

The Ninth lecture

The *Istisna'a* Contract

- Answer (True) or (False) for the following statements:

1. *Istisna'a* is an Arabic term which means:
 - A. An order to manufacture a specific physical asset for the puer needs. **TF**
 - B. An agreement to provide working capital for whatever the purchaser needs. **TF**
 - C. A financing project usually involving the petroleum industry. **TF**

2. Al-*mustasni* is an Arabic term which means:
 - A. The asset to be built. **TF**
 - B. The manufacturer of the asset. **TF**
 - C. The buyer of the asset. **TF**

3. Al-*musania'a* is an Arabic term which means:
 - A. The manufacturer of the asset. **TF**
 - B. The asset to be built. **TF**
 - C. The buyer of the asset. **TF**

4. Al-*masnoo* is an Arabic term which means:
 - A. The buyer of the asset. **TF**
 - B. The manufacturer of the asset. **TF**
 - C. The asset to be built. **TF**

5. *Istisna'a* can only be used for:
 - A. Syndicated banking projects. **TF**
 - B. Agricultural projects. **TF**
 - C. Manufacturing projects. **TF**

6. *Istisna'a* involves the following contractual relationships:
 - A. *Rab ul Mall* enters into contract with the *al-mustasni*. **TF**
 - B. *Rab ul Mall* enters into a contract with the *al-musania'a*. **TF**
 - C. *Rab ul Mall* enters into contract with the *al-masnoo*. **TF**

7. Under an *Istisna'a* contract, al-*musania'a* means the buyer of the asset. **TF**
8. Under an *Istisna'a* contract, al-*musania'a* means the asset that must be built. **TF**
9. Under an *Istisna'a* contract, al-*masnoo'* means the manufacturer of the asset. **TF**
10. Under an *Istisna'a* contract, al-*masnoo* means the asset to be built. **TF**
11. In *Istisna* the buyer, buys the goods after they are constructe. **TF**
12. A major difference between *Murabaha* and *Istisna* is that in *Istisna* goods can be purchased only after they have been manufactured. **TF**