



A STUDY ON UNDERSTANDING THE SHARIAH FINANCIAL LITERACY KNOWLEDGE OF THE MUSLIM SALARIED PEOPLE IN MUMBAI CITY

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Abstract

Shariah Financial Literacy is likewise the mix of customers' or speculators' comprehension of monetary items and ideas and their capacity and certainty to acknowledge monetary dangers and openings, to settle on educated decisions, to know where to go for help, and to take other effective actions to improve their financial well-being. At long last, huge quantities of customers are entering finance business sectors unexpectedly, both because pay is filling in non-industrial nations and because new monetary organizations, for example, microfinance suppliers, and new advancements, for example, branchless banking, which have made it simpler for buyers to take an interest in financial market. The financial emergency has additionally prompted the recharged focal point of the world to Islamic Finance. The new financial emergency has moved the consideration of the world towards the significance of Shariah financial literacy to standard man as well as to the modern financial specialist specifically. The emergency has uncovered the seriousness of the outcomes that individuals have made through their absence of information particularly with regards to settling on choice on interest in the financial market. Worldwide financial emergency has additionally quickened familiarity with the need to improve Shariah financial literacy among the Muslim Salaried People. The motivation behind this paper is to inspect the Shariah financial literacy knowledge among Muslim Salaried People. The research will discover the further refinement and show that the review instrument is suitable in a more extensive investigation of a delegate test of the Islamic Financial literacy information on Muslim salaried people.

Keywords: Islamic Finance, Shariah, Financial Literacy Knowledge, Quran Principles.

Introduction

Shariah financial literacy information implies the load of information that one procures through schooling or potentially experience explicitly identified with fundamental Islamic account ideas and items. Thus, Shariah financial literacy knowledge essentially alludes to monetary education explicit to Islamic monetary items and ideas. Shariah financial literacy education has additionally significant ramifications on abundance arranging and the board of people. Shariah financial literacy influences monetary dynamic of which obliviousness of the fundamental monetary ideas can be connected to absence of retirement arranging, absence of investment in securities exchange and helpless acquiring conduct. This won't just keep people from aggregating riches yet additionally may observe the decreasing in their abundance because of wrong monetary choices. Shariah financial literacy aptitudes and capability which depend on financial information and seeing really are impacted by mentalities towards the utilization of cash, for example, spending and saving. Truth be told, financial abilities and fitness are expertise that are appeared in the practices and propensities framed in regular and long-haul monetary administration.

Shariah Financial literacy education is a functioning cycle, wherein imparting data is just the start and engaging customers to make a move to improve their monetary prosperity is a definitive objective. Shariah Financial literacy is basic for elevating admittance to fund by establishing impetuses and conditions that advance wanted monetary practices, for example, saving, planning, or utilizing credit astutely. Shariah Financial literacy education is likewise the blend of purchasers' or speculators' comprehension of monetary items and ideas and their capacity and certainty to acknowledge monetary dangers and openings, to settle on educated decisions, to realize where to go for help, and to make other powerful moves to improve their financial prosperity. The financial emergency has additionally prompted the restored focal point of the world to Islamic Finance. The Islamic monetary industry has been shelled with different various kinds of monetary instruments and resources for Muslim speculator as well as the non-Muslim financial specialists to browse. Shariah Financial literacy education is a proportion of how much one comprehends key monetary ideas and has the capacity and certainty to oversee individual's funds through fitting, transient dynamic and sound, long-range monetary arranging, while aware of life occasions and changing financial conditions. Shariah financial literacy is a functioning cycle, wherein conveying data is just the start and engaging buyers to make a move to improve their monetary prosperity is a definitive objective. Shariah financial literacy is basic for elevating admittance to fund by establishing motivators and conditions that advance wanted monetary practices, for example, saving, planning, or utilizing credit carefully. Monetary education fall into five classifications: (i) information on monetary ideas, (ii) capacity to convey about monetary ideas, (iii) inclination in overseeing individual budgets, (iv) aptitude in settling on fitting monetary choices and (v) trust in arranging viably for future monetary requirements. Shariah financial literacy education is a proportion of how



much one comprehends key monetary ideas and has the capacity and certainty to oversee individual accounting records through fitting, momentary dynamic and sound, long-range monetary arranging, while aware of life occasions and changing financial conditions. Shariah financial literacy characterized by OECD is the blend of shoppers' or speculators' comprehension of monetary items and ideas and their capacity and certainty to acknowledge monetary dangers and openings, to settle on educated decisions, to realize where to go for help, and to make other successful moves to improve their financial prosperity.

