



VIDHYAYANA

An International Multidisciplinary Research E-Journal

---

ISSN 2454-8596

www.vidhyayanaejournal.org

## Understanding perceptions for Islamic Banking in Saurashtra region of Gujarat State

**Rasida Bharmal**

Ph.D. Research Scholar

Saurashtra University-Rajkot

Mo. 8469033263

VIDHYAYANA

Email: r.bharmal@yahoo.com



VIDHYAYANA

ISSN 2454-8596

www.vidhyayanaejournal.org

## An International Multidisciplinary Research E-Journal

### Abstract

The aim of present study is to know the awareness of Islamic Banks among the people of Saurashtra. Researcher has done primary study with the help of questionnaire. Total 100 questionnaires were distributed and out of that 66 responses were gathered. Gathered data were tabulated properly and it is observed that awareness among the people was found very much less about Islamic banks. Many people have heard about it but it is till limited extent only.

**Key Words:** Islamic Bank, Awareness

### Introduction:

What differentiate Islamic Banking from western Banking? It is only the rules and regulations. In western banking system all the rules and regulations are decided by government or central bank of respective country or official authorities while in Islamic Banks it totally follows the rules and regulation according to religious beliefs. Islamic Banking and Finance works according to Quran and Sunnah.

Quran is holy book of Islam and it is strong belief in the followers of Islam that there is nothing unanswered in Quran. One more belief in Islam is that for making people aware about Islamic God always send their messengers. Adam, Nuh,

Ibrahim, Mosa, Jesus and Prophet Mohammad are different messengers of Allah. They make people aware about different do's and Don't of Islam. There are different Islamic Laws are there which are known as Shariah Law. According to Shariah Law there are many prohibitions in Islam namely: prohibition of Riba(interest), prohibition of Gharar(uncertainty), prohibition of maysir(Gambling), unlawful goods and services etc. These banks are working according to the rules and regulations of Islam. These Banks have mode of operations like western banks but they are doing all the transactions under the purview of Shariah Law. There are different Bank accounts, Insurance product, Loans, Mutual Funds etc. these all is done by bank according to the Shariah Law.

### Literature Review

1. Muhammad K. Abdulsater, (2017) **“Australian Muslim Consumers and Takaful Products: an Empirical Study Investigating Awareness, Perceptions and Purchase Intentions.”** In the study researcher has work on the Takaful products i.e. insurance provided by the IB. For the study convenient sampling has used and collected data from 125 Australian Muslims of Sydney. It has



VIDHYAYANA

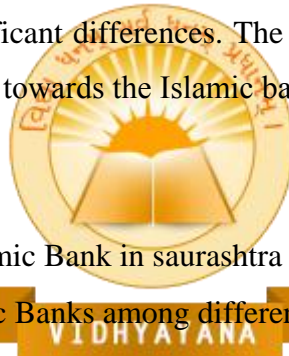
ISSN 2454-8596

www.vidhyayanaejournal.org

## An International Multidisciplinary Research E-Journal

found that there is modest level of awareness among people regarding Islamic insurance product. They have faith on God so they don't like to buy much insurance product. There is negative relationship found between religiosity and purchase intentions of general insurance. From all based on the result, it is found that Takaful products would be more successful in less spiritual customers.

2. Imam Buchari, Ahmad Rafiki, Mahmood Abdullah Hadi Al Qassab (2015) **Awareness and attitudes of employees towards Islamic banking products in Bahrain.** Study is based on primary data. It is part of descriptive analysis. For the study survey of 102 people was done with the help of questionnaires. Sample selected are the current employees of Islamic Bank of Behrain. For statistical analysis Kruskal-Wallis Test and chi-square test were used. From the study it was observed that 56% of respondents were aware and also has a positive attitude towards Islamic banking products and services. There is also significant difference found in the awareness and attitudes towards Islamic banks' products and services when they are grouped according to gender and education level while age and income both have insignificant differences. The findings invariably express the standard of employees' awareness and attitude towards the Islamic banking products and services in Bahrain.



