

A Study on Issues and Challenges Faced by Muslim Salaried People towards Investment in Present Scenario in Mumbai City

Dr. Arvind S. Luhar¹, Dr. Shama A. Shah², Ms. Navsin Mistry³

¹Associate Professor & Head Dept. of Accountancy, Govt. of Maharashtra, Ismail Yusuf College, Jogeshwari (East), Mumbai-400060 Chairman, Board of Studies in Accountancy, University of Mumbai.

²Assistant Professor in Finance & Coordinator of PGDM (Banking & Financial Services), Guru Nanak Institute of Management Studies, Matunga, Mumbai- 400019

³Assistant Professor in Commerce, MV Mandali's Colleges of Commerce and Science, Andheri (West), Mumbai- 400058

¹luhararvind@rediffmail.com, ²shama.shah@gnims.com, ³navsinmistry@gmail.com

ABSTRACT

Indian financial laws don't unequivocally deny Shariah banking however there are arrangements that make Shariah banking a practically unviable choice. Banks in India are represented under the Banking Regulation Act 1949, Reserve Bank of India Act 1934, Negotiable Instruments Act 1881, and the state and focal Co-agents Acts. Quite possibly the most recognizable highlights of these Acts is that they characterize Banking so that Banks can acknowledge stores from the public just for additional loaning. Various segments, for example, area 5 (b) and 5 (c) of the Banking Regulation Act 1949 restrict banks from contributing on benefit and misfortune sharing (PLS) premise. Further, area 8 of the Banking Regulation Act 1949 peruses, "No financial organization will straightforwardly or in a roundabout way bargain in purchasing or selling or dealing of merchandise." Besides India is among the nations which expressly give store assurance to banks' contributors up to an estimation of Rs. 0.1 million through the Deposit Insurance and Credit Guarantee Corporation (DICGC). Government additionally meddles on the resources side by requesting that banks give concessional credit to certain need areas. Some different elements that help in taking the sparkle of Islamic banking are the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) necessities. These together eat up around 30% of the banks' complete stores. Adding to this need area loaning leaves manages an account with next to no capital, which they can put resources into procuring non-interest pay. The nonappearance of danger free or high-grade venture protections and the strength of exchange financed, resource supported protections are of worry to controllers, as they undermine the installment framework and increment its weakness to chance and illiquidity. In this unique situation, it has been proposed that the idea of restricted banking be applied to Shariah banks. Fisher initially introduced the idea of thin banking, which is banking that works in store taking and installment exercises yet doesn't give loaning administrations. Dependability and security are accomplished if stores are put uniquely in momentary depositories or their nearby reciprocals. With regards to the Islamic monetary framework, Shariah banks don't approach moderately hazard free protections, for example, depositories.

Keywords

Islamic investment, Shariah banking, Muslim salaried people, Islamic finance.

Article Received: 10 August 2020, Revised: 25 October 2020, Accepted: 18 November 2020

Introduction

Islamic account has become quickly over the previous decade, and its financial fragment has gotten fundamentally significant in twelve nations in a wide scope of areas. Islamic money is projected to keep on extending in light of financial development in nations with huge and moderately unbanked Muslim populaces. It is additionally energized by the huge reserve funds collected by many oil-sending out nations that are trying to put resources into Shariah-consistent monetary items. The developing reach of Islamic money guarantees various potential advantages. Anyway it is regularly contended that Islamic money is innately less inclined to emergency since its danger sharing element diminishes influence and empowers better danger the board with respect to both monetary organizations and their clients. It is likewise contended that Islamic money is more steady than ordinary account, since: (I) Islamic money includes restrictions against hypothesis; (ii) financing is resource based and in this manner completely collateralized; and (iii) it is established on solid moral statutes. In addition, Islamic monetary establishments (IFIs) are viewed as a decent stage for expanding admittance to monetary incorporation, including admittance to back for Muslims

consequently supporting development and financial turn of events. In any case, Islamic money faces various difficulties, notwithstanding the endeavors of Islamic account standard setters, in numerous nations the business is administered by an administrative and administrative system created for traditional account. In this manner, it doesn't completely assess the exceptional idea of Islamic account. The business is still to a great extent an early one, lacking economies of scale, and working in a climate where lawful and charge rules, monetary foundation, and admittance to monetary wellbeing nets and national bank liquidity are either missing or, if accessible, don't suitably consider the unique qualities of Islamic money .

