance lies.

The Sum of Squares gives a measure of the variability in the scores due to a particular source of variability. The Mean Square is the variance (sum of squares divided by degrees of freedom). Note that there is a lot of variability due to our factor and much less due to error.

The Multiple Comparisons table shows all the possible pair wise comparisons for our five groups of participants. In each comparison, one group is given the identifier ‘I’ and the second ‘J’. This is evident in the Mean Difference column, which gives the resulting figure when the mean of one group (J) has been subtracted from the mean of another group (I). In our example, the mean of group one (city) was shown to be 70.3707% in our descriptive statistics calculations, and the mean of the second group (urban) 50.6824%.
70.3707(I) – 50.6824(J) = 19.6883

The Sig. column enables us to assess if the mean differences between the groups are significant. We can see from our example that the difference between the reasons for opting Islamic banking vis-à-vis traditional banking system between the urban and city, semi-urban & rural, as well as the $p$ values are small and less than 0.05. We have not found significant differences between the city & semi-urban and city and rural as $p<0.05$. However, this is only just outside the realm of claiming a significant difference, so examining the confidence intervals may give more information as to the strength of this difference.

The 95% Confidence Interval provides us with a different method for assessing the differences in our groups. From looking at the significance level we concluded that there is significant difference between city and urban ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are 30.8644 to 8.5123. This is quite a long range with a difference of 22.3521.

Similarly we may conclude that there is significant difference between urban and semi-urban ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are -15.3965 to -39.6291. This is quite a long range with a difference of 24.2326. There is also significant difference between urban and rural ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are -6.5494 to -37.3832. This is quite a long range with a difference of 30.8338. Confidence intervals are therefore a good way of complementing significance levels, particularly if the figures are found to be on the edge of significance.

The homogeneous subsets table (domicile) combines together those pair wise comparisons that were not found to be significantly different from each other. As we found in the multiple comparisons table the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among city, rural and semi-urban. That is why they are put in one homogenous group. However, the reasons for opting Islamic banking vis-à-vis traditional banking system are significantly different among the taken together in a group and urban.
6.8 Income & Reasons of opting for Islamic Banking

H₀ There is no significant difference between the reasons for opting for Islamic banking among various income groups.

It is observed that that the opinion regarding Islamic banking vis-à-vis traditional or conventional banking is more than the mean for income group of 30,000 to 50,000 (mean = 85.37%), 50,000 to 80,000 (80.55%) and less than 10,000 (68.26%). The mean value for 10,000 to 30,000 is 62.80% and for the income group of above 80,000 is 49.86% respectively. These differences seem to be supporting our hypothesis that the opinion of respondents in various income groups regarding Islamic banking vis-à-vis traditional or conventional banking vary significantly among various age groups. But to ascertain whether this result is significant or due to chance the ANOVA table IS examined. The Std. Deviation indicates the spread of scores in the five income groups. The largest spread of scores was found in the income group below 10,000 (38.54).

“If the Levene’s test result is not significant (p>0.05)”, the variances are approximately equal. If this is the case then you need to consider transformation to make your variances more homogeneous. “If the Levene’s test result is significant (p<0.05) then the variances are significantly different” Here, we see that the Sig. value is 0.000, which is less than 0.05. We can therefore assume that the variances are very much un-equal.

The degrees of freedom (df) need to be reported. In ANOVAs there will be two values, one for the factor (Between Groups) and one for the error (Within Groups), so here df = (4.31). The conventional way of reporting the finding is to state the test statistic (F), degrees an example can be seen below.

\[ F(4.31) = 6.249; p<0.001 \]

As p<0.001, this indicates that there is a highly significant difference between the groups. However, it does not state where the significance lies. The Sum of Squares gives a measure of the variability in the scores due to a particular source of variability. The Mean Square is the variance (sum of squares divided by degrees of freedom). Note that there is a lot of variability due to our factor and much less due to error.

The Multiple Comparisons table shows all the possible pair wise comparisons for our five groups of participants. In each comparison, one group is given the identifier ‘I’ and the second ‘J’. This is evident in the Mean Difference column, which gives the resulting figure.
when the mean of one group (J) has been subtracted from the mean of another group (I). In our example, the mean of group one (< 20 years) was shown to be $78.6122\%$ in our descriptive statistics calculations, and the mean of the second group (21 – 30 years) $68.0118\%$.

$$78.6122 (I) - 68.0118 (J) = 10.6004$$

The Sig. column enables us to assess if the mean differences between the groups are significant. We can see from our example that the difference between the reasons for opting Islamic banking vis-à-vis traditional banking system between the income groups below 10,000 and 30,000 to 50,000, as well as between the income group 10,000 to 30,000 and 30,000 to 50,000 as well as between income group 50,000 to 80,000 and above 80,000 vary significantly as the $p$ values are small and less than 0.05. We have not found significant differences between the other income groups as $p<.05$. However, this is only just outside the realm of claiming a significant difference, so examining the confidence intervals may give more information as to the strength of this difference.

