

# The Nature of Islamic Accounting and Methodology Used in Muslim Countries: Practical Application in UAE

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## Abstract

Following the growth of Islamic Economy, the demand for Islamic Accounting is higher than any other time. This study reviews and scrutinizes accounting postulates and principles from an Islamic perspective. In this respect, Islamic accounting has been one of the most important aspects in today's business practices and procedures, most particularly for Islamic organisations and businesses. This is because of the growing number of Islamic organisations around the world and the growing adherence to Islamic Shari'ah by Islamic organisations as part of their operations. The purpose of this study is to investigate the concept of Islamic accounting, distinguishing Islamic accounting from conventional or typical accounting and identifying the current challenges and issues facing Islamic accounting practices. This study also addresses issues regarding the notion of Islamic accounting methodology and practices the way they are presented in the balance sheet. Questionnaires were conducted to five Islamic accounting organisation systems with a total of 50 participants. Findings showed significant perceptions of participants with the characteristics of Islamic accounting, and most especially on the characteristics pointing to compliance with Islamic Shari'ah teachings and values. Findings also noted that there was a strong agreement amongst participants with regards to the objectives of Islamic accounting identified by literature.

**Key Words:** Islamic Accounting; Conventional Accounting; Islamic Accounting Methodology; Islamic Shari'ah; Islamic principles.

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## 1. INTRODUCTION

Today Islamic accounting is becoming increasingly important all over the globe. Islamic accounting is a field that is gaining a lot of attention ever since its emergence in the 1970's and ever since, it has been attracting authors and scholars to input their thoughts and contributions to the wide topic of accounting in the Islamic perspective using books, articles and research papers (Amin, et al., 2009). The term of Islamic accounting can be defined as the 'accounting process' which provides appropriate information to stakeholders of an entity which will enable them to ensure that the entity is continuously operating within the bounds of the Islamic Shari'ah (Islamic Law) and delivering on its socioeconomic objectives. The term 'Islamic accounting' can also have a temporal and spatial implication (Napier 2009). Islamic accounting is also a tool, which enables Muslims to evaluate their own accountabilities to God in respect of environmental transactions (Baydoun and Willet, 2000).

Given the above discussion, what is meant by Islamic accounting? As indicated by Amin, et al., (2009) Islamic accounting can be defined as a system of information that communicates the economic and accounting position and result of operations of an organisation and ensures the data presented is correct, complies with Shari'ah and is free from any misleading information (Syafri Harahap, 2003). This definition contains the principles of Islamic accounting such as 'comply with Shari'ah' and 'free from any misleading information'. However, the principles of Islamic accounting have been discussed by many scholars in the area of Islamic accounting. Mirza and Baydoun

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(2000) highlighted the principles of Islamic accounting that are founded on four basic principles. They said principles are God's ultimate ownership, the preference to community interest over those of the individuals, the importance of trade and commerce and the prohibition of interest. For example, an Islamic accounting subject should explain and discuss these principles to improve students' ability in understanding the process and application of Islamic accounting (Amin, et al., 2009; Clarke, et al,1996).

Moreover, this study is regarding to the principles of Islam and the nature and notion of accounting in order to seek knowledge about the system of accounting for people relevant to their social and environmental culture, which is led, by Islamic principles. As indicated by Gray, et al., (1996) and Haniffa and Hudaib (2002) Islamic accounting has been one of the most important aspects in today's business practices and procedures and most particularly for Islamic organisations and businesses. This is because of the growing number of Islamic organisations around the world and the growing adherence to Islamic Shari'ah by Islamic organisations as part of their operations.

This study also discusses the Islamic accounting from different perspectives. Accordingly, the study discusses the main concept of Islamic accounting, its objectives, principles and the differences between Islamic and conventional accounting. Also, it includes general discussions relating to the different aspects of Islamic accounting practices and how to calculate them and present them properly in financial statements formats. However, the study clarifies the definition of Islamic accounting and differentiates between conventional and Islamic accounting as well as explaining the notion of Islamic accounting and the methodology used in some Muslim countries (e.g., Indonesia, South East Asian countries, North African countries, Middle Eastern countries).

