

SELECTION FACTORS OF THE ACCEPTANCE OF CAR IJARAH IN PAKISTAN

MOIN IKRAM



**University of Management
and Technology**



**Institute of
Islamic Banking**

Selection Factors of the Acceptance of Car Ijarah in Pakistan

Moin Ikram

**A thesis submitted in partial fulfillment of the requirements for the
MS in Islamic Banking and Finance**



**University of Management
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**Institute of
Islamic Banking**

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CERTIFICATE OF APPROVAL

DECLARATION

I hereby declare that no portion of the work that appears in this study has been used in support of an application for another degree in qualification to this or any other university or institution of higher learning.

This thesis is a presentation of my original research work. Wherever contributions of others are involved, every effort has been made to indicate this clearly, with due reference to the literature and acknowledgement of collaborative research and discussions.

The work was done under the guidance of Dr. Waqas Farooq, Assistant Professor, School of Business and Economics, University of Management and Technology, Lahore, Pakistan.

Moin Ikram

Date: _____

In my capacity as supervisor of the candidate's thesis, I certify that the above statements are true to the best of my knowledge.

Dr. Waqas Farooq

Date: _____

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DEDICATION

To my Parents and Teachers

ACKNOWLEDGEMENT

With the name of Allah, who is the most merciful, the most beneficent. I am very grateful to Allah *Subhana wa tala* for his countless blessing on me and thirst of knowledge is one of them. Allah gave us courage to know the things explore the phenomena's and derive the solutions for the benefits of other humans. I acknowledge the contribution of our Holy prophet in our lives, having unmatched wisdom, the widest scope of knowledge in all sphere of life and the humble attitude to win the hearts of others.

“What we learn through pleasure, we never forget”, the phrase has been listen somewhere but experienced at UMT. I convey special thanks to Dr. Waqas Farooq for his friendly gesture, great support, and logical guidance as a supervisor in providing valuable suggestions to improve the quality of research work.

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ABSTRACT

Car Ijarah is considered to be a vital Islamic banking product which is contributing anomalously in the economic growth of Pakistan. The research study is conducted to explore the important selection variables for the intention to use car Ijarah among the customers in Pakistan using Theory of Planned Behavior. The research study examines the factors influencing consumers for accepting car Ijarah within Pakistan. A research instrument is used to collect the data of 150 Islamic banks customers who are intended to use car Ijarah facility. Multiple regression analysis and Correlation analysis are applied on the data to achieve objectives of research study. The results proved that brand attitudes, perceived behavioral control and social identity expressiveness don't leads to intentions to use car Ijarah in Pakistan. On the other hand, subjective norms and self identity expressiveness leads to intentions to use car Ijarah facility in Pakistan. The study concluded that subjective norms and self identity influence positively on the intention to use car Ijarah in Pakistan. The study renders information in shaping Islamic finance service providers marketing strategy for an effective demand in relation to car Ijarah.

Keywords: Car Ijarah, Theory of Planned Behavior, Attitude, Islamic Banking, Pakistan

CHAPTER # 01

INTRODUCTION

1. INTRODUCTION

The economic condition of any country is depends on soundness and accuracy of financial system, therefore its importance in current economic situation cannot be denied. Financial and banking sector is basically works to give fuel to engine the progress of an economy. Therefore any kind of disruption or problem to financial sector would definitely shows a drastic affect on the economic growth of any country (Khan & Bhatti, 2008). In Pakistan, the financial system is made up of Islamic banks, conventional banks, and house financing development institutes, stock market and their regulators. The central bank of Pakistan is used to monitor the presentation of nationalized commercial banks and Islamic banks (Chowdhury & Ahmed, 2009).