Literature Review

A literature review of writing is a book of academic papers, articles which incorporates the status of information on the examination territory including meaningful discoveries just as hypothetical and methodological commitments in the investigation. This audit of writing manages past examinations led regarding the matter, to produce understanding in the zone, broad survey of writing was done by the scientist. All the areas of the examination have gone through progressive change and advanced at present level. The examination is led in the field of Islamic monetary arranging of Muslim salaried individuals and applicable writing is inspected to discover the hole in the writing and appropriately outlines the issues, theory and destinations for the exploration study.

Lusardi (2008) have expressed monetary proficiency influences monetary dynamic of which obliviousness of the fundamental monetary ideas can be connected to absence of retirement arranging, absence of support in securities exchange and helpless getting conduct. This won't just keep people from gathering riches yet in addition may observe the reducing in their abundance because of wrong monetary choices.

Walstad et al. (2010) found that the adequacy of monetary proficiency instruction has been blended. Nonetheless, their investigation offers extra proof that very much characterized and appropriately executed monetary instruction programs in secondary school can expand understudies' monetary information.

Abdul Hamid and Mohd.Bordin (2001) expressed that an investigation led in Malaysia in 1994, with respect to information on Islamic banking demonstrated that just about 100% of the Muslim populace knew about the presence of the Islamic bank. Be that as it may, out of these, lone 27.3 percent totally comprehended the contrasts between Islamic bank and ordinary banks; and just 38.7 percent belittle the Islamic bank carefully due to religion.

Bley and Kuehn (2004) in their examination explores the connection between college understudy information on significant monetary ideas and terms in regular and Islamic banking, the effect of religion and language, and other individual factors on inclinations for monetary administrations. Discoveries of the examination recommend that information on traditional financial terms and ideas was higher among these understudies than was Islamic financial wording. Audit of the writing recommends that individuals had little information on Islamic monetary item. A few investigations have been embraced on information on regular monetary items. The audit of the writing subsequently recommends that next to no work has been done to connect information on Islamic monetary item to access and decision of monetary items. Not many investigations have been embraced on Islamic financial items and no such examination has been attempted on the monetary education on these items.

Mill operator et al. (2009) in their investigation clarified that, monetary education is a functioning cycle, wherein imparting data is just the start and engaging buyers to make a move to improve their monetary prosperity is a definitive objective. Monetary education is basic for elevating admittance to back by establishing motivating forces and conditions that advance wanted monetary conduct, for example, saving, planning, or utilizing credit carefully. Monetary proficiency is additionally the blend of shoppers' or speculators' comprehension of monetary items and ideas and their capacity and certainty to acknowledge monetary dangers and openings, to settle on educated decisions, to realize where to go for help, and to make other successful moves to improve their monetary prosperity.

Huston (2010) expressed that, monetary information is a vital element of, yet not equal to, monetary education. Monetary information is the load of information gained through instruction as well as experience explicitly identified with basic individual budget ideas and items. Consequently, an Islamic monetary information would be the load of information that one procures explicitly identified with Islamic money ideas and items.

Pellinen et al. (2011) clarified that, Financial abilities and capability which depend on monetary information and seeing really are impacted by mentalities towards the utilization of cash, for example, spending and saving. Indeed, monetary abilities and skill are expertise that are appeared in the practices and propensities framed in ordinary and long-haul monetary administration.

Mahadzirahmad (2010) clarified that, Muslims should try to comprehend Islamic money since it is a strict obligation. On the off chance that Muslims couldn't care less about the preclusion of riba, maysir and gharar and keep on devouring regular monetary items,



at that point the Islamic monetary framework won't ever be created. Sustaining the ordinary monetary framework is unquestionably corrupt for Muslims.

Bhabhaet. al (2014) expressed that monetary education as a mixed bag of mindfulness, information, aptitude, disposition and conduct basic to settle on sound monetary choices and furthermore at long last accomplish individual monetary prosperity. The degree of monetary education between a people is unique, and the distinctions in the degree of the proficiency will impact the conduct. Nonetheless, there is as yet restricted examination on monetary proficiency that emphasis on Islamic account idea. For this investigation, Islamic monetary education will inspect possibly it will influence the disposition of the entrepreneur in embracing Islamic financing. This paper characterized the Islamic monetary education as how much people have a bunch of information, mindfulness, and expertise to comprehend the central of Islamic monetary data and administrations that influence its demeanor to settle on proper Islamic financing choices.