Disregarding the development potential in Shariah banking, there are a few difficulties confronting Islamic Financial Institutions.

i) Shortage of specialists in Islamic banking: The inventory of prepared or experienced investors has lingered behind the extension of Islamic banking. The preparation needs influence not just Arab homegrown banks, both Islamic and non-Islamic, however unfamiliar banks too.

ii) Absence of bookkeeping (and reviewing) norms relevant to Islamic banks: Uncertainty in bookkeeping standards includes income acknowledgment, exposures of

bookkeeping data, bookkeeping bases, valuation, income and cost coordinating, among others. Along these lines, the aftereffects of Islamic financial plans may not be satisfactorily characterized, especially benefit and misfortune shares credited to investors.

iii) Lack of uniform norms of credit investigation: Shariah banks have no suitable norm of credit examination. Additionally, there is an inescapable preparing need including related viewpoints, for example, monetary plausibility considers, observing of adventures, and portfolio assessment.

iv) Potential clashes with national banks: Islamic banks have been set up as isolated legitimate substances; consequently, their associations with national banks as well as other business banks are unsure. Issues might be additionally disturbed when an Islamic bank is set up in a non-Muslim country, and is dependent upon that country's principles and prerequisites.

v) Potential clash between homegrown banks, unfamiliar banks, and Islamic banks: It creates the impression that homegrown banks and unfamiliar banks will encounter proceeding with trouble in embracing Islamic financial practices until they can turn out to be more certain of the consequences of contributing endeavors.

vi) Instruments that satisfy the need of explicit speculation prerequisites: One of the greatest difficulties confronting foundations is the arrangement of momentary venture instruments. A few organizations have attempted to grow top notch transient instruments, however have been hampered by their capacity to produce resources, by their FICO assessments, and by liquidity.

Literature Review

A literature review of writing is a book of insightful papers, articles which incorporates the status of information on the examination zone including considerable discoveries just as hypothetical and methodological commitments in the investigation. This survey of writing manages past examinations directed regarding the matter, to create understanding in the region, broad audit of writing was completed by the scientist. All the areas of the examination have gone through steady change and developed at present level. The examination is led in the field of Islamic monetary arranging of Muslim salaried individuals and pertinent writing is audited to discover the hole in the writing and likewise outlines the issues, speculation and targets for the exploration study.

Jabr (2003) reasons that the difficulties and possibilities of Islamic banks working in the Palestinian domains are as per the following: Lack of satisfactory financial law for Islamic banking; presence of useless cash; absence of mindfulness; absence of operational contrast among Islamic and regular banks; Islamic financial does not have the capacity to channel stores into long haul venture; absence of involvement with Islamic Shariah; unnecessary momentary monetary instrument; failure to utilize Mudaraba and Musharaka monetary organizations; mediocre specialized assets and innovation; Islamic banks are propel to enroll staff prepared in conventional banking; powerlessness to separate possession from the executives; and absence of monetary advancements.

Njanike (2010) embraces clear investigation to investigate the issues and difficulties that the presentation of Islamic banking in Zimbabwe may probably confront. The examination finds that the serious issues and difficulties in presenting Islamic banking in Zimbabwe are political intercession in the choice of borrowers, monetary precariousness, powerlessness of the public authority to reestablish lawfulness in the nation, opposition from the financial local area, deficient foundation for data scattering, irregularity in arrangement making and usage of the monetary and money related specialists, Central bank control and management of Islamic managing an account with inadequate people in Islamic account, nonattendance of Islamic interbank, misperception, current political and monetary circumstance, and default culture.

Sanusi (2011) investigates the issues and difficulties of Islamic banking in Nigeria. The examination finds that the difficulties of Islamic banking in Nigeria are insufficient labor, absence of Shariah – agreeable liquidity the board instruments, absence of Islamic protection (Takaful), absence of information on bookkeeping and inspecting standard need by Islamic monetary foundations, deficient lawful structure, absence of Shariah researchers educated in traditional financial matters, law, bookkeeping, banking and account, issue of numerous tax collection, absence of assessment alleviation on Islamic financial benefits, and misperception of Islamic banking in Nigeria.

