



Assessing the Awareness of Islamic Law on Equity Investment in State of Assam, India

Dhrubajyoti Bordoloi^a, Ranjit Singh^b, Jayashree Bhattacharjee^c, Pranjal Bezborah^d

^aDepartment of Management, Nagaland University, Kohima, Nagaland, India

^bDepartment of Management Studies, Indian Institute of Information Technology Deoghat, Jhalwa, Allahabad, Uttar Pradesh, India

^cDepartment of Business Administration, Assam University, Assam, India

^dDepartment of Commerce, Dibrugarh University, Assam, India

Abstract

The objective of the study is to ascertain the awareness level of the *Shariah* and equity investment decisions among the Muslims population in the selected districts of Assam, India. The study is based on primary data collected from the government and semi-government sector which are classified as educated Muslim employees working in Assam, India. This study found that the awareness levels on the *Shariah* and equity investment of the educated Muslim employees are low. However, the pretention of awareness on the *Shariah* requirements with regards to equity investment is moderate. The study is conducted based on the response from Muslim employees in the four districts of Assam, India. Since the level of awareness on equity investment as well as the *Shariah* is at low level, there is a need for adequate awareness campaign highlighting the salient features of Islamic law regarding the equity investment in particular and about the equity investment in general.

Keywords: *Shariah*, awareness level, investment, equity, Islamic finance

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1. Introduction

Investment in equities requires some amount of awareness and expertise with respect to equity share investment. Various researchers in the area of behavioural finance found that there is a positive relationship between the level of awareness and investment in equities and it is expected that with the increasing level of expertise, investors will be more inclined to invest in equity investment.

Apart from *Shariah* guidelines in financial management for Muslims, there are also some guidelines for the investment as well. *Shariah* consists of Islamic laws and principles. It was systematized during the 2nd and 3rd centuries of the Muslim era (8th–9th centuries CE). Muslims all over the world follow the *Shariah* laws as guidance in their life. Interestingly, *Shariah* also has a structure on finance and commercial activities permitted for its believers. Therefore, a separate investment concept viz Islamic Banking and Finance came into existence which based on the principles laid down by the *Shariah* (Bordoloi, 2015).

The discussions or developments on Islamic Economics and Finance are not very old. Mirza Basheer-ud-Din Mahmood Ahmad (1942) was the first person to discuss Islamic economics in detail in his books *Nizame Nau*. Mirza Basheer-ud-Din Mahmood Ahmad (1945) had also written *Islam ka Nizaam Iqtisadi*. Furthermore, the *Iqtisaduna* is a major work on Islamic economics by a prominent *Shia* cleric Muhammad Baqir al-Sadr (1960-61). It is al-Sadr's main work on economics and it still forms many of the bases for modern Islamic banking.

All the above-mentioned scholars have recognized the need for commercial banks and it is perceived as “necessary evil”. Therefore, they have proposed a banking system based on the concept of *Mudharabah* (sharing of profit and loss). During the period between 1970-80, people from various Islamic countries had put their effort to establish Islamic banking and finance as a discipline and to provide recognition to it. All these efforts resulted in the establishment of the first interest-free bank.

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The Islamic Development Bank, an inter-governmental bank established in 1975, was born of this process. Interest free Islamic Banking is a worldwide trend with over 500 Islamic Banking Institutions operating all over the world from Africa and Europe to Asia and Australia (Rao, 2011).

The '*riba*' or interest is prohibited in Islam. It is believed that interest has a negative impact on the society and the morality of human beings. Analysis found some solid reasons which proved that interest has been really an evil system for the humankind and society as a whole for all times in the history of civilizations (Hossain, 2009).

