



**FACTORS INFLUENCING THE SELECTION TOWARDS ISLAMIC  
MICROFINANCE**

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SEGAMAT, JOHOR.**

**JUNE 2015**

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**Submitted in Partial Fulfillment of the Requirement for the  
Bachelor of Business Administration (Hons) Islamic Banking**

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UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR**

**JUNE 2015**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS)**

**ISLAMIC BANKING**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA, JOHOR.**

**“DECLARATION OF ORIGINAL WORK”**

**FATIN NURSYAFIRA BINTI GHAZALI**

**(921129-01-6174)**

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:

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## **LETTER OF SUBMISSION**

21<sup>st</sup> June 2015

En. Mohd Khairul Ariff bin Noh  
Lecturer of Finance,  
Faculty of Business Management,  
Universiti Teknologi Mara,  
85000 Segamat, Johor Darul Ta'zim.

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached in the project paper titled **“FACTORS INFLUENCING THE SELECTION TOWARDS ISLAMIC MICROFINANCE”** to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

**Yours sincerely,**

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Fatin Nursyafira binti Ghazali  
Bachelor of Business Administration  
(Hons) Islamic Banking

## **ABSTRACT**

Islamic microfinance and Halal certified micro entrepreneurs are *Shari'ah* compliant business sector sharing similar values, market and principles. In contrast, there has been disconnection between the Islamic microfinance and micro entrepreneurs in Malaysia. Despite from the growth of Islamic banking in Malaysia, the development of micro-enterprise has seemed to be a backbone for most of the country in the world including Malaysia. Even though more than a half of total population in Malaysia is Malays in which the religion majority in Islam, there is still low penetration of Islamic microfinance among the micro entrepreneurs in Malaysia. Therefore, this paper aims to explore the factors that affecting the selection towards Islamic microfinance among the micro entrepreneurs.