

| | | | |
|-------------|------------|----------|----|
| First name: | Last name: | Group N: | N: |
|-------------|------------|----------|----|

Read the text carefully and be ready to answer

Prohibition of Interest (Riba)

One of the first traditional topics that we cover when we are talking about prohibitions is the prohibition of Riba. When we are looking at a language and the literal meaning of Riba simply means increase. Now when we look at the more Shariah definition of this increase, we see that refers to this particular increase that is unlawful. Or comes from a particular transaction where the increase is not desired.

In English translation we will usually find that Riba is translated as either Interest or Usury (excessive interest). If we look at history, we will see that in Christianity, interest was also prohibited. But then people who wanted to make this particular profit permissible divided the increase into two categories. One that is a small amount (and they called it interest) and the second one is an increase that is a lot, excessive (and they called it usury). This is the way people used logic and reason to go around the prohibition of interest.

Now, in Islam, we do not make this distinction between a little bit of interest and a lot of interest. There is nothing called ethical interest, or a little bit of interest is fine. Any type of profit that results from these transactions (Riba transactions) is interest, that is prohibited, and it is haram (prohibited) regardless of amount.

Some wisdom behind prohibition of Riba (interest):

Riba (interest) goes against mutual cooperation, generosity and spirit of partnership.

Another wisdom behind prohibition of Riba is found in its possibility to facilitate injustice and exploitation and acquisition of the property by wrongful means, and to harm the needy. Riba drives the capital-owner away from enterprise and real economic activities that contribute to the welfare of the society, through commerce, manufacturing, construction and so on. Money in reality is meant to be medium of exchange and standards of value for other goods. Therefore, Riba violates this rationale for which we have money, as it diverts it from real economic activities and what it is meant to do.

1. Answer these questions:

a) What is the literal meaning of riba ?

... the literal meaning of Riba simply means increase. .

b) What is the difference between usury and interest?

Interest is a small amount and usury that is a lot, excessive

c) Why riba is prohibited in Islam?

Riba (interest) goes against mutual cooperation, generosity and spirit of partnership and ...

d) How should money be used in Islam?

. Money in reality is meant to be medium of exchange and standards of value for other goods

2. Match the terms with their definitions:

| | |
|----------------------------------|-----------------------------|
| 1. the increase is not desired C | a) money |
| 2. little bit of interest D | b) real economic activities |
| 3. contribute to the welfare B | c) Riba |
| 4. standards of value A | d) ethical interest |

3. Fill in the gaps with the following words:

- **allowed** - **situation** - **unspecified** - **uncertainty** -

Selling what we do not have is a **situation** where a person might engage in a transaction, where there is a high level of **uncertainty** in terms of delivery of the product. Having **unspecified** price, dates or delivery, quality or quantity of the product that is not clear is not fair or **allowed**.

Match the antonyms of the words in the left

| | |
|---------------|-----------------|
| 1 Advantage | unskilful 8 |
| 2 Improvement | inaccessible 7 |
| 3 Available | output 6 |
| 4 Effective | disadvantage 1 |
| 5 Advancement | deterioration 2 |
| 6 Input | unavailable 3 |
| 7 Accessible | recession 5 |
| 8 Skilful | ineffective 4 |

4. Are these statements false or true:

- we will see that in Christianity, interest was also unlawful **T**
- in Islam money should be a good that can be purchased or sold **F**
- we can avoid riba in Islam by getting a small interest **F**
- Riba achieves to mutual cooperation, generosity and spirit of partnership **F**

5. Give synonyms from the text to these words:

- interdiction = prohibition.....
- expansion = increase.....
- illegal = unlawful.....
- legitimate = permissible.....