Islamic Investment which is based on the principles of *Shariah* is also known as "ethical investment", "faith investment" and "socially responsible investment" (DeLorenzo, 2001). One of the most important areas of Islamic equity investment is to identify the *Shariah* compliant stocks and shares by following the *Shariah* screening norms. *Shariah* screening norms will exclude the stocks of companies that involve with significant forbidden activities as per *Shariah* law which includes activities such as business activities related to pork, alcohol, gambling, interest based finance, pornography, tobacco, trading of gold and silver as cash on deferred basis, the companies with a capital structure of more debt (generally more than 1/3rd of the total capital) and so forth. Several countries in the world including India have launched the *Shariah* compliant stock market index which adheres to the *Shariah* principles on stock screening. With the introduction of *Shariah* based Islamic Indices by the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), *Shariah* compliant finance begins to boost in the Indian economy. *Shariah* compliant finance is slowly and steadily paving its way into the Indian financial system, and various research activities are started to focus on this field. With the launching of BSE and NSE Islamic index which is based on the *Shariah* principles, there is a need to study the investment behaviour of the Indian Muslims in the equity market in relation to the *Shariah* principles (Bordoloi, 2015).

The rest of this paper is organized as follows: section 2 discussed the review of literature, followed by section 3 that presented the objective of the study, section 4 explained the research questions, section 5 is about the research methodology of this study, section 6 threw light on analysis and findings of the study, sections 7 presented the conclusion and policy implications and finally section 8 presented the scope of future research.

2. Literature Review

There are very few studies conducted on awareness regarding the *Shariah* laws with regards to equity investment. However, a considerable amount of research work was performed on awareness about various financial products and services including the Islamic finance. *Shariah* finance can be one of the ways for the developing countries to gain a brighter future (Punjabi, 2012).

Aziz et al. (2017) found 142 articles on the subject. Most authors are publishing articles as exploratory and descriptive research. However there was a shortage on analytical research. India for example, has the potential to become a big market for *Shariah* finance in the world (Jamaluddin, 2013). However, it was reported that there is a general lack of awareness about Islamic banking in India (Faisal et al., 2013). Despite the global success of Islamic finance and efforts in implementing the Islamic finance in India, the Muslims in India however are not aware with the facts, issues, and practices of Islamic banking and finance (Yatoo and Muthu, 2013).

Nonetheless, it was also revealed that Islamic banking is favourably perceived by the university student community in Chennai and it was further revealed that the student community in general is having a positive and favourable patronage towards the Islamic banking industry due to its success in other parts of the world (Maswood and Choudary, 2015).

In addition, a study conducted at the Matriculation Centre of the International Islamic University Malaysia (MCIUM) discovered that the level of understanding and awareness of the MCIUM staff on the emergence of Islamic credit card is still relatively low and requires extra input (Dali, 2014). Siddique (2012) found that the level of awareness on Islamic banking is still inadequate among the people in Pakistan. This fact is supported by Raza (2014) who revealed that the customers of conventional banks in Punjab (Pakistan) were not aware about the various financial services provided by Islamic Banks. However, study revealed that there are greater opportunities in Pakistan for development and growth of Islamic financial system because the Muslim community is eager to take financial products and they are willing to spend their livelihood according to *Shariah* (Khan, 2012).

Joyce et al. (2010) found that, the level of education is the major influencer about financial product awareness among youths. Likewise, males were found to have higher levels of financial awareness compared

to females (Nga et al., 2010). Bhattacharjee and Singh (2017) found that the important determinants for equity awareness are demographic, socio-economic and psychological factors. Financial wellbeing is attributable largely to the financial awareness and the growth of financial market can be credited to equity awareness.

Malaysian customers are very much aware about the *Shariah* finance and they have confidence on the Islamic banks operating in the country (Haque, Osman, & Ismail, 2009). Faisal et al. (2013) found that some people have shown interest in Islamic Banking provided that the industry will give better profits than other market. As such, there is a need to educate the Muslim community in particular about the benefits derived from *Shariah* finance (Khan, 2012).

