



**CUSTOMER'S ACCEPTANCE
ON AR-RAHN SCHEME: A CASE STUDY OF BANK RAKYAT**

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

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

2012

ACKNOWLEDGEMENT

First of all, I would like to thank God because giving me a chance to do this research and completed within a specified time.

The special thank goes to my helpful advisor, Dr. Norashikin Bt Ismail. The supervision and support that she gave truly help the progression and smoothness of this research paper. Moreover, the completion of this thesis would be nothing without the guidance and suggestion from her. The co-operation is much indeed appreciated.

My grateful thanks also go to my friends who direct and indirectly helping me in completing this research paper. We are always sharing the information and supporting each other while facing any difficulty. Thus, our relationship becomes closer day by day.

I would like to acknowledge the panels that examine on my viva presentation which were Pn Zaibedah Baharom and En. Mohammad Nazri Ali. They were contributing also in my research paper by asking me to make a correction for the certain mistakes.

Last but not least I would like to acknowledge my family members for supporting and encouraging me in completing this paper successful. They always try their best in understanding my situation by giving full support when my moral was down.

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ABSTRACT

This study examines the factors affect the customers of Bank Rakyat to accept Ar-Rahn scheme. Based on this objective, the quantitative study was similar to what was conducted by previous researchers. This paper was used primary data involving 200 of survey questionnaires to collect the data and was analyzed by using multiple regressions in spss. The findings indicate the major factor influencing customers was social influence. It is also found that the understanding of Syariah-compliant product and the availability of Ar-Rahn scheme become the other factors of customer's acceptance. The results are primarily beneficial for Bank Rakyat community to provide attractive scheme at the same time offers delightful chance for those who needed cash by pledge their personal belonging as security. Instead of this, it will lead the products and services to be globally accepted and able to compete with the conventional pawnbroking. This research paper also contributes the researchers with the knowledge of the acceptance of Ar-Rahn scheme by providing an investigation on this scheme.

CHAPTER 1

INTRODUCTION

1.0 Introduction

Legally, the pawning contract is defined as holding an item in lieu of a legal right that may be satisfied from that item¹. In other words, it is the act of taking a valued property from its owner, as a means of insuring a loan that has matured or is about to mature. In 2003, the former Prime Minister Tun Dr Mahathir Mohamed has seen the benefit and good in gold dinar as currency and has a fixed value as introduced during the time of the Prophet². Thus, nowadays, the gold is seemed important because gold can be converted to cash quickly and redeem within a specified time. As a result, presently the gold can be act as collateral for the owner of gold to obtain a loan for their own purposes.

People say diamonds are women's best friend while gold jewelry is their true friend. In reality, this is at least true among Malaysian women. The reason is other than to enhance women appearance, the jewellery also could be functioned as collateral whenever cash is needed by using pawnbroking financing. As we can see, pawnshop has become a common activity to Malaysian especially among the Malays community and has an overwhelming responses among the poor and

¹Abd Al-Ghani Al-Maydani (Hanafi) vol.2, p.5

²Bernama Online (2010), Monday, 5th April