Abdullah and Anderson (2015) brought up that monetary information expressing that Islamic monetary information implies the supply of information that one procures through instruction as well as experience explicitly identified with basic Islamic money ideas and items. Accordingly, Islamic monetary education just alludes to monetary proficiency explicit to Islamic monetary items and ideas.

Ahmad (2010) states that it is purchasers' obligation themselves for four reasons: just shoppers themselves can take care of their own eventual benefits and most popular of their monetary issues, accessibility of wide reach and multifaceted nature of monetary items and monetary training being a strict obligation. The last is one of a kind to Islamic account it is wicked for Muslims to spread the interest-based framework and henceforth, the significance for Muslims to be proficient of Islamic money.

Murphy (2013) states that lately, various investigations have been led to give hypothetical and exact proof on monetary proficiency. Nonetheless, the vast majority of these investigations zeroed in on segment factors influencing monetary proficiency. Accordingly, in view of the survey of writing, this examination has inspected different elements influencing Islamic monetary education, to be specific sadness, strictness and monetary fulfillment. Sadness alludes to the negative impact on a few segments of monetary conduct and prosperity.

Chen and Volpe (2002) states that for example have raised the proposal that sexual orientation is a critical variable affecting the degree of FL. Their discoveries propose that ladies, in contrast with men, are more danger loath when settling on monetary choices, and are thusly less monetarily educated. All the more significantly they find that absence of certainty may clarify why men are more monetarily learned than ladies. Their investigation along these lines shows that factors that are probably going to effect on ladies' monetary capacity incorporate the absence of monetary information, hesitance to face challenge and absence of certainty. Potential reasons recognized for the absence of certainty and danger taking showed by ladies in monetary abilities might be because of their conventional job as a component of society, who embraces the part of homemaker and other vocation obligations which might be more critical in influencing their monetary choice makings.

Van Rooj et al. (2011) presume that those with low proficiency were significantly less prone to put resources into stocks. They devise two uncommon modules for the Household Survey in Netherland to quantify FL and study their connections to financial exchange investment. They find that most of respondents exhibited a fundamental monetary information and have some grip of ideas, for example, premium accumulating, expansion, and the time estimation of cash. Notwithstanding, numerous respondents couldn't recognize securities and stocks, the connection between security costs and loan fees, and the rudiments of danger broadening; in this manner, affirming that FL impacts monetary dynamic.

Ringer (2009) states that an individual who is happy with his monetary position tends to underwrite the excess cash, investigate various chances just as accumulate more information about different monetary chances. Hence, more noteworthy monetary fulfillment improves the degree of monetary proficiency.

Sabri (2011) clarified that Religion regularly assumes a basic part in impacting how people adapt to monetary choice. At the end of the day, an individual is quite attached to his strict practices at whatever point he responds with his own cash.

Research Gap:

From the above literature reviewed the researcher has identified the research gap that the Muslim salaried people before taking the investment decisions considers the Shariah principles and must improves the Shariah financial literacy knowledge for making the investment decisions.



Problems of the Study

It is quite evident that Muslim salaried people before taking investment decision they screen the do and don't of the investment opportunity from the principles of Quran.

Objectives of the Study

1. To study and examine the Shariah financial literacy knowledge of Muslim salaried people as per Shariah.
2. To analyze the Shariah financial literacy knowledge of the Muslim salaried people.
3. To examine the investment decisions of the Muslim salaried people.

Hypothesis of the Study

Null Hypothesis (H_0): Quran principles are not significantly affecting the investment decision of Muslim salaried people.

Alternate Hypothesis (H_1): Quran principles are significantly affecting the investment decision of Muslim salaried people.

Therefore, the researcher has justified the linkages between the title, objective, problem and hypothesis. The efforts taken on review of literature are worthwhile.

Limitations of the study

1. Primary data relevant for the study may be much depended upon the co-operation of the respondents.
2. Respondents' opinion can be biased, which cannot be ruled out.
3. The sample of the study lacks fair representation of the universe.
4. Mumbai city covers 52 areas; the researcher has purposely selected only 20 areas.
5. The survey was based on convenience sampling and size of the sample was only 420 which are not adequate.
6. The geographical limitations for the primary data collection are limited to Mumbai city only.