Iqbal (2001) believes that the difficulties confronting Islamic monetary industry are restricted arrangement of short terms monetary instrument and lacking medium – to long – term monetary instruments, restricted inclusion of Islamic money, convergence of Islamic banking, helpless danger the executives and administration structure, and contrast between Islamic account in principle and by and by. The creator suggests sufficient danger the board and enhancement of the foundation, arrangement of non – banking monetary administrations, and advancement of capital business sectors that are Islamic slanted to improve its exercises and works, and have the option to contend well.

Shaukat et al. (2011) are of the assessment that the absence of extreme power that administers Islamic monetary industry, deficient qualified human asset in both regular banking and Islamic laws, illiquidity of Islamic long - term resources with short - term liabilities, absence of Shariah evaluating standard work force, and lack of short - term speculation items are the difficulties of Islamic financial framework. They further express that different difficulties confronting Islamic financial framework are absence of development, absence of adherence to neighborhood administrative announcing and operational prerequisites, absence of straightforwardness and responsibility, working physically, and absence of excellent administrations.

Osama (2012) can be controlled through financial measures also, by issue of zakat declaration which permits legitimate dispersion of pay as per the Debt proportion. Obligation proportion is adjusted to debilitate the premium framework and abundance cash on the lookout, legitimate circulation of zakat permits success in the helpless pay workers lives in addition to shuts down the hole between the classes. In expansion in Islamic economy there is a huge part of the state to control the swelling which is principally through

after ways; Price control, Buffer stock, Rationing, Confiscation stock holding, Liberal imports.

Shah establishment (2012) the principal issue is that in spite of the development of Shariah banks throughout the most recent 30 years, numerous individuals in the Muslim and non-Muslim world don't comprehend what Islamic banking really is. The fundamental standard is clear, that it is in opposition to Islamic law to bring in cash out of cash and that abundance ought to collect from exchange and responsibility for resources. Nonetheless, there doesn't seem, by all accounts, to be a solitary meaning of what is or not an Islamic-banking item; or there is anything but a solitary meaning of Islamic banking. A significant issue here is that it is the Shariah Councils or Boards at individual Islamic banks that really characterize what is and what not Islamic banking is, and what is and what isn't the adequate method to work together, which thus can entangle appraisal of danger for both the bank and its client. All the more by and large, the vulnerability over what is, or isn't, an Islamic item has so far forestalled normalization. This is hard for controllers as they like to know precisely what it is they are approving. It is additionally an additional weight on the banks that need to instruct clients in new business sectors.

Zukri Samat (2010) expressed that Misconception against Shariah Banking numerous individuals actually has an off-base agreement or misinterpretation against Shariah Banking which among the contemplations are: Islamic Banking is just for Muslims Islamic Banking isn't beneficial on the grounds that no premium is charged Islamic banking is just offered in the Middle East Thus better mindfulness will be made among the clients that Shariah Banking isn't just an option monetary methodology yet in addition in certain viewpoints offers better benefit recommendations to the shoppers.

Heiko Hesse (2008) inspected that Liquidity hazard the board of Shariah banks is a significant test and is obliged because of restricted accessibility of tradable Islamic currency market instruments and powerless fundamental liquidity foundation. Right now, there is no Shariah-agreeable transient Islamic currency market (short of what multi week development) in nearby cash or in US dollars, and Islamic repo markets have not yet evolved. Islamic currency markets with longer developments.

Andreas A. Jobst and Juan Sole (2008) expressed that Shariah banks likewise have a serious hindrance with traditional banks, as they store their overnight cash with their homegrown national bank revenue free. The absence of liquidity and reasonable other options, joined with the serious disservice, hamper the nearby Islamic banks and can even make a liquidity emergency.

Bhavin Shah (2017) states that Islamic banks are discovering troubles to adapt up to the developing worldwide financial climate and making proper guidelines and guidelines to adapt to these progressions while as yet staying serious with their customary partners. Furthermore, the business needs consistency in item structures and speculation rehearses that unfavorably influences its validity, notoriety, discernment and guideline abilities.

