



**‘ANNAQLU CAR FINANCING-I: A STUDY ON AL-IJARAH THUMMA AL-BAI (AITAB)  
SELECTION AMONG CUSTOMERS OF BANK RAKYAT PUTRAJAYA’**

**MUHAMMAD NOOR RIDZUAN BIN IDRIS**

**2012817578**

**MUHAMMAD ASHRAF BIN MAHADZIR**

**2012401566**

**BACHELOR (HONS) OF BUSINESS MANAGEMENT**

**(ISLAMIC BANKING)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA KELANTAN**

**JUNE 2014**

## DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION  
(HONOURS) ISLAMIC BANKING  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA**

### “DECLARATION OF ORIGINAL WORK”

**I, MUHAMMAD NOOR RIDZUAN BIN IDRIS (I/C NUMBER: 910730-14-6427) AND  
MUHAMMAD ASHRAF BIN MAHADZIR (I/C NUMBER: 911029-08-5851)**

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Acknowledgement**

All praise to the Almighty Allah S.W.T and grateful for His blessing that we managed to complete this project paper in due time.

We would like to grab this opportunities to express my deepest appreciation for those who had contributing a great deal towards the completion of this report.

We are greatly indebted to Puan Rosfatihah Che Mat, my advisor of this project paper for the tireless guidance and assistance in conducting the study from the beginning to the completion of the report. Also to her precious criticisms and constructive feedback to make this report success.

Special thanks also given for those at Bank Rakyat Putrajaya for the aid in gathering the data for the study.

We wish to extend my gratitude to our parents and our colleague for their support and motivation in completing this study. They are people who have inspired me in completing this study. Without them, we am sure this study will not appropriately do.

Finally, we are grateful to Allah S.W.T for His guidance and inspiration had helped a great deal in completing the report.

## Table of Content

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	vii
LIST OF FIGURES	viii
ABSTRACT	ix
CHAPTER 1 INTRODUCTION	
1.1 Background of Study	1
1.2 Background of the Organization	6
1.3 Problem statement	8
1.4 Research Objectives	10
1.5 Research Questions	10
1.6 Scope of Study	11
1.7 Significance of Study	12
1.8 Limitations of Study	14
1.9 Theoretical Framework	16
1.10 Hypothesis of the Study	18
CHAPTER 2 LITERATURE REVIEW	
2.1 Adherence to Shariah	20
2.2 Financial Counseling Available	22
2.3 Car Dealer Relationship	23
2.4 Profit Rate	24
CHAPTER 3 RESEARCH METHODOLOGY	
3.1 Introduction	26
3.2 Research Design	26
3.3 Sampling Procedure	28
3.3.1 Sampling	28
3.3.2 Sampling Technique	28
3.3.3 Population and Sample Size	29
3.4 Data Collection Method	29
3.5 Questionnaire Design	30
3.6 Data Analysis	31
3.6.1 Reliability Test	31
3.6.2 Frequency Distribution	32
3.6.3 Pearson Correlation Coefficient	32
3.6.4 Regression Analysis	32
3.7 Summary	33

## **Abstract**

Vehicle is a must as people used it to perform their daily responsibilities and activities. In owning a car people will apply for car financing and their choice will be of either conventional hire purchase or islamic hire purchase from banking institution. According to the data obtained through BKRM's annual report from 2010 – 2012, their figure of disbursement on AITAB are quite wobbly. The total disbursement for that three consecutive years starting from 2010 – 2012 is RM10,330,000, RM639,759,000 and RM413,206,000 respectively. This paper presents the factors affecting the selection of AnNaqlu car financing that uses the concept of Al-Ijarah Thumma Al-Bay (AiTAB) among Bank Rakyat Putrajaya customers. The study is confined to Islamic hire purchase of bank rakyat only in Putrajaya. The objective of this paper is to determined the relationship between adherence to shariah, financial counseling available, car dealer relationship and profit rate with AiTAB's selection among customers. Descriptive research, quantitative research and causal research have been used to conduct this study. The finding was gained through questionnaires distributed to 150 customers. All 150 of distributed questionnaires were managed to be usable and valid for the further analysis of data. The findings indicated that adherence to shariah, financial counseling available, car dealer relationship and profit rate were found to be significant.