The 95% Confidence Interval provides us with a different method for assessing the differences in our groups. From looking at the significance level we concluded that there is significant difference between the income group below 10,000 and the income group 30,000 to 50,000 ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are $-78.45$ to $-33.4374$. This is quite a long range with a difference of 32.6529.

Similarly we may “conclude that there is significant difference between the income group 10,000 to 30,000 and the income group 30,000 to 50,000 ($p < 0.5$)”. Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are $-6.3468$ to $-38.7929$. This is quite a long range with a difference of 23.1378. Confidence intervals are therefore a good way of complementing significance levels, particularly if the figures are found to be on the edge of significance.

We found in the multiple comparisons table the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the income groups less than 10,000, 10,000 to 30,000 & above 80,000. Similarly it is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the income less than 10,000, 10,000 to 30,000 & 50,000 to 80,000. It is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not
significantly different among the income groups less than 10,000, 30,000 to 50,000 & 50,000 to 80,000.

However, the reasons for opting Islamic banking vis-à-vis traditional banking system are significantly different among the income groups less than 10,000, 10,000 to 30,000 & above 80,000; income less than 10,000, 10,000 to 30,000 & 50,000 to 80,000; and income less than 10,000, 30,000 to 50,000 & 50,000 to 80,000 taken together in a group.

6.9 Qualification & Reasons of opting for Islamic Banking

$H_0$ There is no significant difference between the reasons for opting for Islamic banking among various qualification groups.

It can be seen that the opinion regarding Islamic banking vis-à-vis traditional or conventional banking is more than the mean for qualification group of professional & technical (mean = 73.62%) and other degrees (77.94%). The mean value for HSC, graduate and post graduate is 65.17%, 65.74% and 54.50% respectively. These differences seem to be not supporting our hypothesis that the opinion of respondents in various qualification groups regarding Islamic banking vis-à-vis traditional or conventional banking vary significantly. But to ascertain whether this result is significant or due to chance the ANOVA table is examined. The Std. Deviation indicates the spread of scores in the five income groups. The largest spread of scores was found in the qualification group other degree (47.05).

The Std. Error (standard error) is an estimate of the standard deviation of the sampling distribution of the mean. The 95% Confidence Interval for Mean indicates that we are 95 per cent confident that the true (population) mean will be between the upper and lower limits. The sample means fall between these two values.

“If the Levene’s test result is not significant (p>0.05)” , the variances are approximately equal. If this is the case then you need to consider transformation to make your variances more homogeneous.”If the Levene’s test result is significant (p<0.05) then the variances are significantly different”. Here, we see that the Sig. value is 0.000, which is less than 0.05. We can therefore assume that the variances are very much un-equal.

The degrees of freedom (df) need to be reported. In ANOVAs there will be two values, one for the factor (Between Groups) and one for the error (Within Groups), so here df=(4.31). The conventional way of reporting the finding is to state the test statistic (F), degrees an example can be seen below.
As p > 0.001, this indicates that there is a no significant difference between the groups. The Sum of Squares gives a measure of the variability in the scores due to a particular source of variability. The Mean Square is the variance (sum of squares divided by degrees of freedom). Note that there is a lot of variability due to our factor and much less due to error.

The Multiple Comparisons table shows all the possible pair wise comparisons for our five groups of participants. In each comparison, one group is given the identifier ‘I’ and the second ‘J’. This is evident in the Mean Difference column, which gives the resulting figure when the mean of one group (J) has been subtracted from the mean of another group (I). In our example, the mean of group one (< 20 years) was shown to be 78.6122% in our descriptive statistics calculations, and the mean of the second group (21 – 30 years) 68.0118%.

\[
78.6122 \text{ (I)} - 68.0118 \text{ (J)} = 10.6004
\]

The Sig. column enables us to assess if the mean differences between the groups are significant. We can see from our example that the difference between the reasons for opting Islamic banking vis-à-vis traditional banking system between the qualification groups does not vary significantly as the p values are greater than 0.05. We have not found significant differences between the qualifications. However, this is only just outside the realm of claiming a significant difference, so examining the confidence intervals may give more information as to the strength of this difference.

We found in the multiple comparisons table the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the qualification groups hence all the qualification are taken together in a group.

6.10 Occupation & Reasons of opting for Islamic Banking

H\textsubscript{0} There is no significant difference between the reasons for opting for Islamic banking among various occupation groups.

The first column of our Descriptives table details the number of participants (N) in each group. The table above displays the average opinion of respondents in various occupation groups regarding Islamic banking vis-à-vis traditional or conventional banking. It can be seen that the opinion regarding Islamic banking vis-à-vis traditional or conventional
banking is more than the mean for occupation group of pensioners (mean = 78.03%), and students (77.62%). These differences seem to be supporting our hypothesis that the opinion of respondents in various occupation groups regarding Islamic banking vis-à-vis traditional or conventional banking vary significantly. But to ascertain whether this result is significant or due to chance the ANOVA table is examined.