In Kazakhstan, it was reported that the people have lesser knowledge on Islamic products and services; however, they have shown their interest and willingness to accept the Islamic products (Abduh et al., 2013). Similarly, the people in Kuwait in spite of being Muslims have a minimum level of awareness with regards to the Islamic financial products (Naser and Salem, 2013). Even though the *Shariah* based finance is expected to be used by Muslims, Khan (2012) revealed that religion is not the sole motivator for choosing the Islamic banks. Mahajar and Yunus (2011) found that promotional tools to spread awareness about Islamic finance have little impact in Malaysia. Ling et al. (2012) found that non-Muslims in Malaysia are aware of the *Shariah* principles of finance, however, their level of knowledge about Islamic banking products and services are limited. A study in the state of Gujarat of India found that Gujarati Muslims are not much inclined towards following the principles of *Shariah* while making investment decisions (Amin, 2012).

Additionally, Hebbar et al. (2014) revealed that, majority of the Indian Muslims is aware about a concept called "*Takaful*", and is willing to accept the said product if it was offered to them. Furthermore, a study was conducted to identify the demographic factors that influence the awareness of *Shariah*-based Private Retirement Scheme (PRS) among the undergraduate and postgraduate business students in higher learning institution in Malaysia. The study showed that, demographic factors consist of gender, age, religion, education level, and background of study were significantly different towards the awareness of *Shariah*-based PRS (Yahaya et al., 2017). It was also found that the customers of Islamic banks in Kurdistan were not much aware about the *Shariah* law on investment and banking (Jameel, 2017). Similarly, in the National Capital Region (NCR) and Delhi in India, the Muslims are not fully aware about *Shariah* law on investment and Islamic banking. However, they expressed their willingness to participate in Islamic banking and various other *Shariah* compliant investment avenues if proper education is given to them (Islam and Rahman, 2017). In a study conducted in Faisalabad city, Pakistan revealed that, awareness on the *Shariah* law has an effect on *Shariah* based investment products and services (Murad et al., 2016). Sabi (2016) found that there is no clear demand for Islamic products in Kyrgyzstan and Tajikistan. Newaz et al. (2016) suggested that buying attitude has full mediation for deposit, credit and capital market products and partial mediation for insurance products on the association between Muslim religiosity and their purchase intention, however, it was found that in Uganda, religiosity plays an important role in patronizing the Islamic banking (Kaawaase and LailahNalukwago, 2017). In Kenya, there is a significant relationship between customer awareness and investment in *Takaful* insurance (Abass, 2017). On the other hand, a section of Indian Muslims was financially excluded in India considering their religious beliefs and lack of *Shariah* compliant investment avenues (Bagsiraj et al., 2002) and therefore, a study conducted in India on CSR and Islamic microfinance reveals that, Islamic microfinance is a great tool for financial inclusions of Indian Muslims in particular (Abass, 2017).

From the review of the above literature, it is evident that there is very little study conducted on assessing the awareness of educated Muslims regarding their awareness about Islamic laws in relation to equity investment as well as the awareness on the equity investment in general. Therefore, this study is expected to bridge this gap from many perspectives. Firstly, the study is conducted on the educated Muslims working in the government and semi-government organizations, which was not covered by previous studies. Secondly, the study is conducted in Assam state of India where no such study had been conducted to date.

3. Objectives of the study

The objectives of this study is of two folds namely:- to assess the level of awareness of educated Muslims in Assam on Islamic laws relating to equity investment decision and subsequently to study the awareness of educated Muslims in Assam on equity investment in general. Following that, this study aims to answer the following research questions: - a)What is the overall level of awareness on the *Shariah* laws in making equity

investment decisions among the Muslims in Assam; b) What is the level of awareness on the equity investment among the Muslims in Assam; c) What is the proportion among the Muslims population in Assam that pretends to be aware of the *Shariah* laws in respect of equity investment decisions; and d) What is the proportion among the Muslims population in Assam that pretends to be aware of the equity share investment.

4. Research Methodology, Findings and Discussion

This section provides the research methodology adopted by the researchers.

