

UNIVERSITI TEKNOLOGI MARA

**EVALUATING THE VALIDITY OF ONLINE
TRANSACTION FOR ELECTRONIC
STOREFRONT FROM ISLAMIC PERSPECTIVE**

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ABSTRACT

The penetration of Internet technology has created an opportunity to increase the productivity of traditional business as well as to start highly productive business based novel business. It has enabled the traditional business enterprise to engage in new electronic commerce. Electronic commerce can be defined as the utilization of information communication technology mediated exchanges by business enterprises for the purpose of selling goods and services over the Internet. Business to consumer (B2C) transaction, one of electronic commerce applications is fast becoming an accepted way to business enterprise to provide products and services via websites to customers. In addition, the sales of this transaction have increased year by year. Even though, this new application has drastically changed the business method, it has also given a great impact to the legal aspect, especially Islamic commercial law. This study aims to analyze three conditions of Islamic sale of contract namely two parties involved (*Al Aqidani*), format of *ijab* (offer) and *qabul* (acceptance) and subject of contract (*Maaqud Alaihi*) in online transaction of electronic storefront. The main objectives for this study are to identify and analyze three conditions of Islamic Sale Contract such as format of offer and acceptance, two qualified parties and subject of contract in online transaction of electronic storefront according to Islamic Jurists and analyze its validity. However, the scope of study is limited for buying tangible products in Malaysia only. Various methodologies are utilized for the study namely observation checklist, interview with structured questionnaires and experimental approach. Based on findings of study, it can be summarized that online transaction of electronic storefront is valid according to Islamic Jurists, but it is easily exposed to technical issues that can revoke the transaction. Thus, the effective planning is needed to overcome the problem and can be implemented by government, electronic storefronts and customers.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter provides the rationale, significance and objectives of the study. It elucidates details of statement problem, objective of study, significance of study, research question and lastly chapter organization.

1.2 Statement of problem

The expansion of Information communication and technology in the markets has drastically changed the traditional commerce to electronic commerce provides great opportunities to business firm such as one to one communication, better management of product and service support, product and value chain, cost cutting due to several payment. Thus, nowadays, many business firms are moving to implement electronic commerce in their marketing and sale strategy. For example, Florist. Com.my and Mph. com. my, which have implemented online store in Malaysia.

General speaking, online transaction is also part of electronic commerce application. Among the transactions are business to business (B2B), business to consumer (B2C), Consumer to Consumer (C2C). However, the most popular transaction is business to consumer (B2C) transaction, whereby it deals with business and consumer. This application has given great impact to consumer and