The Std. Deviation indicates the spread of scores in the five income groups. The largest spread of scores was found in the occupation group students (38.48). The table also displays the Total mean and standard deviations of all conditions together.

“If the Levene’s test result is not significant (p>0.05), the variances are approximately equal. If this is the case then you need to consider transformation to make your variances more homogeneous. If the Levene’s test result is significant (p<0.05) then the variances are significantly different”. Here, we see that the Sig. value is 0.000, which is less than 0.05. We can therefore assume that the variances are very much un-equal.

The degrees of freedom (df) need to be reported. In ANOVAs there will be two values, one for the factor (Between Groups) and one for the error (Within Groups), so here df = (4.31). If SPSS states that the probability (Sig.) is 0.000, it means that SPSS has rounded up or down the amount to the nearest number at three decimal places. However, we would always round the last 0 to a 1, so that p<0.001. The conventional way of reporting the finding is to state the test statistic (F), degrees an example can be seen below.

\[ F (4.31) = 8.142; p<0.001 \]

As p<0.001, this indicates that there is a highly significant difference between the groups. However, it does not state where the significance lies. The Sum of Squares gives a measure of the variability in the scores due to a particular source of variability. The Mean Square is the variance (sum of squares divided by degrees of freedom). Note that there is a lot of variability due to our factor and much less due to error.

The Multiple Comparisons table shows all the possible pair wise comparisons for our five groups of participants. In each comparison, one group is given the identifier ‘I’ and the second ‘J’. This is evident in the Mean Difference column, which gives the resulting figure when the mean of one group (J) has been subtracted from the mean of another group (I). In our example, the mean of group one Employee) was shown to be 55.8649% in our descriptive statistics calculations, and the mean of the second group (Professional) 67.3103%.
The Sig. column enables us to assess if the mean differences between the groups are significant. We can see from our example that the difference between the reasons for opting Islamic banking vis-à-vis traditional banking system between the occupation group, employee – student and employee - pensioners, vary significantly as the $p$ values are small and less than 0.05. We have not found significant differences between the other occupation groups as $p<0.05$. However, this is only just outside the realm of claiming a significant difference, so examining the confidence intervals may give more information as to the strength of this difference.

The 95% Confidence Interval provides us with a different method for assessing the differences in our groups. From looking at the significance level we concluded that there is significant difference between the occupation group employees – student ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are -9.4932 to -34.0364. This is quite a long range with a difference of 24.5432.

Similarly we may conclude that there is significant difference between the occupation group employees - pensioners ($p < 0.5$). Even, the confidence interval calculated suggests that there is large difference. The upper and lower bounds of the confidence interval are -8.3242 to -36.0188. This is quite a long range with a difference of 27.6946. Confidence intervals are therefore a good way of complementing significance levels, particularly if the figures are found to be on the edge of significance.

SPSS also calculates the homogeneous subsets (occupation Groups) table shown above. The homogeneous subsets table (occupation Groups) combines together those pairwise comparisons that were not found to be significantly different from each other. As we found in the multiple comparisons table the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the occupation groups employee, housewives and professionals, hence they are put in a single group. Similarly it is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the occupation group housewives, professionals and students. It is also found that the reasons for opting Islamic banking vis-à-vis traditional banking system are not significantly different among the occupation group professionals, students and pensioners. This is so because the $p > 0.5$ for each groups stated above.
However, the reasons for opting Islamic banking vis-à-vis traditional banking system are significantly different among the three occupation groups stated above taken together in a group.

6.11 Conclusion

Consistent with this world-view and economic paradigm, the researcher defined and suggested that an “Islamic Accountability” framework would be more appropriate for Islamic accounting rather than “decision-usefulness” advocated for conventional accounting. As such, the researcher proposed an Islamic accountability model, showing a dual accountability role for Islamic organisations (or accountors) – one to God (in the form of social accountability to society and stakeholders) and one to the contracted accounted.

Besides the primary objective of “Islamic accountability”, the researcher also proposed subsidiary objectives of Islamic accounting. These included the provision of information on Shariah compliance, the proper assessment and distribution of Zakat, the equitable and fair distribution of wealth generated by the organisation among its employees and other stakeholders and the promotion of a co-operative environment and solidarity.

Further, the researcher also suggested that stakeholders other than shareholders might be as important if not more important as users of Islamic accounting information, in line with the Islamic concept of taklif or “responsibility according to capacity”. Since large corporations used more community resources, they would have to be accountable for them to the community.

The characteristics of Islamic accounting and proposed that it be holistic and integrative rather than restricted by the monetary measurement concept to “internalities” only. It has been proposed that Islamic accounting should inform users on Shariah compliance and prohibited transactions, wealth distribution, internal employee/manager relationships and social and environmental impact of the accounting entity.

Finally, the importance of income calculation in Islamic accounting as there would be an absence of interest-based instruments and a preponderance of Mudaraba and Musharaka (dormant and active partnerships respectively) contracts. Due to this and the wealth transfer implications of Zakat, and is mixed valuation model using current valuation for stocks and fixed assets but separating the operational and holding gains.