In the wake of the recent global financial crisis, we are witnessing expanding socially and ethically conscious business initiatives. The rise of Islamic banking and finance, a rapidly growing subset of these initiatives, raises interesting questions regarding the ethical dimensions of financial market activities. This course will consider Islamic ethics, spirituality, and jurisprudence and their application to business. In particular, we will study stakeholder theory, concepts of sustainability, environmental consciousness and animal welfare, labor, and halal markets. Further, we will examine contemporary Islamic finance, particularly home finance in the U.S., the landmark Dow Jones Islamic Market Indexes Fatwa, and the waqf. Finally, we will explore debates of form and substance and maslahah (welfare), among other jurisprudential issues, within the context of contemporary Islamic finance.

Exact grading policy and criteria will be distributed closer in time to the beginning of the semester. Generally, grading will consist of participation in online threaded discussions, one or two quizzes, and a final exercise consisting of short to medium answer questions.

Required Texts:


Module 1: Introductory Matters


Module 2: Earning and Consuming: Ethics and Economics


Module 3: Stakeholder Considerations

1. Askari, et. al., Globalization and Islamic Finance, Pages 11-25.
Module 4: Substantive and Procedural Principles:

Topic 1 Required Readings – Riba


Topic 2 Required Readings - Gharar:


Module 5: The DJIMI Fatwa: Opening Markets

1. The Dow Jones Islamic Market Indexes, Statement by the Shari’ah Supervisory Board.

Module 6: Three Nominate Contract Forms

Topic 1 Required Readings: The Contract of Murabaha (Cost Plus Mark-up Sale):

2. Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shari’ah Standards No. 8, Murabahah to the Purchase Orderer. *Please note that the entire work of AAOIFI Standards is available at the Uconn Law Library.

Topic 2 Required Readings: The Contract of Ijara (Lease):

2. AAOIFI, Shariah Standards No. 9, Ijarah and Ijarah Muntahia Bitamleek.

Topic 3 Required Readings: The Contract of Shirkah (Partnership):

2. AAOIFI, Shari’ah Standards No. 12. Sharika (Musharaka) and Modern Corporations.

Module 7: Wholesale American Islamic Finance
Module 8: Contemporary Islamic Home Finance in America


Module 9: Halal Markets


Module 10: What About Social Responsibility?


Module 11: Labor & Welfare

2. Muhammad Hashim Kamali, The Right to Education, Work and Welfare in Islam (Fundamental Rights and Liberties in Islam Series) by Mohammad Hashim Kamali, Pages 112-134, 139-147, (Workers Rights, 147 or Section on Welfare)

Module 12: Waqf & Community Development

Module 13: Sustainable Development


Module 14: Macro Analysis: Returning to Spirituality, Ethics, and Substance?

5. [Placeholder on Spirituality]