

Universitas Islam Indonesia

Faculty of Economics

INTERNATIONAL PROGRAM



ISLAMIC STUDIES PROGRAM

Syllabus:

Syariah Financial Accounting

Lecturer	: Arief Bachtiar, Drs, MSA, Ak
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Credit (CP)	: 3
Consultation Times	: By appointment
Class Duration	: Two and a half hours per week for 12 weeks

Subject Overview:

Since the mid 20th century, there has been a serious effort within Muslim societies to comply fully to the Islamic tenets in daily life. This includes the application of Islamic economic teachings, as discussed in various verses of the holy Qur'an, in the *ahadith*, as well as exemplified in the real life of prophet Muhammad and his companions.

The real example of this effort can be seen in the establishment of Islamic financial institutions such as banks, insurance companies, capital markets, mutual funds and so forth, both in Muslim and non-Muslim countries. The proliferation of growth in the Islamic banking sector, both nationally and internationally, has been remarkable. Islamic banks now stand side by side with their conventional counterparts in more than 150 countries worldwide. Due to this, it is imperative for students to understand how Islamic banks operate. This course aims to provide accounting students, an understanding of the operations of these banks, the processes required to record the bank's unique transactions, as well as how to prepare financial statements in these financial institutions.

Subject Objectives:

This subject is designed to provide students with the ability to recognize and record a variety of transactions for Islamic banks and Islamic financial Institutions. After completing the course, it is expected that students will be able to:

1. Distinguish between Islamic banks and conventional banks, both their basic concepts as well as their operations
2. Explain the accounting concepts applied within Islamic Banks and financial institutions
3. Record various kinds of transactions used in the operation of Islamic banks and financial institutions
4. Prepare Financial Statements used by Islamic banks and financial institutions.

Assessment:

The final grade will be determined by a composite evaluation of the student's performance based on the following assessment areas:

Task	Value	Deadline
Assignments	20%	Before first exam period (week 6) and before second exam period (week 14)
Essay	10%	After first exam period (week 8)
Mid Term Exam	35%	During first exam period (week 7)
Final Exam	35%	During second exam period (week 15)

Essay:

Students are required to submit a 2000-2500 word essay about accounting for Islamic banks and financial institutions. The precise topic will be announced in week 4, and the paper must be submitted in week 8. The essay must be written individually.

Assignments:

Two assignments will be given during the semester. The first assignment requires an investigation into current accounting issues in Islamic banks and generally You must then write a report of 2000-2500 words. The second assignment requires you to write a report of 2000-2500 words that gives an analysis of the presentation of Islamic Bank Financial Statements.

Exams:

The mid-term exam will be held as scheduled by the Department of Accounting. The final exam will be held at the end of semester. The exams involve a number of accounting problem calculations and several short answer questions. The exams are 90 minutes in duration.

Grading System:

Based on university policy, a pass grade or better will only be given to students who achieve a final grade above 55%.

Total	Grade
86 - 100	A
83 - 85	A-
80 - 82	A/B
76 - 79	B+
71 - 75	B
68 - 70	B-
64 - 67	B/C

Total	Grade
61 - 63	C+
56 - 60	C
53 - 55	C-
49 - 52	C/D
45 - 48	D+
35 - 44	D
0 - 34	E

Policy on assessment:

Essays and assignments will not be accepted after the due date unless arrangements for an extension of time have been made prior to the due date. If you do not agree with the result that you achieve for any piece of assessment for this subject please contact the lecturer immediately. You have a right to know the reasons why your work has received a certain grade and to request it be reassessed if you believe it has been unfairly assessed.

Warning Concerning Academic Misconduct:

The International Program expects all students and staff to act with honesty and integrity in all matters. That means being truthful and recognising the intellectual ownership of other people's words, ideas, research findings and information. To not do so academically dishonest and may incur a range of penalties. Academic misconduct includes plagiarism, collusion, cheating in examinations, misappropriating the research of others and misrepresenting research findings.

What is plagiarism?

Plagiarism is the using of another person's ideas or expressions without appropriate acknowledgment and presenting these ideas or forms of expression as your own. It includes not only written works such as books or journals, but

data or images that may be presented in tables, diagrams, designs, plans, photographs, film, music, formulae, web sites and computer programs. Plagiarism includes the use of the work of lecturers or other students as your own without acknowledgment. Self-plagiarism is the reuse of your own work without indicating that you have reused it.

Quoting and Paraphrasing:

A quote occurs when you use 5 or more words from another source exactly as the words appear in the original. You are allowed to incorporate quotes from the work of others into your work. However, only up to 10% of your work can be quoted. A paraphrase is restating what someone else has said or written *using your own words*. A paraphrase is not achieved by simply altering the words from another source slightly. A slight rewording is still effectively a quote. You must either:

- Provide an *exact* quote (and indicate that it is a quote)
- Provide an appropriate paraphrase of the ideas in your words.

