

Topic:

A STUDY ON ISLAMIC LOANS COMPARED TO CONVENTIONAL LOANS

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ABSTRACT

This analytical study done on trends of Islamic loans compared to Conventional loans from 1984 to 1993. Least square method is applied to identify the factors determining the trends indicated .

The purpose of this study is to know which loan is more profitable. Furthermore, other analysis being made on both loans according to their efficiency in processing loans and computing the loan repayment.

In this project paper, a study on the impact of total loans , cash and average lending rate or average profit margin on the gross profits was conducted because we believe that those factors could effect the gross profits.

Finally, some recommendations are also put forward on how to improve the Islamic loans and their banking operations in order to compete with the Conventional banking.