



**THE FACTORS INFLUENCING NON-MUSLIMS
TOWARDS ISLAMIC SAVINGS ACCOUNT IN
AMPANG DISTRICT**

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ABSTRACT

Islamic saving account is a type of Islamic banking product that promote the depositors to deposit their funds in Islamic saving account for the purpose of protection of money. In addition, some savings account of the Islamic banking products are also an investment account, whereby the depositors are able to gain profits or dividends. The dividend or returns are volatile. In Malaysia, the Islamic concept of building it up is *Wadiah*. Basically, Islamic saving account that is promoted in commercial banks does not contain any element of interest and it complies with Shariah principles. The main issue that led to the development of this study is in the favour of non-Muslims towards Islamic saving account. The main objective of this study is to analyse the factors influencing non-Muslims towards Islamic saving account in Ampang district. To be more detailed, the specific objectives of the study are to analyse the features of Islamic savings account, Islamic Financial Institutions (IFIs) initiatives, and lastly is to analyse the understanding of non-Muslims towards Islamic saving account in the urban area in Kuala Lumpur. In order to get further information and preferences of the non-Muslim consumers, a primary data was set up via questionnaires. There were 120 surveys were distributed to the non-Muslim community of Ampang district, Kuala Lumpur. Eventually, there were 100 sets of surveys had completely filled up by them and returned back to the researcher. They had participated and giving full of cooperation towards the end result of the primary data.

CONTENTS

ACKNOWLEDGEMENT	i
ABSTRACT.....	ii
CONTENTS.....	1
CHAPTER 1: INTRODUCTION	1
1.1 Introduction.....	1
1.2 Overview of Study	1
1.2.1 The importance of savings	1
1.2.2 Savings from Islamic Perspectives.....	1
1.2.3 Savings Concept in Malaysia	2
1.3 Background of Study	4
1.4 Problem Statement	5
1.5 Research Objectives.....	7
1.5.1 General Objective.....	7
1.5.2 Specific Objectives.....	7
1.6 Research Question.....	7
1.6.1 General Research Question	7
1.6.2 Specific Research Question.....	8
1.7 Scope of The Study	8
1.8 Significant of the Study.....	8
1.8.1 Significant to the Researcher	8
1.8.2 Significant to Other Researchers.....	9
1.8.3 Significant to the Non-Muslim Consumers.....	9
1.8.4 Significant to the Bankers and Islamic Banking Institutions	9
1.9 Limitation of Study	10
1.9.1 Sample Size	10
1.9.2 Budget Limitation	10
1.9.3 Time Frame to Carry Out the Study	10
1.10 Conclusion	11
CHAPTER 2: LITERATURE REVIEW.....	12
2.1 Introduction.....	12

CHAPTER 1: INTRODUCTION

1.1 Introduction

This chapter consist of nine sub chapters discuss the overview and background of the study, problem statement, research objectives, scope of the study, significance and limitation of the study.

1.2 Overview of Study

Malaysia is a unique country, whereby there is a dual banking system, which is the Islamic banking and the conventional banking system (Sudin Haron & Wan Nursofiza Wan Azmi, 2008). There are also savings account for both dual banking. They carry out banking business in a parallel way. In this subtopic, it reviews on the ideas of creating a savings account by the banking institutions.

1.2.1 The importance of savings

Savings is very important for us. It will be used when we are in the midst of hardships. A study by Hurst and Lusardi (2005) has showed that precautionary savings may give advantages of 50 percent of aggregate wealth to the people age under 50 years old. This motive will give effect to the public policy, whereby it is relied on the precautionary savings. By using calibrated theoretical methods, some researchers have figure out the precautionary savings that can bring up to fifty percent of total wealth in the US economy (Skinner (1988), Caballero (1990, 1991), Caroll (1992), and Gourinchas and Parker (2002).

1.2.2 Savings from Islamic Perspectives

Islamic banking system is the special ones, same goes with Islamic