

**UNIVERSITI TEKNOLOGI
MARA**

**FINANCING IN LIGHT OF MAQASID SHARIAH -
STUDY ON PEOPLE INCLINATION TO TAKE ON
DEBT FOR LUXURIOUS PURPOSES**

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Academic writing submitted in partial
fulfilment of the requirements for the degree
of
Diploma in Muamalat

**Academy of Contemporary Islamic
Studies**

February 2021

ABSTRACT

The trend on household debt is increasingly worrying in recent time. A data from the Department of Statistics in 2019 recorded that Malaysia is the country with the highest household debt in Asia at rate 82.7%. Meanwhile data collected by the Department of Insolvency in 2017 recorded that around 64,632 Malaysians aged between 18 - 44 years old declared as bankrupt. These matters may be due to from the people's tendency to take on debt for luxurious purpose. Islam has allowed its believers to take care of all stages of benefits and participation in changing the way of life. However, to a certain point, Islam has placed limits and prohibitions on the use of loans for the purchase of wealth and maximisation of happiness. Several research objectives have therefore been identified in this analysis. The first objectives of this study is to explore the concept of debt from the point of view of the Maqasid Shariah. Second is to assess Muslims' inclination to go into debt for the purpose of luxury and last is to discover what the public thought about taking on loans for leisure purposes. The study will conduct by using a few instruments such as using a set forms online questionnaire. All collection data method will do online due to Covid-19 Pandemic to prevent any risk of infection. This research represents the attitude of the people of Kuantan towards debt. In fact, to observe their inclination to go into debt for the sake of luxury. This research also discusses how Islam considers debt through maqasid shariah.

ACKNOWLEDGEMENT

Firstly, I wish to thank God for giving me the opportunity to embark on my Diploma and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Dr Mohd Ariff Mohd Daud. Thank you for the support, patience and ideas in assisting me with this project. I also would like to express my gratitude to all lecture involve in IMU304, especially u those giving lecture and guidance in the process of completing this research such as workshop, template and many more.

My appreciation goes to all people in Kuantan especially those who have been involved and given good cooperation to answer the set of questions distributed. Special thanks to my colleagues and friends for helping me with this project directly or indirectly.

Finally, this thesis is dedicated to the loving memory of my very dear late father and my lovely mother for the vision and determination to educate me and complete my Diploma. This piece of victory is dedicated to both of you. Alhamdulillah.

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