4.1 Research Population and Sampling

The present study covers the educated Muslim population of Assam who are engaged in government, semi-government sector and Public Sector Undertaking (PSU). The educated Muslims here refer to those whose attain the bachelor degree and above. Additionally, in this study all types of Muslim employees are eligible to participate regardless of their designation and post in the workplace. The total population of the State of Assam is 31,169,272 (Census, 2011) and Muslims population constitutes 34.3% (Census, 2011) from the total population. Hence, the number of Muslims in Assam is approximately 10,679,345. On the other hand, the number of central government employees in Assam is 76,500 (Census of Central Government Employees, 2001) and in the state government is 3,24,728 (Directorate of Economics and Statistics, Assam, 2004). Thus, the total number of the government employees in Assam (3,24,728 + 76,500) is approximately 4,00,000 people. The Muslims' share in the government jobs in Assam is 11% (Sacher, 2006). Hence the number of Muslim government employees are around 44,000. This will be the population for the current study.

The sample for this research was drawn using a multi-stage random sampling. It was observed that the distribution of Muslim employees is uniform across the state. Therefore, during the first stage, four districts of Assam were chosen randomly out of 33 districts of Assam. Those districts were Dhubri, Barpeta, Kamrup and Dibrugarh. The total number of Muslim employees and their details were collected from the respective district authorities of those four districts by filing in an application under the Right to Information Act, 2005. After collecting the information about the Muslim employees in the said four districts, a second stage randomization was performed and 125 Muslim employees were chosen randomly. Out of these, only 120 respondents returned the duly filled up questionnaire. Out of the 120 responses received, 8 questionnaires were discarded due to incomplete answers. Therefore, the total responses considered were 112. The data was collected using a structured questionnaire. Secondary data is taken from newspaper, magazines and journals.

4.2 Development of Questionnaires

To measure the level of awareness about *Shariah* laws on equity investment, a total of 25 multiple choice questions were asked based on the concept of equity market (both primary and secondary), market timing, settlement, regulation, corporate benefits, tax provisions and various provisions of *Shariah* laws on equity investment. Out of these 25 questions, the first 14 questions are general questions on equity investment as identified by Bhattacharjee and Singh (2017) and Singh and Kar (2011) and the next 11 questions were based on the principles of *Shariah* laws on equity investment and investment in general as identified by Singh and Bordoloi (2015).

In measuring the level of awareness, the respondents were given four options for each item in the multiple choices question of the questionnaires. Out of the four options only one was the correct answer, whilst two others were wrong answers and the last option was "not aware of". Thus, respondent who provided the correct answer was considered to be a knowledgeable investor, and respondent who provided the wrong answer was considered as pretending to be knowledgeable.

5. Findings and Analysis

There were total of 25 items in the questionnaire. The respondents were asked to tick on the right option. Each question carries a score of one. Then a total score was accumulated by adding the scores of all the questions related to awareness level. Maximum possible score of awareness level was 25 (25 x 1) and the minimum possible score was zero (25 x 0). The difference between maximum and minimum possible score was 25. In order to ascertain the awareness level at five points, this range was divided by 5. It was found to be 5. Adding 5 with 0 (lowest possible score), the interval score of a very low level of awareness (0-5) was obtained. Similarly, by adding 5 with subsequent values, the next higher range was obtained. This kind of classification was recognised by Singh and Bhowal (2011), Singh (2012) and Choudhury and Singh (2015).

The following Table 1 provides the interpretation of the score of the awareness level.