In relation to the above-mentioned issues, the meaning of Islamic accounting would be clearer if we compared this with the definition of 'conventional' accounting. Conventional accounting as we know it, is defined as being the identification, recording, classification, interpreting and communication economic events to permit users to make informed decisions (AAA, 1966). From this, it can be seen that both Islamic and conventional accounting is in the business of providing information about various aspects of Islamic transactions and operations including financial reporting and accountability. In this respect, the study identifies and explains some insights and implications of accounting in an Islamic perspective using an empirical investigation. Also, it highlights the benefits or advantages of using Islamic accounting, in addition to what organisations are currently using in the Islamic accounting perspective (Chapra, 2016).

Haniffa and Hudaib (2002) indicated that the term Islamic accounting may be interpreted in many ways. Also, Napier (2009) highlights various meanings that can be attached to it. In this regard, Islamic accounting could be understood in a religious sense, and can have a temporal and spatial implication. Islamic accounting refers to a coherent body of ideas and practices, based on the Islamic religion. Hayashi (1989) indicated Islamic accounting as a 'theory which thinks how it could allocate the resources justly' and Haniffa and Hudaib (2002) related this to an assurance function that seeks to establish socio-economic justice through its normal procedures, control and reporting in accordance with Islamic Law principles (Tripp, 2006). Consequently, it can be discerned that Islamic accounting concentrates in providing assurance to users of accounting information through proper recordings and disclosures that transactions do not contravene Islamic Law principles; and ensures that resources are allocated fairly through proper measurements and recognition of assets, liabilities, revenues, and expenses (Zaini, 2007; Haniffa & Hudaib, 2002).

Consequently, this study seeks to answer questions left unanswered in the Islamic accounting literature and relevant to the notion of Islamic accounting and application in Muslim countries. The key questions are: first, how has Islamic accounting grown from its emersion to future development? Second, how is Islamic accounting system being practiced in Islamic organisations? Third, how are conventional organisations different from Islamic organisations regarding business performance in UAE society? Fourth, what is the role of religion in the development of Islamic accounting in UAE organisations? Fifth, what are the benefits of applying Islamic accounting systems in public and private organisations? Sixth, what are the Islamic accounting systems and practices and how its theory and methodology can be implemented? In this respect, the study will answer and analyse these questions in the context of nature and notion of Islamic accounting and its practices in Muslim countries through literature review and empirical fieldwork. Further, this study contributes to key aspects of Islamic accounting implications, which are related to the development of the culture and environment of any region following the teaching of accounting principles from an Islamic perspective. It contributes to the knowledge by increasing interest and awareness of Islamic accounting methodology and provides the society with useful sources of Islamic accounting that contains information from reliable sources.

As the literature has been silent on the notion of Islamic accounting and its relevance, this paper will try to fill in the existent gap and answer the above questions. With this purpose in mind, the paper will be organised in a way as follows: Section 2 reviews the literature relevance to the notion of Islamic accounting procedures and practices as well as investigating the concept of Islamic accounting. Section 3 addresses research methodology and data collection methods. Section 4 presents data analysis and discussion. The last section provides conclusions of the study.

## **2. LITRETUREREVIEW**

Accounting has represented one of the most significant parts which is Islamic accounting. Accounting is important because it is the most significant part in business which processes information of business activities into financial statements to be obtained to the decision-makers.

Islamic accounting that has existed since 1500s has its own principle that can not only decrease the degree of unexpected activities pertaining to accounting process, but also increase the welfare of both internal and external parties of the business. This is because Islamic accounting has an aspect that has a better-meaning value than the similar aspect of the conventional accounting comprising all values required to bring the accounting process preferable (Asfadillah, et al., 2012).

Moreover, Islamic accounting has been one of the most important aspects in today's business practices and procedures, and most particularly for Islamic organisations and businesses. This is because of the growing number of Islamic organisations around the world and the growing adherence to Islamic Shari'ah by Islamic organisations as part of their operations. The purpose of this study is to investigate the concept of Islamic accounting practices in Muslim countries. Also, this is to explore the characteristics of Islamic accounting, identifying the importance of Islamic accounting, distinguishing Islamic accounting from conventional or typical accounting and identifying the current challenges and issues facing Islamic accounting practices and applications in Muslim countries (Chapra, 2016; Napier, 2010).

The Historical events of Islamic Accounting can be traced back even further than what Western people claim. The cities that lived during the time of the Prophet Muhammad, was one whose entire economic system was dependent on trade and merchandise. Even the Prophet Muhammad worked as a merchant. The arrival of Islam through the revelation of the Qur'an provided instructions on every aspect of life, including economic transactions (Chapra, 2008).

