



**UNIVERSITITEKNOLOGIMARA**

**DETERMINANTS OF CUSTOMERS' INTENTION  
TO USE ISLAMIC PERSONAL FINANCING IN  
MELAKA**

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Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Islamic Banking)**

**Faculty of Business and Management**

**December 2018**

## **ABSTRACT**

Islamic personal finance was a financial system that operates according to Islamic rules and regulation. These entities were governed both by Islamic law and the finance industry rules and regulations that apply to their conventional counterparts. Islamic personal financing process and transaction must clear from any prohibited element like riba(interest), gharar(speculation) and maysir(gambling). The concept of Islamic personal financing was bank will act as intermediaries to purchased item on behalf of their client and sell it back with mark-up price. In addition, Islamic financial institutions will charge customers an amount known as 'profit rate' for providing them with a personal financing facility. This was because charging interest was not allowed in Islamic banking. So unlike personal loans offered by conventional banks, Islamic banks will offer personal financing with a profit rate that will be defined in the personal financing contract. Factors lead to this could be categorized into five namely 1) attitude 2) social influence 3) religious obligation 4) pricing 5) government support of Islamic personal financing. Thus, this studies of which respondent are people in Melaka aims at evaluating the factors of intention to use Islamic personal financing.

## **ACKNOWLEDGEMENT**

### **In the name of ALLAH, the Most Gracious and the Most Merciful**

Firstly, I wish to thank God for giving me the opportunity to embark on my Degree and for completing this long and challenging journey successfully. I would foremost extend my sincere gratitude to all those efforts, which facilitated the completion of this research.

Special appreciation goes to my advisor, Madam NikNurShafikaBinti Mustafa, for her supervision and constant support. Her invaluable help of constructive comments and suggestions throughout the experimental and thesis works have contributed to the success of this research.

Sincere thanks to all my friends especially Nazirah Husna, SitiNurSuraya, SyafiqahEreena, SyahirZawani, HaszlianniBintiMohdSani and others for their kindness and moral support during my study. Thanks for the friendship and memories.

Last but not least, my deepest gratitude goes to my beloved parents Juhari Bin Kasnawi and RosnahBinti Abu and also to my sisters for their endless love, prayers and encouragement. To those who indirectly contributed in this research, your kindness means a lot to me. Thank you very much.

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