Table 1: Interpretation of Awareness Level on *Shariah* Laws in Equity Investment Score

Score Value	Interpretation of Score Value
0-5	Very Low level of awareness
6-10	Low Level of Awareness
11-15	Moderate level of awareness
16-20	High level of awareness
21-25	Very high level of awareness

Source: Compiled by authors

Out of the 25 questions, the first 14 questions are based on general awareness about equity investment. Hence, by adopting the same formula, the general awareness of the Muslim population with regards to equity investment can be summarised as below:

Table 2: Interpretation of Awareness Level on Equity Investment Score

Score Value	Interpretation of Score Value
0-3	Very Low level of awareness
4-6	Low Level of Awareness
7-9	Moderate level of awareness
10-12	High level of awareness
13-14	Very high level of awareness

Source: Compiled by authors

Similarly, the remaining 11 questions were on awareness with regards to *Shariah* laws on investment. Therefore, the score values can be summarized as follows:

Table 3: Interpretation of Awareness Level on *Shariah* Laws on Investment

Score Value	Interpretation of Score Value
0-2	Very Low level of awareness
3-4	Low Level of Awareness
5-6	Moderate level of awareness
7-8	High level of awareness
9-11	Very high level of awareness

Source: Compiled by authors

The overall awareness level of all the respondents was calculated by adding their scores from the questionnaire. The value was then interpreted based on the score value provided in Table 1. The overall awareness level of equity investors is presented in the following Table 4.

Table 4: *Shariah* Law on Equity Investment Awareness Level

Level of awareness	Frequency	Percent
Very High level of awareness	0	0%
High level of awareness	16	14.28%
Moderate level of awareness	40	35.71%
Low level of awareness	40	35.71%
Very low level of awareness	16	14.28%
Total	112	100%

Source: Compiled from questionnaire

Based on Table 4, the mean score is 10 which fall under a low level of awareness as per the interpretation given in Table 1. Thus, it can be deduced that the Muslim population from the four selected districts of Assam possessed a low level of awareness on *Shariah* laws and equity investment. Subsequently, the level of awareness on equity investment of all the respondents was calculated by adding their score from the questionnaire. The value was then interpreted by using Table 2 as mentioned above. The following Table 5 represents the awareness level of equity investment of the Muslim population from the four selected districts of Assam.

Table 5: General Awareness on Equity Investment

Level of awareness	Frequency	Percent
Very High level of awareness	8	7.14%
High level of awareness	0	0%
Moderate level of awareness	40	35.71%
Low level of awareness	48	42.85%
Very low level of awareness	16	14.28
Total	112	100%

Source: Compiled from questionnaire

Based on the result in Table 5, the mean score of the above is 6.18 which is equivalent to 6, and fall under a low level of awareness as per Table 2. Based on this, it can be inferred that the Muslim population from the four selected districts of Assam possessed low level of awareness on equity investment. Following that, the awareness level of *Shariah* law of all the respondents is calculated by adding their score from the questionnaire. The score value was interpreted by using Table 3. The result of the awareness level of equity investment of the Muslim population from the selected districts of Assam is tabulated in Table 6.

Table 6: Awareness on the *Shariah* Law on Equity Investment

Level of awareness level	Frequency	Percent
Very High level of awareness	0	0%
High level of awareness	8	7.14%
Moderate level of awareness	24	21.42%
Low level of awareness	40	35.71%
Very low level of awareness	40	35.71%
Total	112	100%

Source: Compiled from questionnaire

Based on the Table 6, the mean score is 3.32 which is equivalent to 3, and fall under a low level of awareness. The results showed that the Muslim population from the four selected districts of Assam possess low level of awareness on *Shariah* laws relating to equity investment.

In addition to the above, those who gave the wrong answer were considered as pretending to be aware of the equity investment.