Zurbruegg (2007) determines that respondents who were keen on Shariah Banking items needed suitable data about their working. Larger part of the respondents determined that they would require credit administrations to change

from regular to Islamic Banking items. This is in inconsistency with Shariah standards and shows their absence of information. Further, mindfulness and information about Islamic Banking are sufficiently not to guarantee the effective execution of an Islamic Banking framework, readiness is an essential component as well. Just understanding the items won't convince clients to change over from a customary framework to an Islamic Banking framework when the administrations are given.

Taylor (2003) likewise expressed that Islamic standards stretch out to all parts of a Muslim's life so accordingly every professional of Islam is fundamentally involved by Shariah standards.

Abdullah (2007) in their new examination in Malaysia featured that Islamic 10 financiers can at this point don't rely upon a showcasing technique for drawing in devout and strict clients. They likewise proposed that Islamic financial necessities to improve its administration quality, which is presently viewed as a basic achievement factor that influences an association's seriousness. The bank choice cycle is a significant viewpoint for the Islamic financial industry to investigate to draw in clients.

Problems of the Study

Muslim salaried people do not have enough awareness regarding financial market and financial planning while taking investment decisions.

Objectives of the Study

To study the problems and difficulties faced by Muslim salaried people towards investment in present scenario.

Hypothesis of the Study:

Null Hypothesis (H_0): Muslim salaried people are not significantly considering the investment which based on Quran principles.

Alternate Hypothesis (H_1): Muslim salaried people are significantly considering the investment which based on Quran principles.

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

Research Methodology

Research Design is the applied structure inside which examination is directed. Research Design demonstrates the blue print for the assortment, estimation and examination of information. The plan incorporates a framework of what the specialist plans and casings the exploration work. It clarifies how tests are chosen, test size decided, how information is gathered and which factual techniques are utilized for information investigation".

Quantitative exploration approach is being utilized for the examination as a quantitative examination empowers the specialist to look at affiliation and contrasts among the factors. To complete examination adequately, Data is gathered from essential sources and optional 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.

Data Collection:

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.

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.

Calculating the test-statistic:

The value of the test-statistic is

$$X^2 = \sum_{i=1}^n \frac{(O_i - E_i)^2}{E_i}$$

where

χ^2 = Pearson's cumulative test statistic,

O_i = an observed frequency;

E_i = an expected (theoretical) frequency, asserted by the null hypothesis;

n = the number of cells in the table.

Table 2: Descriptive statistics parameters related to problems and difficulties faced by Muslim salaried people towards investment in present scenario.

	Statistical tools	Shariah rules forbid you from making investment in conventional financial market.	Large family size is the biggest obstacle of Muslim salaried people in the path of investment.	Lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.	Inflation is the biggest obstacle of Muslim salaried people in the path of investment.
N	Valid	400	400	400	400
	Missing	0	0	0	0
	Mean	2.50	1.74	3.77	2.98
	Median	2.00	1.00	4.00	3.00
	Mode	2	1	4	3
	Std. Deviation	1.069	1.085	.813	.635

Interpretation:

From the above table it is observed that

1. Mean value related to statement that Shariah rules forbid you from making investment in conventional financial market is 2.50 with low standard deviation value 1.069 indicates that most of the respondents agree with this statement. Median value 2 and Modal value 2 support this. Hence we may infer that Shariah rules forbid you from making investment in conventional financial market.

2. Mean value related to statement that large family size is the biggest obstacle of Muslim salaried people in the path of investment is 1.74 with low standard deviation value 1.085 indicates that most of the respondents agree with this statement. Median value 1 and Modal value 1 support this. Hence we may infer that large family size is the biggest obstacle of Muslim salaried people in the path of investment.

3. Mean value related to statement that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment is 3.77 with low standard deviation value 0.183 indicates that most of the respondents agree with this statement. Median value 4 and Modal value 4 support this. Hence we may infer that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.

4. Mean value related to statement that Inflation is the biggest obstacle of Muslim salaried people in the path of investment is 2.98 with low standard deviation value 0.635 indicates that most of the respondents agree with this statement. Median value 3 and Modal value 3 support this. Hence we may infer that Inflation is the biggest obstacle of Muslim salaried people in the path of investment.