VIDHYAYANA

### Objective of the Study

- To know the awareness of Islamic Bank in saurashtra region
- To creates awareness of Islamic Banks among different people.

### RESEARCH METHODOLOGY:

#### 1. Population/universe of study:

Population consist different people of saurashtra.

#### 2. Sample Design:

For the sampling 100 people were selected randomly

#### 3. Data collection:

The research work will be based on primary data. And data collected with the help of questionnaire



Data Analysis

Findings:

Total 100 questionnaires were distributed in the equal ratio of Islamic and Non Islamic people. Different questions regarding awareness were asked. Total 66 people has responded out of which 28 (42%) were non Islamic and 38 (58%) were Islamic. People of different age and education were there in the sample of study.

Table 1 Education and awareness of IB

Education and awareness	Responses		Grand Total	% Yes
	No	Yes		
SSC	2	2	4	50.00
HSC	2	8	10	80.00
GRADUATE	8	10	18	55.56
POST GRADUATE	12	22	34	64.71
<b>Grand Total</b>	<b>26</b>	<b>40</b>	<b>66</b>	<b>60.61</b>

Above table presents data for education and awareness of IB. It answers to the question that whether education has any relation with awareness of IB? From the answers it concludes that ration of “Yes” is more than “No” all educated people does not know about IB but many people aware about it.

Table 2 Awareness about following terms related to IB

Ans/Que	Shariah Law (Islamic Law)	Riba (Interest)	Gharar (Risk & uncertainty)	Maysir (Gambling)	Musharakah (Partnership)	Sukuk (Bond)	Takaful (Insurance)	Mudaraba (Profit Sharing)
Yes	38	40	32	30	25	24	24	25
No	28	26	34	36	41	42	42	41
Total	66	66	66	66	66	66	66	66
% Yes	57.58	60.61	48.48	45.45	37.88	36.36	36.36	37.88



VIDHYAYANA

ISSN 2454-8596

www.vidhyayanaejournal.org

## An International Multidisciplinary Research E-Journal

Above table is showing data for awareness of respondents regarding Islamic Banks. Questions regarding related Islamic terms were asked and it can conclude so far as maysir, Gharar, Riba & Shariah Law more than 50% have idea about that but in rest part like Musharakah, Sukuk, Takaful and Mudaraba less than 50% have idea about that. Above data shows there is very much less awareness about IB. In the saurashtra region this banks were not popular in public.

### Limitations of the Study

- Present study is limited for few people only
- Study is limited to saurashtra region only
- Study is based on primary data so it restricted till the awareness of respondents
- Study has only focused on Islamic banks.

### Future Scope of the study

- Study can be expanded geographically
- Further study can be done for more number of samples
- It can also include other criterion than only awareness

### Conclusion

From the study it is concluded that there is very much less awareness among the people of saurashtra region about Islamic Banks. Total 100 questionnaires were distributed out of that 66 were received so itself it indicate lower awareness. In those 66 respondents both Islamic and Non Islamic people were there. Students, employees, businessmen, housewives etc were there in the study group. From all it is concluded that people are not much aware about Islamic Banks.



VIDHYAYANA

An International Multidisciplinary Research E-Journal

ISSN 2454-8596

www.vidhyayanaejournal.org

---

**References:**

C.R.Kothari. (2014). *Research Methodology*. New Delhi: New Edge International Publishers.

<https://islamicbankers.files.wordpress.com/.../marifas-practical-guide-to-islamic-banking>

Abdulsater, M. K. (Dec 2017). Australian Muslim Consumers and Takaful Products: an Empirical Study Investigating Awareness, Perceptions and Purchase Intentions. *Journal of Islamic Banking and Finance* , 5 (2), 15-18.

Imam Buchari, A. R. (2015). Awareness and attitudes of employees towards islamic banking products in Bahrain. *Procedia Economics and Finance* , 30, 68-78.



VIDHYAYANA