Table 7: Interpretation of Overall Score of Pretending to be Aware of *Shariah* Laws and Equity Investment

Score value	Interpretation of score value
0-5	Very low level of pretention to be aware
6-10	Low level of pretention to be aware
11-15	Moderate level of pretention to be aware
16-20	High level of pretention to be aware
21-25	Very high level of pretention to be aware

Source: Compiled by authors

The overall level of pretention on the awareness is calculated by adding their scores from the questionnaire. Next, the value is interpreted as provided in Table 7 and the result is as follows:-

Table 8: Overall level of Pretention towards Awareness on *Shariah* Laws and Equity Investment

Level of awareness level	Frequency	Percent
Very low level of pretention to be aware	24	21.42%
Low level of pretention to be aware	40	35.71%
Moderate level of pretention to be aware	32	28.57%
High level of pretention to be aware	16	14.28%
Very high level of pretention to be aware	0	0%
Total	112	100.0

Source: Compiled from questionnaire

It can be seen from Table 8 that the mean score is 9.28 which is equivalent to 9 and fall under a low level of pretention as per Table 7. Thus, it can interpreted that the Muslim population from the four selected districts of Assam possessed a low level of pretention on awareness with regards to *Shariah* laws and equity investment.

From the questionnaire, there were 25 questions and the first 14 questions were based on the respondents' general awareness regarding the equity investment. Hence, by adopting the same formula, the general pretention level of the Muslims on equity investment can be summarised as provided in Table 9 and the result can be seen in Table 10. Those who gave the wrong answer were considered to be pretending to be aware.

Table 9: The Score Level on the Interpretation of Pretending to be Aware on Equity Investment

Score value	Interpretation of score value
0-3	Very low level of pretention to be aware
4-6	Low level of pretention to be aware
7-9	Moderate level of pretention to be aware
10-12	High level of pretention to be aware
13-14	Very high level of pretention to be aware

Source: Compiled by authors

The pretention level on awareness of equity investment is tabulated in the following Table 10:

Table 10: The Overall Result on the level of Pretention to be Aware on Equity Investment

Level of awareness level	Frequency	Percentage
Very low level of pretention to be aware	24	21.42%
Low level of pretention to be aware	64	57.14%
Moderate level of pretention to be aware	24	21.42%
High level of pretention to be aware	0	0%
Very high level of pretention to be aware	0	0%
Total	112	100.0

Source: Compiled from questionnaire

Based on Table 10 the mean score of the above is 4.89 which is equivalent to 5, and is considered as a low level of pretention. As such, it can be deduced that the Muslim population from the four selected districts of Assam possesses a low level of pretention on their awareness with regards to equity investment. Out of the 25 questions, the first 11 questions were based upon awareness about *Shariah* laws on equity investment. Hence, by adopting the same formula, the general pretention level of the Muslims population about *Shariah* laws on equity investment can be summarised as under Table 11 and presented in Table 12.

Table 11: Interpretation of pretending to be Aware Level Score on *Shariah* Laws on Equity Investment

Score value	Interpretation of score value
0-2	Very low level of pretention to be aware
3-4	Low level of pretention to be aware
5-6	Moderate level of pretention to be aware
7-8	High level of pretention to be aware
9-11	Very high level of pretention to be aware

Source: Compiled by author

The pretention level on awareness of *Shariah* laws with regards to equity investment is summarised as follows:

Table 12: Overall Level of Pretention towards Awareness on *Shariah* Laws in Equity Investment

Level of awareness level	Frequency	Percent
Very low level of pretention to be aware	24	21.42
Low level of pretention to be aware	40	35.71
Moderate level of pretention to be aware	16	14.28
High level of pretention to be aware	16	14.28
Very high level of pretention to be aware	16	14.28
Total	112	100.0

Source: Compiled from questionnaire

The mean score for the above table is 4.75 which is equivalent to 5, which falls under moderate level of pretention. Based on the result, it can be inferred that the Muslims from the four selected districts of Assam has a moderate pretention level of awareness on *Shariah* laws on equity investment. The individual items in the questionnaire on which the awareness of the respondents was assessed have been analysed as per the item in Table 13. In this table, the awareness is measured with a mean value scale between 0 to 2 values. 0 means “very low” or “no awareness” and 2 means “extremely high level of awareness”.

