International Journal of Business
Management & Research (IJBMR)
ISSN(P): 2249-6920; ISSN(E): 2249-8036
Vol. 4, Issue 2, Apr 2014, 63-74

THE CONCEPT OF *MUDARABAH* INVESTMENT DEPOSITS

RUSNI BT HASSAN[1] & SHAFI'I ABDUL AZEEZ BELLO[2]

[1]Associate Professor, Department of Islamic Law IIUM, Institute of Islamic Banking and Finance,

[2]Postgraduate & Research, Ahmad Ibrahim Kulliyyah of Laws IIUM, International Islamic University, Malaysia

ABSTRACT

Islamic finance is emerging as a rapidly growing part of the financial sector in the Islamic world as it has become a global phenomenon. Moreover, both Islamic and western countries have been embraced it. The *mudarabah* contract refers to an agreement made between a capital provider and another party who acts as the entrepreneur. Therefore, this paper attempts to analysis the concept of *mudarabah*in investment deposit. The characteristics of Investment deposit in both banks was briefly explained while its classification critically analysis. Furthermore, the *mudarabah* deposit and its categories mainly clarify. Also, the essential elements, condition of *mudarabah* and calculation of profit were elicited. In addition, the basis from primary and secondary sources was given to authenticate the practice of *mudarabah*. The explanation of guarantee returned in *mudarabah*, administrative costs, indirect expenses, modus operandi as well as difference between *mudarabah* and musharakah were shortly enlightened. It concluded with results.

KEYWORDS: *Mudarabah*, Investment, Deposit