In fact, the main source of the Islamic economic system comes from the holy book (Qur'an) which provides methods of how to perform business in a manner which can be allowed and be accepted in Shariah. The arrival of an Islamic accounting system was, therefore, necessary in order to keep the Islamic economy growing. In this respect, the Qur'an also provided guidance on how to conduct accounting activities and seeing as the divine revelation began around 610 CE, this would mean that Islamic accounting was present around 800 years before Pacioli's book (Zaid, 2004). This fact is not surprising as the writing of accounting history is dominated by English writers who focus and discuss private-sector accounting in English-speaking countries of the 19th and 20th century (Parker, 1993). Therefore, the area of accounting history was much larger than what were expected. It was not limited to the foreign countries and from a time point of view, accounting had been discovered a long time ago before the modern era discovered it.

From the above discussion, Islamic accounting is a "process that recognizes measures and communicates the economic information that complies with Islamic law (Shari'ah) and Islamic values" (Amin, 2009, p2). Napier (2007) indicated that Islamic accounting appeared in the 1970s. Also, twenty-five years ago, the global economic seen a remarkable growth in Islamic banking and these Islamic banks are located in Muslim and non-Muslim countries (Gray, et al., 1996; Amin, et al., 2006). Islamic accounting geographically covers North Africa and a large part of Sub-Saharan Africa, the Middle East, the territories of the Ottoman Empire, the Indian sub-continent, much of South -East Asia and Indonesia, as well as large parts of the former Soviet Union (Napier, 2007). In addition, the concept of accounting was found in Muslim practice in the seventh century before the Italians, when the accounting system was emerged in the fifteenth century (Zaid, 2004). Also, the emergence of Islamic accounting led to reducing the risk of fraud and manipulation and offered some form of control (Napier, 2007), providing protection to the customer and to raise awareness about the importance of the application of Islamic law in financial institutions (Amin, et al., 2006).

In general, accounting is a tool to achieve certain objectives. In order to be useful, it must be relevant to its purpose. The purpose of accounting has been extended by the American Accounting Association in 1975 which defined

the purpose of accounting to permit informed decisions which will enable scarce resources to be allocated efficiently thereby achieving social welfare. Hence, Islamic accounting may be more appropriate to achieve the socio-economic and religion objectives of Islamic institutions and Muslim users (Corporate Report, 1975; FASB, 1978; Hameed, 2001).

Furthermore, many Islamic organisations (e.g., Islamic banks) are established to meet the socio-economic objectives of Islamic Law (Shari'ah) through the implementation of an Islamic economic system. Accordingly, these organisations should logically use Islamic accounting, especially for monitoring these organisations to achieve their objectives which are different from capitalist organisations. However, if conventional accounting, which developed to meet the needs of a capitalist economy, is used instead in these organisations, a mismatch is likely. This will lead to the organisations not meeting the Shari'ah's socio-economic objectives and even worse, it may turn these Islamic organisations into capitalist organisations by providing materialist profit-focused information instead of the holistic information provided by Islamic accounting (Hameed, 2001; Chapra, 2000).

From the above discussion, both Islamic and conventional accounting is in the business of providing information and showing slight differences such as the objectives of each one in providing information, the type of information that each one identified, how each one measured, values and communicated the users of accounting information. For example, conventional accounting aims to permit informed decisions whose ultimate purpose is to efficiently allocate scarce resources available to their most profitable uses by providing efficient information in the market. Accordingly, this is achieved by the user making, the appropriate, buy, sell or hold decisions on their investments. Islamic accounting, on the other hand, hopes to enable users to ensure that Islamic organisations tolerate by the principles of Islamic Law in its dealings and enables the assessment of whether the objectives of the organisation are being met. At the very basic level, it can be said that Islamic organisations differ from their conventional counterparts by having to adhere to certain Islamic Law principles and rules and trying to achieve certain socio-economic objectives encouraged by Islam.

