

**FACTOR THAT CONTRIBUTE TO THE DISTRIBUTION OF ZAKAT IN PUSAT  
ZAKAT KLUANG, JOHOR**

**SHARIFAH NUR NUBLI BT SYED KHOBIBUN  
2007138709**

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

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
JOHOR**

**NOVEMBER 2009**

## ACKNOWLEDGEMENT

All praises to almighty ALLAH, the most merciful and the most benevolent for giving me the opportunities in completing this research paper. It would be impossible for me to spent time to complete this study without the grace and help of ALLAH S.W.T.

I am greatly indebted to Miss Mardziyana Bt Mohd Malom whose excellence in supervision and plays a big role in inspired my work. Without their untiring encouragement, suggestions, ideas and comments throughout this study, this research could not be completed.

I also would like to convey my deepest gratitude and indebted to Mr. A. Rahman Dahul, all the staff of Agrobank Kluang and the staff of Pusat Zakat Kluang, for their co-operation and help throughout the duration of this research.

I dedicate this research to my beloved parents Syed Khobibun Bin Syed Ngah and Hayati Bt Daud, for their endless support and understanding and also to the rest of my families for their help and encouragement. Beyond a simple thank you, I want them to know that I really appreciate what they had done to me.

## TABLE OF CONTENTS

	Page
<b>TITLE PAGE</b>	
<b>DECLARATION OF ORIGINAL WORKS</b>	iii
<b>LETTER OF TRANSMITTAL</b>	iv
<b>ACKNOWLEDGEMENT</b>	v
<b>TABLE OF CONTENTS</b>	vii
<b>LIST OF TABLES</b>	x
<b>LIST OF ABBREVIATIONS</b>	xi
<b>ABSTRACT</b>	xii
<b>CHAPTER 1 - INTRODUCTION</b>	
1.0 History of	1
1.1 Background of the Study	5
1.1.1 The Institution of zakat	8
1.1.2 Rules of zakat payments	9
1.2 Problem Statement	10
1.3 Research Questions	13
1.4 Research Objectives	14
1.5 Significant of Study	15
1.6 Scope of Study	16
1.7 Limitation of the Study	17
1.8 Definition of Term	18
1.9 Summary	20

## ABSTRACT

Zakat means grow (in goodness) or 'increase', 'purifying' or 'making pure'. So the act of giving zakat means purifying one's wealth to gain Allah's blessing to make it grow in goodness. The decision to distribute the zakat to the public and when to distribute them may be influence by many factors, both internal and external. This paper empirically analyzes the determinants of the factors that contribute to the decision of the Zakat centre in Kluang, Johor to distribute it. The paper will concentrated on the data issued from June 2008 to September 2009. The study will be used time-series regression method to see the relationships between dependent and independent variables. The total distribution of Zakat will be used as dependent variable and the number of zakat's application, number of poor people, and number of poverty family will be used as independent variables.

## CHAPTER 1

### INTRODUCTION

#### 1.0 HISTORY OF ZAKAT

Zakat is one of five pillars of Islam. It is one of the fundamental obligations in Islam. Its principal objectives are to develop balanced socio-economic growth and to purify one's soul and wealth. A type of zakat is zakat on business. Muslims believe that zakat has a direct impact on the relationship between not only man and Allah SWT (God) as The Creator but also man and his society. Prayer and zakat go together.

Zakāh or "alms giving", one of the Five Pillars of Islam, is the giving of a small percentage of one's possessions (surplus wealth) to charity generally to poor and needy Muslims individual. It is often compared to the system of tithing and alms, but it serves principally as the welfare contribution to poor and deprived Muslims, although others may have a rightful share. It is the duty of an Islamic community not just to collect zakat but to distribute it fairly as well.

Zakat is sometimes refers as sadaqah and its plural, sadaqat. Generally the Sharing of wealth is called zakat whereas the sadqat could be sharing of wealth as well sharing of happiness among God's creation such as saying kind words or smile at someone or take care of animals or environments etc.