An appropriate paraphrase is normally achieved by reading and taking notes, then *closing the book and writing your own words*.

What is collusion?

Collusion involves working with others with the intention of deceiving examiners about who actually completed the work. For example, if a student employs someone else to do their work for them, that would constitute collusion. Or if one student willingly allows another student to copy their work for an individual assessment task, that would constitute collusion. In that case both students may have committed an academic offence. Collusion is not the same as collaboration. Collaboration is working together on a task; collusion is doing so in an unauthorised manner. What is authorised varies from task-to-task. For example, collaboration is allowed or expected on many assignments, but for other tasks such as exams and some in-class or online tests no collaboration is allowed. If you have any doubt about what constitutes authorised and unauthorised collaboration on a particular task you should consult IP management.

Avoiding plagiarism:

Plagiarism is avoided by appropriately acknowledging sources of your ideas or expressions. In this unit this entails:

1. Providing an in-text citation using the APA referencing system at the place where any idea or expression from another source is used, whether directly quoted or paraphrased; and
2. Clearly indicating where material is directly quoted (a direct quote occurs if 5 or more words from another source are used exactly as they are used in the

original) by using quotation marks for short quotes or indenting for longer quotes; and
 3. Providing a full reference to the source in a list of references at the end of the work, again using the APA referencing system.

Important Note: the *APA Referencing Guide* can be obtained from IP management

Subject Organization and Lecture Program / Topics:

Week	Topics	References
01	Basic Concepts Shari'a Financial Accounting	Adnan [1997], Shahul [2002] [see journal references] and AAOIFI [2002]
02	Operational Concepts of Islamic Banks and Financial Institutions	Sudarsono [2003].
03	Conceptual Framework of Accounting for Islamic Banks and Financial Institutions	IAI [2007]; AAOIFI [2002]
04	Presentation and Disclosure of Shari'a Financial Statements	IAI [2007]; AAOIFI [2002]
05	Accounting for Murabaha	IAI [2007]; AAOIFI [2002]; PAPSI [2003]
06	Accounting for Salam and Istisna'a	IAI [2007]; AAOIFI [2002]; PAPSI [2003]
07	Mid- term exam	
08	Accounting for Mudaraba and Musharaka	IAI [2007]; AAOIFI [2002]; PAPSI [2003]
09	Accounting for Ijarah and Ijarah Muntahia Bittamleek	IAI [2002]; AAOIFI [2002]; PAPSI [2003]
10	Accounting for Funding and Other Services	IAI [2002]; AAOIFI [2002]; PAPSI [2003]
11	Accounting for Profit Distribution	IAI [2002]; AAOIFI [2002]; PAPSI [2003]; Wiroso [2005]
12	Accounting for Zakah, Infaq, Shadaqa	IAI [2002]; AAOIFI [2002]; PAPSI [2003]
13	Accounting for Shari'a Insurance	AAOIFI [2004]
14	Final exam	

Materials and References:

Textbooks:

1. AAOIFI. (2002). *Accounting and Auditing Standards for Islamic Financial Institutions*. Bahrain: Manama. – **[AAOIFI]**
2. Bank Indonesia. (2003). *The Guidelines of Accounting for Indonesian Islamic Banking*. Jakarta: Bank Indonesia. – **[PAPSI]**
3. Ikatan Akuntan Indonesia. (2002). *PSAK Nomor 59: Akuntansi Perbankan Syariah*. Jakarta: IAI. – **[PSAK 59]**
4. _____. (2007). *PSAK Syariah (KDPPLKS and PSAK 101 s/d 106)*. Jakarta: IAI. – **[PSAK Syariah]**
5. Sudarsono, Heri. (2003). *Islamic Bank and Financial Institutions*. Yogyakarta: Ekonisia – **[Sudarsono]**
6. Wiroso. (2005). *Funding Method and Profit Distribution in Islamic Banking*. Jakarta: Grasindo Publisher. - **[Wirosa]**

Journals:

1. Adnan, M. Akhyar [1997] "The Shari'ah, Islamic Bank and Accounting Concepts", *Jurnal Akuntansi dan Auditing Indonesia*, Vol. 1, No. 1, May 1997, pp 47-80.
2. Hameed, Shahul [2000] "The Need for Fundamental Research in Islamic Accounting" *IBFnet*.

Websites:

<http://www.aoifi.com>
<http://www.islamic-finance.com>
<http://www.bi.go.id>