Following the above discussion, the type of information which Islamic accounting identifies and measures is different. Conventional accounting concentrates on identifying economic events and transactions, while Islamic accounting must identify socio-economic and religious events and transactions. This is not to consider that Islamic accounting is not concerned with money when running a business. On the contrary due to prohibition of interest-based income or expense, profit determination is more important in Islamic accounting than conventional accounting. However, Islamic accounting must be holistic in its reporting (Baydoun and Willet, 2000). Therefore, both financial and non-financial measures regarding the economic, social, environmental and religious events and transactions are measured and reported.

Moreover, conventional accounting mainly uses historic cost to measure and value assets and liabilities (Baydoun and Willet, 2000). Islamic accounting may require a different statement altogether to deemphasize the focus on profits by the income statement provided by conventional accounting. Baydoun and Willet (2000) have suggested a Value-Added Statement to replace the Income Statement in Islamic Corporate Reports. They argue that this shows and encourages a cooperative environment in business as opposed to a destructive competitive environment (Gray, et al., 1996). Further, Islamic accounting serves the whole gamut of stakeholders recognised by the corporate report, not that each group can serve its own interest best, but society as a whole can make corporations accountable for their actions and ensure they comply with Islamic Law principles and do not harm others while making money ethically and achieve an equitable allocation and distribution of wealth among members of society especially the stakeholders of the concerned corporation (Baydoun and Willet, 2000). Overall, Islamic accounting is not the just technicalities of accounting for Islamic financial instruments employed by Islamic organisations, but much more requiring whole new areas of performance measurement including the social environment, economic and Shari'ah (Abdel Karim, 1995).

### **3. RESEARCH METHODOLOGY AND DATA COLLECTION METHODS**

This Study provides the methodology of Islamic accounting, discussed features, the objectives and the principles of Islamic accounting, the difference between Islamic and conventional accounting, the different Islamic accounting practices and the way it is presented in the balance sheet. The objective of the study is to increase the knowledge of the readers about the Islamic accounting and to know the extent of people's attitude and knowledge towards Islamic and conventional banks, which were carried out through a questionnaire and semi-structured interviews. Some participants of the study think that conventional banks are better than Islamic banks in terms of profit because they show a lot of interest, but in terms of risk, the conventional banks are more risky but Islamic banks rely on the principle of avoidance of risk.

As mentioned before, the purpose of this study was to provide review on the concept of Islamic accounting based on existing literature as well as on the perspective of individuals engaging in Islamic accounting activities and transactions. A Survey was facilitated to 50 participants, who were selected based on convenience sampling. Findings showed Islamic accounting is an accounting process that involves the compliance with the Islamic law, drawing from the fact that it is Shari'ah based. Participant's perception also implies importance of Islamic accounting as per identified and agreed objectives and goals towards various aspects of Islamic transactions and operations including financial reporting, accountability and transparency of information.

An empirical investigation was conducted for the sake of this study and some questions regarding the topic were answered by professionals after distributing them to organisations such as Sharjah Islamic bank, Dubai Islamic bank, Emirates Islamic bank, Noor Islamic bank, and Abu Dhabi Islamic bank which will be answered in the discussion. All the data that was collected about Islamic accounting was analyzed manually then organised, in order to be clear for the reader throughout this study.

Moreover, the methodology used provides a framework with which the research would be conducted. The methodology for this study is also a literature search, with special focus on empirical reports and institutional studies of Islamic organisations like those prepared by Islamic (or conventional) banks or institutions. This is also including academic articles and online information or websites on the topic related to Islamic accounting which has been selected for research. Furthermore, the study is considering the existing conferences & researches in the field of the professional ethics in accounting and Islamic moral in accounting during the recent years and using the different books and studies from other sciences this study has compiled.

Furthermore, the objective of the research methodology is to present how Islamic accounting has grown from its emersion to future development and how the Islamic accounting system is being practiced in Islamic organisations. This in addition to how conventional organisations are different from Islamic organisations regarding to business performances in UAE society as well as to what the benefits of applying Islamic accounting systems in public and private organisations are. In order to achieve the objectives of this study, data was collected using two types of instruments: questionnaires and semi-structured interviews. The population for this study consists of five organisations which have accounting experience at the time of this study in different business areas (Islamic accounting organisations and Traditional accounting organisations).