Research Methodology

"Research design is the conceptual structure within which research is conducted. Research design indicates the blue print for the collection, measurement and analysis of data. The design includes an outline of what the researcher plans and frames the research work. It explains how samples are selected, sample size determined, how data is collected and which statistical methods are used for data analysis".

Quantitative research approach is being used for the study as a quantitative research enables the researcher to examine association and differences among the variables. To carry out research effectively, Data is collected from primary sources and secondary sources.

Universe of the study: The study covers all the 52 railway station areas of Mumbai city dealing with Western line, Central line and Harbour line.

Sample of the study: To assess the quality of the study, the universe mentioned above is not possible for an individual to reach all areas of Mumbai city. Therefore, within Mumbai city there are 52 railway station areas, the researcher has purposely selected 40% of Western line, Central line and Harbour line viz. 20 areas for the research study. The researcher collects the filled questionnaire from 400 respondents including female/ male Muslim Financial planner in order to know the behavior of Muslims in Islamic financial planning and management. This research design fulfills the sample size determination suggested by R.V. Krejcie and D.W. Morgan.

Reference Period of The Study:

For the purpose of literature review International and national literatures are considered. For the purpose of study researcher has collected the data from the selected areas for the period of 6 months.

Data Analysis

Primary data collection involved Mumbai city, there are 52 railway station areas, the researcher has purposely selected 40% of Western line, Central line and Harbour line viz. 20 areas for the conducting the study. The researcher collects the filled questionnaire from female/ male Muslim salaried people from selected railway station, colleges, schools and companies. The researcher also visits to all Muslim minority institutions. The survey enumerators facilitated 20 respondents from each of the 20 areas selected of the Mumbai city in completing the questionnaire.



Inferential Analysis

Inferential analysis is aimed at generalizing the results obtained from the sample which was drawn for the purpose of study. In the present study researcher used this analysis for hypothesis testing. For testing the hypothesis or test of significance, following tests are performed.

- i) „z“ test for two independent samples at 95% confidence level.
- ii) **Kolmogorov-Smirnov** test for two independent samples at 95% confidence level.

For the purpose of analysis researcher used statistical package SPSS version 21. In addition to this, excel add-in Mega Stat is also used.

Collected data are being processed by editing, coding and classification. Processed data are tabulated and presented in the form of suitable graphs and tables. Statistical analysis of data can be defined as the act of transforming data with the aim of extracting useful information and facilitating conclusions. Depending upon the type of data statistical methods are chosen. Statistical analysis is categorized as descriptive analysis and inferential analysis, which is often known as statistical analysis.

Table 1. Demographic Description of the Respondents

| Demographic Variable | Demographic Categories | Number | (%) |
|--------------------------------|------------------------|--------|------|
| Area | Western line | 200 | 50 |
| | Central line | 140 | 35 |
| | Harbour line | 60 | 15 |
| Gender | Female | 152 | 38 |
| | Male | 248 | 62 |
| Age | Less than 20years | 4 | 1.0 |
| | 20-30years | 112 | 28 |
| | 31-40years | 174 | 43.5 |
| | 41-60years | 110 | 27.5 |
| Education | Graduation | 208 | 52.0 |
| | Post-graduation | 129 | 32.3 |
| | Professional | 63 | 15.8 |
| Occupation | Private | 82 | 20.5 |
| | Public | 68 | 17 |
| | Profession | 250 | 62.5 |
| Annual Income (in INR) | Less than 2 lakh | 12 | 3.0 |
| | 2-3.5 lakh | 88 | 22.0 |
| | 3.5 -5 lakh | 285 | 71.3 |
| | 5 lakh and above | 15 | 3.8 |
| Annual Savings (in INR) | Less than 10,000 | 78 | 19.5 |
| | 10, 000-20,000 | 82 | 20.5 |
| | 20, 000-40,000 | 209 | 52.3 |
| | 40,000 and above | 31 | 7.8 |
| Savings Objective | Children’s education | 129 | 32.3 |
| | Retirement | 19 | 4.8 |
| | Home purchase | 180 | 45 |
| | Children’s Marriage | 17 | 4.3 |
| | Health care | 52 | 13 |
| | Others | 3 | .8 |

Analysis and Results

In the present study researcher used this analysis for hypothesis testing. For testing the hypothesis or test of significance, following tests are performed.

- i) ‘z’ test for two independent samples at 95% confidence level.



ii) Kolmogorov-Smirnov test for two independent samples at 95% confidence level.

