Abstract

Islamic accounting and financing system that is based on the principles of Islamic law, also referred to as Shariah law, and guided by Islamic economics. Two basic principles behind Islamic system are the sharing of profit and loss and, significantly, the prohibition of the collection and payment of interest by lenders and investors. Collecting interest or "riba" is not permitted under Islamic law.

The rise of “Islamic banks and other Islamic financial foundations” since the 1970s has invigorated a present day writing that formulates it as tending to "Islamic Accounts and Finance". The expression "Islamic accounting and financing" indicate in the quickly developing present-day writing. “Napier (2009) has proposed three interrelated perspectives”: a generally arranged sense, in which "Islamic Accounting and financing" alludes to “thoughts and practices in Muslim”-greater part nations in past periods; a practice-situated sense, where the emphasis is on how substances portraying themselves as "Islamic" record for and report their exchanges and exercises; and a standard situated sense, where principal “accounting and financing” ideas and techniques shape a cognizant collection of thoughts and practices in view of the religion of Islam. "Islam" implies add up to the accommodation or “surrender to the will of God (Allah)”, and a “Muslim” is someone who follows or practices Islam.

Despite the fact that rules of Islamic accounting and financing framework that is based on banning interest gained increased extensive acknowledgment, Islamic system has not created couple with the fast development of the Islamic financing framework and it remains ineffectively caught on. A great part of the insightful research into Islamic system is not composed of English, and the English-dialect writing has a tendency to be distributed among non-mainstream accounting journals. Our point of this review is to give more extensive introduction to research related to Islamic system, which we expect will fortify level headed discussion and further research in this field.

This review has meant to research the conceivable requirement for 'Islamic bookkeeping and financing' as a contrasting option to the traditional bookkeeping and financing framework as of now by and by in many parts of the world. Specifically, it intended to examine whether the targets, attributes and outcomes of customary framework are fitting to Islamic associations and Muslim clients and if not, to propose the layouts of an Islamic accounting and financing hypothesis. The inspiration for the review is the apparently relentless commanding inclination of traditional framework.
The purpose of this research is to make people aware of Islamic accounting and financing system through comparison on perception level by asking questionnaire to Muslim community so that they can compare their practices with Islamic and conventional system as they have knowledge of both the system.

In order to identify, the perception on the system of practicing, the comparison has been made in between Siha and Sunni. The perception has been studied here by taking both the groups to fit the objectives of the study.

The research tools and techniques are used through the SPSS package-21 and accordingly it has been analysed. The Percentage, graphs have also been drawn for better clarity in the analysis to support. The other tools like ANOVA, Factor analysis and Multiple Dichotomy analysis has been done.

After rigorous literature review and experience of the researcher in Shariah law and Islamic finance industry for about fifteen years, Research hypothesis, framed on the basis of research objectives illustrated above provide critical mass for analysis and evaluation of data and decipher concrete findings. For this study, we have taken five selected demographic factors namely – Age, Domicile, Income, Qualification and Occupation

Similarly as with all exploration, this examination had a few confinements. Specifically a few imperative parts of Islamic framework couldn't be examined because of the length and time confinements. These incorporate the structure of the Islamic system report, and the top to bottom exchange of acknowledgment and estimation framework for Islamic system.

Uniform administrative and legitimate structure that is strong of an Islamic financial framework has not yet been developed. In actuality, existing banking regulations in Islamic nations depend on the traditional or western managing an banking models which limit the extent of exercises of Islamic banking within conventional limits.

There is a requirement for a sound accounting methods and principles that are steady with the Islamic Laws. Worldwide accounting practices which depend on western/customary models are not sufficient because of contrasts in the nature and treatment of monetary instruments. 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.