As a condition of obtaining access for data collection, this study was unable to mention the real name of the organisations under investigation. This is because of sensitivity of data collection from these organisations. Accordingly, the researcher adopted a new name for each of the anonymous organisations to be used in presenting data collected for this study. The letters 'A', 'B', 'C', 'D' and 'E' are used to refer to these organisations and their activities. Further, the data for this study were collected using a questionnaire and semi-structured interviews. The semi-structured interviews were conducted with different levels of managers to obtain general information about the organisations. The questionnaires were personally distributed to participants in the five organisations. To secure effective participations, an opportunity to discuss the questionnaire was offered to participants through the author's personal.

#### **4. DATA ANALYSIS AND DISCUSSION**

This study has been conducted successfully to study the notion of Islamic accounting in the UAE, by selecting Sharjah Islamic bank, Dubai Islamic bank, Emirates Islamic bank, Noor Islamic bank, and Abu Dhabi Islamic bank to participate in the questionnaires that have been conducted to meet the objectives of this research, and to support the hard work done on reviewing the literature of Islamic accounting. Reviewing the literature helped to achieve the aim from doing this research, which is to fulfill the gap between various findings that showed different perceptions of application between some of Islamic countries to the importance of Islamic accounting and the essence of its implementation. The questionnaires were distributed to 50 participants working in the mentioned 5 banks. 94% is the response rate, in which a sample size of 47 from 50 targeted participants have accepted the request to participate in the survey. 8 responses were from A Bank, 10 responses from B bank, 9 responses from C Bank, 12 responses from D Bank, and 8 responses from E Bank (see Table 1).

**Table 1. Number and Percentage of participants for the following five banks**

<b>Banks</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Valid</b>	<b>Cumulative Percent</b>
<b>A</b>	8	17.12	17.12	17.12
<b>B</b>	10	21.28	21.28	38.4
<b>C</b>	9	19.25	19.25	57.65
<b>D</b>	12	25.23	25.23	82.88
<b>E</b>	8	17.12	17.12	100.00
<b>Total</b>	47 out 50	100.0	100.0	

The main purpose of this questionnaire was to understand the level of literacy regarding the Islamic accounting and methodology used, as the literacy will build the foundation to implement the Islamic accounting which is slowly developing. The level of Islamic knowledge of business is unfortunately low within the business environment; hence it might be the case in future that after formulation of Islamic accounting rules the implementation may fail. The process of formulation and making the base for implementation should be done in parallel.

The Islamic accounting can only be understood if it was compared with the meaning of conventional accounting. At the point, many of the participants from bank A and C indicated that both Islamic and conventional accounting is in the business of providing information related to major differences in measuring, recording and/or communicating information used in their process. Then, Conventional accounting is mainly concerned about the informational efficiency in the capital market from the point of view of the shareholders as indicated by participants in bank B and E (see Table 2).

Regarding the type of information identified, and how is it measured, valued, recorded, and communicated, Conventional accounting focuses on identifying economic events and transactions, while Islamic accounting must identify socio-economic and religious events and transactions. This was expressed by most participants from the five banks. The main focus of accounting has drifted from socio-economic accounts to accounting for money concept. This does not mean that Islamic accounting is not concerned or interested in money especially when it comes to accounting for business related transactions. On the contrary due to prohibition of interest-based income or expense, profit determination is more important in Islamic accounting than conventional accounting. This was also confirmed by most participants within the five banks.

The main purpose of conventional accounting is to provide necessary information to the interested users for making decisions. According to this concept, most participants in bank A, D, and E indicated that all the information relating to the organisation need to be disclosed fairly and completely in the financial statements so that the intended users can understand the statements without any clarification from the accountants whereas Islamic Accounting emphasizes on accountability of the accountants in disclosing the information. This was confirmed by most participants in company A, D, and E (see Table2). Also, Islamic accounting gives emphasis on ethical disclosure as the accountability to the nation, because Allah knows everything that we conceal and disclose.

Furthermore, most participants within the five banks indicated that conventional accounting calculates only financial data of individuals or companies because the objective of conventional accounting is economic rationalism, whereas Islamic accounting calculates the fulfillment of duties and obligations to Allah (Almighty), society and individuals because the objective of Islamic accounting has to do everything within the limits of Islamic Shari'ah. In general, participants within these banks indicated that conventional banks aim to maximize their profit as much as possible whereas banks following the Islamic accounting have to perform everything within the limits of Islamic Shari'ah. Participants of all banks indicated that accounting in Islamic approach holds the accounting operations through the accountant who is characterized by honesty, truthfulness, independence, fairness and efficiency. Also, the accountant in Islamic approach is responsible to the community about the extent of the economic unit's compliance with Islamic law.