Table 3: Descriptive statistics parameters related to problems and difficulties faced by Muslim salaried people towards investment in present scenario.

	Statistic al tools	Traditional belief is the biggest obstacle of Muslim salaried people in the path of investment.	Muslim salaried people face more inflation as compare to non-Muslim salaried people.	In present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities.
N	Valid	400	400	400
	Missing	0	0	0
	Mean	1.91	1.89	2.02
	Median	2.00	2.00	1.00
	Mode	2	1	1
	Std. Deviation	.764	.919	1.315

Interpretation:

From the above table it is observed that

1. Mean value related to statement that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment is 1.91 with low standard deviation value 0.764 indicates that most of the respondents agree with this statement. Median value 2 and Modal value 2 support this. Hence we may infer that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment.

2. Mean value related to statement that Muslim salaried people face more inflation as compare to non-Muslim salaried people is 1.89 with low standard deviation value 0.919 indicates that most of the respondents agree with this statement. Median value 2 and Modal value 1 support this. Hence we may infer that Muslim salaried people face more inflation as compare to non-Muslim salaried people.

3. Mean value related to statement that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities is 2.02 with low standard deviation value 1.315 indicates that most of the respondents agree with this statement. Median value 1 and Modal value 1 support this. Hence we may infer that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities.

Table 4: Chi-Square Tests results of investment behavior variable annual savings and annual income

Pearson Chi-Square value		Degree of freedom	P value	Difference
Calculated	Table (1% I.o.s.)			
241.591	21.67	9	0.00	Significant

Observations:

From the table above it is observed that calculated Pearson Chi-Square value 241.591 is greater than critical Chi-Square value 21.67 (obtained from table at 1% level of significance with degree of freedom 9). Also p value is 0.00 which is less than significant value 0.01 i.e.1%.

Interpretation:

Hence null hypothesis is rejected at 1% level of significance with degree of freedom 9. Hence result is significant.

Findings:

Hence it can be concluded that there is significant association between investment behavior variable annual savings and annual income of Muslim salaried people.

Table 5: Chi-Square Tests results of investment behavior variable percentage of salary saved and annual income

Pearson Chi-Square value		Degree of freedom	P value	Difference
Calculated	Table (5% I.o.s.)			
110.80	21.67	9	0.000	Significant

Observations:

From the table above it is observed that calculated Pearson Chi-Square value 110.80 is greater than critical Chi-Square value 21.67 (obtained from table at 5% level of significance with degree of freedom 9). Also p value is 0.00 which is less than significant value 0.01 i.e.1%. Hence result is significant.

Interpretation:

Hence null hypothesis is rejected at 5 % level of significance with degree of freedom 9. Hence result is significant.

Findings:

Hence it can be concluded that there is significant association between investment behavior variable percentage of salary saved and annual income of Muslim salaried people.

Sub-Hypothesis 3

Null Hypothesis (H0): There is no significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people.

Alternative hypothesis (H1): There is significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people.

To test the above null hypothesis we use nonparametric chi-square test of independence. The details are as follows.

Table 6: Chi-Square Tests results of demographic percentage of salary saved amount invested and annual income

Pearson Chi-Square value		Degree of freedom	P value	Difference
Calculated	Table (1% I.o.s.)			
22.55	16.81	6	0.001	Significant

Observations:

From the table above it is observed that calculated Pearson Chi-Square value 22.55 is greater than critical Chi-Square value 16.81 (obtained from table at 1% level of significance with degree of freedom 6). Also p value is 0.00 which is less than significant value 0.01 i.e.1%.

Interpretation:

Hence null hypothesis is rejected at 1% level of significance with degree of freedom 6. Hence result is significant.

Findings:

Hence it can be concluded that there is significant association between investment behavior variable percentage of salary saved amount invested and annual income of Muslim salaried people.

Overall conclusion:

It may be concluded that, there is a significant relationship between incomes and investment behavior of Muslim salaried people.