Table 13: Item Analysis for Awareness among Investors

Sr. No	Items	Mean Value
1	Parameter on <i>Shariah</i> screening	0.428571
2	Prohibited company dealing area as per <i>Shariah</i> Laws	0.428571
3	Purchasing prohibited company's shares as per <i>Shariah</i> Law	0.428571
4	Who bears the Gain/ loss in value of shares	0.571429
5	True/ False about dividend	0.571429
6	Tax payable for holding shares more than 12 months	0.642857
7	True/ False about equity investment	0.642857
8	Prohibited company types as per <i>Shariah</i> Laws	0.642857
9	Dividend of 10% means	0.714286
10	Where to go to purchase shares of a company	0.857143
11	Distinguishing feature of <i>Shariah</i> finance	0.928571
12	No of times company can issue shares in the market	1
13	Composition of SENSEX	1
14	Permissible form of investment as per <i>Shariah</i> Laws	1.071429
15	Screening criteria for inclusion of a share in <i>Shariah</i> index	1.071429
16	<i>Shariah</i> based index in India	1.071429
17	Tax payable at recognized stock exchange	1.142857
18	Permissible income as per <i>Shariah</i> Laws	1.142857
19	Permissible company shares as per <i>Shariah</i> Laws	1.214286
20	Name of first-time issue of shares	1.357143
21	Upward movement in share prices	1.428571

22	Mandatory document for investing in shares	1.571429
23	Compulsory document for opening de mat account	1.571429
24	Prohibited item as per <i>Shariah</i> Law	1.642857
25	Regulator of stock exchanges	1.785714

Source: Compiled from questionnaire

The above Table 13 shows that the Muslim population from the four selected districts of Assam has a low level of awareness with regards to *Shariah* parameters on screening, prohibited business area which is in line with *Shariah* but possess more awareness on Regulator of Stock exchanges and prohibition of interest component as per *Shariah* laws. Figure 1 is the diagrammatic presentation of the findings given in Table 13.

