

Exercises:

After reading the text, answer the following activities:

A. The Ijara Contract

1. Ijara is an Arabic term which means:
 - A. To invest in the property market. **T F**
 - B. To give something to rent. **T F**
 - C. To help investors seeking to build mosques. **T F**
2. The lessor is:
 - A. The entrepreneur needing funds. **T F**
 - B. The Rab ul Mall. **T F**
 - C. The Wakil. **T F**
3. The lessee is:
 - A. The Wakil. **T F**
 - B. The borrower. **T F**
 - C. The Rab ul Mall. **T F**
4. Ijara is:
 - A. A contract between the lessor and lessee for the use of a specific asset. **T F**
 - B. A contract whereby the lessor retains ownership of the asset and the lessee has possession and use of the asset. **T F**
 - C. A contract whereby the lessee pays rent. **T F**

B. The Ijara wa Iqtina Contract

1. Under Ijara wa Iqtina, the lessor is:
 - A. The entrepreneur needing funds. **T F**
 - B. The Rab ul Mall. **T F**
 - C. The Wakil. **T F**
1. Under Ijara wa Iqtina, the lessee is:
 - A. The Wakil. **T F**
 - B. The entrepreneur needing funds. **T F**
 - C. The Rab ul Mall. **T F**
2. Under Ijara wa Iqtina, at the end of the lease period:
 - A. The lessee is offered the option of buying the property at a pre-agreed price. **T F**
 - B. The lessee is offered the option of buying the property at a price negotiated at that time. **T F**
 - C. The lessee is not automatically offered the option of buying the property at a pre-agreed price. **T F**
3. Under Ijara wa Iqtina, the lessor:
 - A. Is responsible for the maintenance and insurance of the asset. **T F**
 - B. Is not responsible for the maintenance and insurance of the asset. **T F**
 - C. Insists that the lessee pays the Takaful costs directly. **T F**

C. The Ijara Contract in more detail

1. Ijara is an Arabic term which means a "deferred credit sale". **T F**
2. Ijara is an Arabic term which means to "give something to rent". **T F**
3. The term "usufruct", used with an Ijara contract, means the right to enjoy property that you already own. **T F**
4. The term "usufruct", used with an Ijara contract, means the right to enjoy property that is owned by someone else. **T F**
5. The term "usufruct", used with an Ijara contract, means that, while using an asset, you guarantee to alter the substance of the asset. **T F**
6. The term "usufruct", used with an Ijara contract, means that, while using an asset you guarantee not to alter the substance of the asset. **T F**
7. Under an Ijara contract, the lessor is the entrepreneur needing funds. **T F**