Discussion and Findings:

1. Out of 400 respondent, 324(81%) of respondents give preference to religion for investment of money in Islamic Financial Market only, 76(19%) of respondents give preference to Shariah principles for investment in Islamic Financial Market only. Majority of the graduate male

respondents with age category of 31-40 years give preference to religion for investment in Islamic Financial Market only.

2. Mean value related to statement that Shariah rules forbid you from making investment in conventional financial market is 2.50 with low standard deviation value 1.069 indicates that most of the respondents agree with this statement. Hence we may infer that Shariah rules forbid you from making investment in conventional financial market.

3. Mean value related to statement that large family size is the biggest obstacle of Muslim salaried people in the path of investment is 1.74 with low standard deviation value 1.085 indicates that most of the respondents agree with this statement. Hence we may infer that large family size is the biggest obstacle of Muslim salaried people in the path of investment.

4. Mean value related to statement that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment is 3.77 with low standard deviation value 0.183 indicates that most of the respondents agree with this statement. Hence we may infer that lack of awareness is the biggest obstacle of Muslim salaried people in the path of investment.

5. Mean value related to statement that Inflation is the biggest obstacle of Muslim salaried people in the path of investment is 2.98 with low standard deviation value 0.635 indicates that most of the respondents agree with this statement. Hence we may infer that Inflation is the biggest obstacle of Muslim salaried people in the path of investment.

6. Mean value related to statement that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment is 1.91 with low standard deviation value 0.764 indicates that most of the respondents agree with this statement. Hence we may infer that traditional belief is the biggest obstacle of Muslim salaried people in the path of investment.

7. Mean value related to statement that Muslim salaried people face more inflation as compare to non-Muslim salaried people is 1.89 with low standard deviation value 0.919 indicates that most of the respondents agree with this statement. Hence we may infer that Muslim salaried people face more inflation as compare to non-Muslim salaried people.

8. Mean value related to statement that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities is 2.02 with low standard deviation value 1.315 indicates that most of the respondents agree with this statement. Hence we may infer that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities.

9. Out of total 400 respondents, 241(60.3%) of respondents are either strongly disagree or disagree with the statement that the Shariah rules forbid you from making investment in conventional financial market and 59(14.8%) of respondents are either strongly agree or agree.

10. Out of total 400 respondents, 323 (80.8%) of respondents are either strongly disagree or disagree with the statement that the large family size is the biggest obstacles of Muslim salaried people in the path of investment and 46 (11.6%) of respondents are either strongly agree or agree.

11. Out of total 400 respondents, 294 (73.6%) of respondents are either strongly agree or agree with the statement that the lack of awareness is the biggest obstacles of Muslim salaried people in the path of investment and 21 (5.3%) of respondents are either strongly disagree or disagree.

12. Out of total 400 respondents, 59 (14.8%) of respondents are either strongly agree or agree with the statement that the Inflation is the biggest obstacle of Muslim salaried people in the path of investment and 69 (17.3%) of respondents are either strongly disagree or disagree.

13. Out of total 400 respondents, 340(85%) of respondents are either strongly disagree or disagree with the statement that the traditional belief is the biggest obstacle of Muslim salaried people in the path of investment and only 20 (5%) of respondents are agree.

14. Out of total 400 respondents, 311 (77.8%) of respondents are either strongly disagree or disagree with the statement that the Muslim Salaried People face more inflation as compare to non- Muslim Salaried People and only 16(4.1%) of respondents are either strongly agree or agree.

15. Out of total 400 respondents, 280 (70%) of respondents are either strongly disagree or disagree with the statement that in present scenario Muslim salaried people faces more problems and difficulties towards investment opportunities and only 72(18%) of respondents are either strongly agree or agree.

Hence from the above findings it is revealed that “because of lack of awareness Muslim salaried people faces more inflation, problems and difficulties towards investment opportunities in present scenario”.