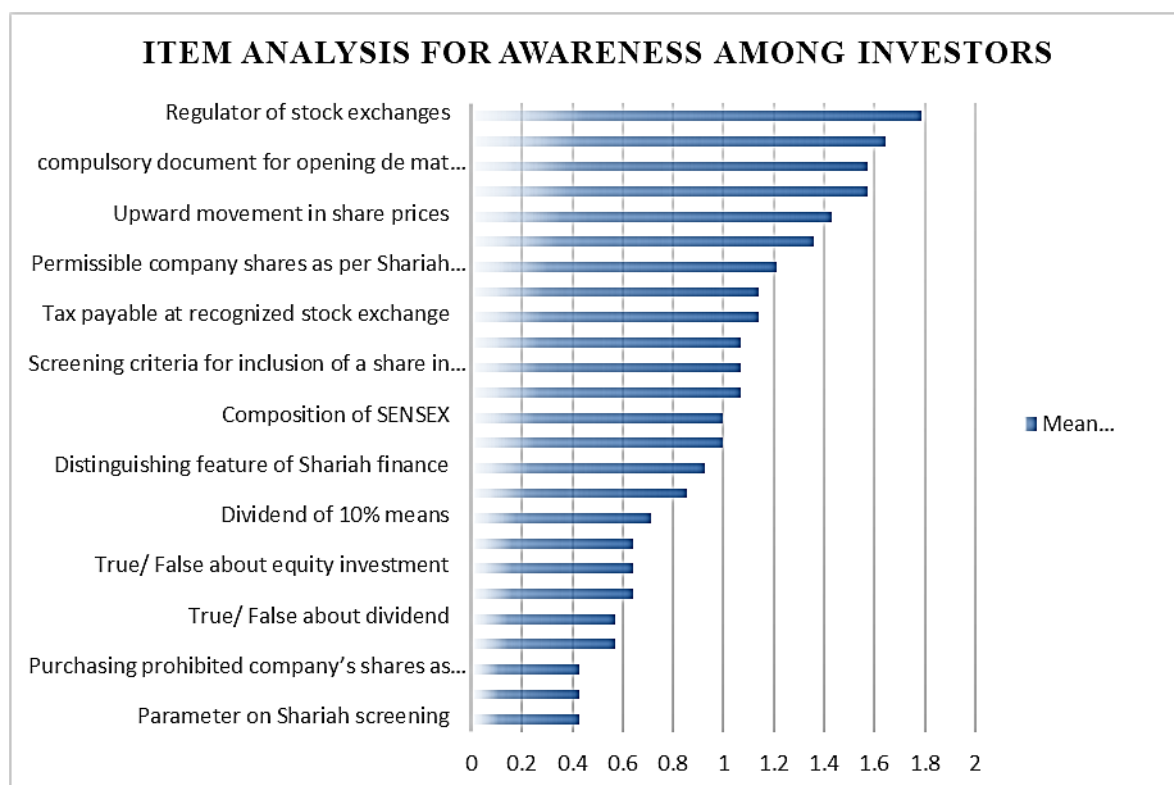


Figure 1: Item Analysis for Awareness among Investors
Source: Compiled from questionnaire

6. Policy Implication and Conclusions

It can be concluded from the above findings that, the Muslim population from Dhubri, Barpeta, Kamrup Metro and Dibrugarh districts in Assam possesses a low level of awareness on *Shariah* laws and equity investment. The result is similar with the findings by Amin (2012). Even if the overall awareness is translated into awareness on *Shariah* and equity investment, the result is similar, a low level of awareness. These findings are similar with the findings by Siddique (2012), Raza (2014), Abduh et al. (2013) and Naser and Salem (2013). However, it was also found that, there is a moderate level of pretention on awareness with regards to *Shariah* laws on the equity investment segment. This creates a concern for the policy makers because it implies that there is a wrong information and misinformation possessed by the people.

It was also found that, the Muslims from the selected four districts of Assam possess a low level of awareness on the *Shariah* parameter on screening and also prohibited business area as required by the *Shariah* law. This calls for the immediate attention of the policy makers and requires proper awareness programmes to be conducted. People are more aware about the regulator of stock exchanges and the prohibition of interest component as per *Shariah* laws. Their awareness on the equity market as a whole are

also low and could be detrimental to the growth of the capital market because awareness on equity leads to the growth of market. Being unaware of the fact that, equity market is one of the highest returns generating investment avenues could give negative impact on the growth of the market (Bhattacharjee and Singh, 2017). Likewise, due to the low level of awareness on equity investment, there is a lesser probability of getting involved with entrepreneurial activities which, in the long run, will be detrimental to the growth of economy (Singh, 2011). Few respondents also opined that, in case there is a chance of investing in Islamic finance institutions, they will be pleased to be a part of the investments scheme since the return from Islamic equity index is insignificantly different from the traditional indices (Singh and Das, 2013). However, the number of such respondents are less than 10 out of 112 respondents. Therefore, the policy makers may come out with an adequate measure to educate the people so that more people will be involved in the equity market segment in the Indian financial system (Khan, 2012; Singh and Bhowal, 2010a).

Based on the above findings, it is strongly believed that there is a need to start a massive campaign among the Muslims in Assam to make them aware of the *Shariah* laws related to equity investment in particular and equity investment in general. The employer can engage with a project that includes equity investment education to the Muslim employee so that they can be financially included in the capital market (Singh and Bhowal, 2010a).

In addition, since most of the time the employees are at their workplace, the employer may design a strategy to impart equity investment education in general together with *Shariah* laws in particular to the Muslim employees. This will help the employer to successfully place their Employees Stock Option Plan (ESOP) (Singh and Bhowal, 2010b). However, the present study is only confined to the four districts in Assam which covers only graduated government employees. Therefore, future study may involve a larger scope of research which will cover the entire state of Assam. The future study may also include various cross sectional and longitudinal studies to cover the different ethnic background of the people such as language, place of origin etc.

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