Table 2. Frequency distribution of participants for the five banks

Sample of the questions	Percentage of Participants Reponses within the five Banks				
	A	B	C	D	E
1. Islamic and conventional accounting in providing information related to major differences in measuring.	75%	50%	88%	83%	63.2%
2. Conventional accounting is mainly concerned about the informational efficiency in the capital market.	25%	90%	11%	17%	88%
3. Conventional accounting focuses on identifying economic events and transactions, while Islamic accounting identifies socio-economic and religious events and transactions.	88%	83%	78%	75%	63.%
4. Profit determination is more important in Islamic accounting than conventional accounting.	88%	83%	67%	75%	75%
5. Conventional accounting is to provide necessary information to the interested users for making decisions, whereas Islamic Accounting emphasizes on accountability of the accountants in disclosing the information.	88%	40%	44%	92%	88%
6. whereas Islamic Accounting emphasizes on accountability of the accountants in disclosing the information.	63%	80%	78%	50%	38%
7. Conventional accounting calculates only financial data of individuals, whereas Islamic accounting calculates the fulfillment of duties and obligations to society and individuals.	88%	90%	78%	92%	75%

8.	Conventional banks aim to maximize their profit, whereas Islamic accounting banks have to perform everything within the limits of Islamic Shari'ah.	75%	80%	89%	83%	75%
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Islamic accounting is the practice of integrating accounting techniques that are favorable when it comes to the impact on society, by which the participants were also agreeing with general agreements of a high evaluation value. On the other hand, most participants (during semi-structured interviews) agreed that Islamic accounting utilizes historical costs as reliable information with average value of all banks, while they also agreed to the statement that Islamic accounting places great emphasis on unbiased information disclosure, accountability and transparency with a high evaluation value. Most participants also indicated that the difference between the two conventional Islamic accounting frameworks lies on the fact that conventional accounting is about personal accountability while Islamic is about social accountability. Furthermore, participants also indicated with the fact that Islamic accounting importance lies on the issue of stating that conventional accounting could not cater to the accounting needs or Islamic organisations and institutions. Therefore, Islamic accounting in its modern context can provide the necessary information to employees or enabling them to ensure that their entity is continuously operating under Islamic or Shari'ah's Law, while fulfilling its socio-economic objective.

## 5. CONCLUSIONS

The purpose of this study was to provide reviews on the concept of Islamic accounting based on existing literature as well as on the perspective of individuals engaging in Islamic accounting activities and transactions. Questionnaires were facilitated to 50 participants, who were selected based on convenience sampling. Findings showed Islamic accounting as an accounting process that involves the compliance with the Islamic law, drawing from the fact that it is Shari'ah based. Participant's perception also implied importance of Islamic accounting as per identified and agreed objectives and goals towards various aspects of Islamic transactions and operation including financial reporting, accountability and transparency of information.

The findings showed that the conventional banks are more profitable and to some extent riskier than the Islamic banks. And they were both efficient in utilizing their assets and investor's funds. The findings from the questionnaire showed that the majority of the participants have accounts with conventional banks and most people do not know the difference between Islamic and conventional banks and they think that conventional banks are more stable and less prone to financial crisis. The conclusion in this paper included some recommendations based on the findings of the ratio analysis and the questionnaire.

The results discussed in this research show the significant perception of UAE Islamic banks towards the importance of Islamic accounting to be implemented rather than Conventional accounting. Moreover, as indicated by many participants that employees at the Islamic banks do highly perceive the positive influence of Islamic accounting on Islamic ethics and Islamic socio-economic objectives. Furthermore, the results show that many participants (during semi-structured interviews) within the five Islamic banks in the UAE do parallelize between Islamic profit rates and conventional interest rates, and that was supported by the literature. In addition to this, the study indicated that almost all participants do consider Islamic profit a way for profit maximization, as is the traditional interests. A proof on that, many participants are willing to withdraw their money from Islamic banks, if the profit rate of return have decreased due to financial loss.

Overall, both banks (Conventional and Islamic) follow the same set of rules in recording their transactions since objectives and orientations are different. Conventional Accounting is an organisation or individually oriented and Islamic accounting is society or community oriented, and therefore their published accounts (results) are always different.

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