Conclusion:

Monetary plans comprise an indispensable piece of the cycle of financial turn of events. A developing economy requires a dynamically rising volume of reserve funds and sufficient institutional courses of action for the activation and portion of investment funds. These courses of action should broaden and extend as well as adjust to the developing and differing monetary requirements of the economy. Maybe it is because of these reasons that the Government of India has requested the RBI to investigate the issue from Islamic money. A very much created and proficient capital market is a basic essential for the compelling designation of reserve funds in an economy. A monetary framework comprising of monetary organizations, instruments and markets gives a viable installment and credit supply organization and in this manner helps with utilizing a nation's monetary assets. Shariah hazard is identified with the structure and working of the Shariah sheets at the institutional and fundamental level. This danger comprises of two kinds; the first is because of nonstandard practices in regard of various agreements in various purviews and second is because of inability to follow Shariah rules. Diverse appropriation of Shariah rules brings about contrasts in monetary detailing, examining and bookkeeping treatment by Islamic banks. Banks are presented to the danger of rebelliousness with the Shariah rules and standards controlled by the Shariah board or the important body in the purview. The idea of connection between the bank and speculators/investors isn't

just of a specialist and head, however it is additionally founded on certain trust to completely conform to the Shariah where this relationship recognizes Islamic banking from ordinary. On the off chance that where the bank can't keep up this trust and the bank's activities lead to resistance with the Shariah, the bank is presented to the danger of breaking the certainty of the financial specialists/contributors. Breaking the trust and certainty of the contributors/speculators will prompt genuine outcomes, including the withdrawal and indebtedness hazard. Somewhat, a couple of Shariah researchers have proposed that if a bank neglects to act as per Shariah leads, the exchange ought to be viewed as invalid and void and any pay got from it ought not be remembered for the benefits to be dispersed to the speculators/investors.

Scope for Further Studies:

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.

Limitations of the study:

The geographical limitation of the primary data collection is confined to Mumbai city only. Respondents' opinion can be biased.

References

- [1] Jabr, H. (2003). “Islamic Banking in Palestine Challenges and Prospects”. An – Najah Univ. J. Res. (H.Sc), Pg. No. 17(1)
- [2] Njamike, K. (2010). “Introduction of Islamic Banking in Zimbabwe: Problems and Challenges”. Journal of Sustainable Development in Africa, Pg. No. 12(8).
- [3] Sanusi, L. S. (2011).”Islamic Finance in Nigeria: Issues and Challenges” Lecture Delivered at Markfield Institute of Higher Education (MIHE), Leicester, UK, 17 June, 2011. Pg. No. 10-12.
- [4] Iqbal, Z (2001). “Challenges Facing Islamic Financial Industry”.Journal of Islamic Economics, Banking and Finance.Pg. No. 112-113.
- [5] Shaukat (2011).”Islamic Finance in Nigeria: Issues and Challenges” Lecture Delivered at Markfield Institute of Higher

Education (MIHE), Leicester, UK, 17 June, 2011. Pg. No. 32-33

- [6] Osama (2012), 'Inflation in an Islamic economy', *Islamic Economy Journal*, Pg. No. 34-35.
- [7] Shah foundation (2012'), *Islamic banking: problems and prospects*, www.shahfoundation.com, Pg. No 2.
- [8] Zukri Samat (2010), 'Islamic banking: the lessons and challenges', *Islamic banking Journal*. Pg. No. 37.
- [9] Heiko Hesse (2008), 'Liquidity risk of Islamic Bank', *World Economics Journal*, Vol. 9, Pg. No. 187.
- [10] Andreas A. Jobst & Juan Sole (2008), 'Comparative study of Islamic and Conventional banking', *World Economics Journal*, Vol. 9, Pg. No.187.
- [11] Bhavin Shah (2017), 'The Challenges facing Islamic Banking', *World Economics Journal*,Pg. No. 33.
- [12] Rammal, H. G., & Zurbruegg, R. (2007). Awareness of Islamic banking products among Muslims: The case of Australia. *Journal of Financial Services Marketing*, 12(1), Pg. No. 65-74.
- [13] Taylor, J.M. (2003), "Islamic Banking-The Feasibility of Establishing an Islamic Bank in the United States", *American Business Law Journal*, 40(2), Pg. No. 385-413.
- [14] Abdullah, D.V. (2007), "Business Operations and Risk Management in Islamic Banking": Financial Regulators Forum on Islamic Finance, Hong Leong Islamic Bank, 29 March 2007, Pg. No. 33.