For analysis researcher used statistical package SPSS version 21. In addition to this, excel add-in Mega Stat is also used. Depending upon the type of data statistical methods are chosen. Statistical analysis is categorized as descriptive analysis and inferential analysis, which is often known as statistical analysis.

Table 2: Descriptive statistics parameter related to financial literacy knowledge of Muslim salaried people as per Shariah.

| Statistical | tools | Financial awareness is necessary for making investment in Shariah based products. | Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision. |
|-------------|----------------|---|---|
| N | Valid | 400 | 400 |
| | Missing | 0 | 0 |
| | Mean | 3.86 | 2.91 |
| | Median | 4.00 | 2.00 |
| | Mode | 4 | 2 |
| | Std. Deviation | .930 | 1.209 |

Interpretations

1. Mean value related to statement financial awareness is necessary for making investment in Shariah based products is 3.86 with low standard deviation value 0.930 indicates that most of respondents agree with this statement. Median value 4 and modal value 4 support this. Hence, we may infer that financial awareness is necessary for making investment in Shariah based products.

2. Mean value related to statement Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision is 2.91 with low standard deviation value 1.209 indicates that most of respondents agree with this statement. Median value 2 and modal value 2 support this. Hence, we may infer that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decisions.

Table 3: Opinion of respondents related to financial awareness is necessary for making investment in Shariah based products.

| | Opinion of the respondents | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 9 | 2.3 | 2.3 | 2.3 |
| | Disagree | 14 | 3.5 | 3.5 | 5.8 |
| | Neutral | 108 | 27.0 | 27.0 | 32.8 |
| | Agree | 161 | 40.3 | 40.3 | 73.0 |
| | Strongly Agree | 108 | 27.0 | 27.0 | 100.0 |
| | Total | 400 | 100.0 | 100.0 | |

Interpretation

1. Majority of the respondents (67.3%) are either strongly agree or agree with the statement that financial awareness is necessary for making investment in Shariah based products.

2. Regarding statement financial awareness is necessary for making investment in Shariah based products almost (5.8%) of respondents are either strongly disagree or disagree.



Table 4: Opinion of the respondents related to Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision.

| | Opinion of the respondents | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly Disagree | 29 | 7.3 | 7.3 | 7.3 |
| | Disagree | 174 | 43.5 | 43.5 | 50.8 |
| | Neutral | 53 | 13.3 | 13.3 | 64.0 |
| | Agree | 93 | 23.3 | 23.3 | 87.3 |
| | Strongly Agree | 51 | 12.8 | 12.8 | 100.0 |
| | Total | 400 | 100.0 | 100.0 | |

Interpretation

- Majority of the respondents (36.1%) are either strongly agree or agree with the statement that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision.
 - Regarding statement that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision almost (43.5%) of respondents are either strongly disagree or disagree.
- For testing above hypotheses we compare median rating scores with score 3 (which gives positive agreement opinion rating score).

Tests of Normality

Before selecting statistical test we test normality of data as follows:

We use **Kolmogorov-Smirnov** test for testing normality and results of which are tabulated below

Table 5: Tests of Normality- Kolmogorov-Smirnov

| | Kolmogorov-Smirnov ^a | | |
|--|---------------------------------|-----|-------|
| | Statistic | df | Sig. |
| effect of Quran principles on the investment decision of Muslim salaried people. | 0.151 | 400 | 0.000 |

Observations and interpretations

From the above table it is observed that significant p value 0.000 for k-s tests is less than 0.05 clearly indicates that data for different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people is not normal. Hence, we use non parametric **one sample sign test** for testing significance of different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people.

One sample sign test

To test above null hypothesis, we use **one sample sign test** with hypothesized mean value 3
The details of which are tabulated as follows.

Table 6: One sample nonparametric sign test of median vs hypothesized score 3 for effect of Quran principles on the investment decision of Muslim salaried people

| | Median score | Sample size | Calculated 'z' value (one tailed, upper) | Significant P value |
|---|---------------|-------------|--|---------------------|
| Hypothesized scores different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people. | $\mu_0 = 3.0$ | n= 390 | z = 18.48 | p =0.000 |
| Observed Mean rating scores for different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people. | M= 4.4 | | | |

Critical z values:

- At 5% level of significance the corresponding z value is 1.645
- At 1% level of significance the corresponding z value is 2.326



Observation

From the above table it is observed that 'z' value for null hypothesis is 19.50 which is greater than +1.645 (also greater than +2.326). Also, p value is 0.0000 which is less than 0.01. **Hence, we reject null hypothesis at 5% & 1% level of significance.**

Interpretation

On the basis of above data it can be inferred that Median rating scores for different characteristics related to effect of Quran principles on the investment decision of Muslim salaried people is greater than or equal to 3.

