

FEATURES OF ISLAMIC AND CONVENTIONAL BANK

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ABSTRACT

Over the decade, Islamic banking has experienced global growth rates of 10-15 percent annum, and has been moving into an increasing number of conventional financial systems at such rapid pace that Islamic financial institutions are present today in 51 countries. People are becoming more aware of Islamic banks. Islamic bank is different form conventional banking in most aspects, since its close tie to religion is very important.

This study mainly focuses in the features of Islamic and conventional bank. The paper seeks to identify and clarify the differences between Islamic and conventional banking. Moreover this study is highlighted sub objectives .such as understanding the system of Islamic finance and its components.

This is a descriptive analysis with a use of primary and secondary data sources. Primary data were collected through questionnaires. Secondary data were collected from book and articles of the Islamic and conventional banks, internet and relevant documents. Questionnaires were issued for 100 banks customers and professionals in conventional and Islamic banks. This is based on purposive and random sampling method.

Major findings of this study are that Islamic bank is different from conventional bank and Islamic bank is better than conventional bank.