Findings

Quran principles are significantly affecting the investment decision of Muslim salaried people.

Discussion and Findings

Out of total 400 respondents, 365(91.25%) of respondents have awareness regarding the Shariah rules governing the Islamic investment opportunities and 35(8.75%) do not have awareness regarding the Shariah rules governing the Islamic investment opportunities. Majority of the graduate male respondents with age category of 31-40 years have awareness regarding the Shariah rules governing the Islamic investment opportunities available for Muslim Salaried People in Mumbai. Out of total 400 respondents, 189(47.25%) of respondents consult Shariah advisory committee for screening the Shariah based investment products, 162(40.5%) of respondents consult Shariah advisory firm for screening the Shariah based investment products, 47(11.75%) of respondents consult Shariah advisory firm for screening the Shariah based investment products and only 2(0.5%) of respondents consult other than the Shariah governance. Majority of the graduate male respondents with age category of 31-40 years consult Shariah governance committee for screening the Shariah based investment products in Mumbai. Mean value related to statement financial awareness is necessary for making investment in Shariah based products is 3.86 with low standard deviation value 0.930 indicates that most of respondents agree with this statement. Hence, we may infer that financial awareness is necessary for making investment in Shariah based products.

Mean value related to statement Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision is 2.91 with low standard deviation value 1.209 indicates that most of respondents agree with this statement. Hence we may infer that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision. Out of total 400 respondents, 269(67.3%) are either strongly agree or agree with the statement that financial awareness is necessary for making investment in Shariah based products and 23 (5.8%) of respondents are either strongly disagree or disagree. Out of total 400 respondents, 144(36.1%) are either strongly agree or agree with the statement that Muslim salaried people are getting better expert opinion from Shariah advisory committee regarding investment decision and 203(43.5%) of respondents are either strongly disagree or disagree.

Hence from the above findings it is revealed that **“financial awareness and better expert opinion from Shariah governance is necessary for making investment in Shariah based product”**.

Conclusions and Suggestions

Rural areas Muslims still not much educated and do not believe to take risk and to make investment to secure future. They do not have much financial literacy knowledge about to make investment their money in financial market as compare to urban areas Muslims. They do not have awareness of Shariah rules related to Islamic financial planning and investment of savings. Researcher has tried to evaluate the impact of Islamic financial planning on the investment behavior of Muslims such as investment in Shariah product, Awareness of Shariah rules and Quran principles, Shariah investment advice, Investment pattern and Savings pattern of Muslims, Investment objective and Financial literacy knowledge of Muslims. Further study can be conducted with reference to its impact on stock market performance, banking sector, growth rate, wealth creation and such other parameters.

Social Implications: India is home to the third-largest Muslim population in the world after Indonesia and Pakistan. 35% of the Muslims live in urban areas and many of them do not avail banking facilities because of illiteracy, ignorance and their traditional beliefs, the last one playing an imperative role to make the process obvious. Till the date Muslim community has largely kept away from capital markets, as most of them do not fulfil the criteria set by Shariah. **An Islamic window in a conventional bank, having a local feel, would give confidence to such people to become constituent of a bank and thus help the financial inclusion effort made by the Government and the Reserve Bank of India**. Shariah financing in India though the commercial banks would help increase their client base and contribute to the development of Islamic finance through their knowledge of product development. They would also be able to create similar products for domestic market. It is interesting to note that huge investments in India, in Dollar terms, are taking place in Shariah compliant transactions. The big investors whether from India or a foreign country, have enough opportunities to make Shariah compliant investments. These investments are being routed through NBFCs and Mutual funds. One of



the reasons why such investments do not get noticed is that they involve bulk investments and do not touch the life of ordinary masses. They are not very material from the angle of financial inclusion. **It is only when the financing in a Shariah compliant manner is carried out keeping ordinary people in mind and its advantages are seen to have positive impact on their lives that the need for suitable legislative changes will get addressed.** „Economic reason“ is likely to succeed much better where „politics and religion“ have failed.

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