



51A Middle Street Newburyport MA 01950

Phone: 800-588-7039

[contact@bhfe.com](mailto:contact@bhfe.com)

[www.bhfe.com](http://www.bhfe.com)

## Course Information

---

**Course Title:** *Islamic Accounting*

**#380624**

**Number of continuing education credit hours recommended for this course:**

**CPA: 1** (All states)

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### **Course Description**

Islamic accounting mostly follows the IFRS accounting framework, but differs from it in a few key areas. We discuss these differences in the Islamic Accounting course, including prohibited business activities, how to calculate Zakat, and the different sukuk structures used. The course also addresses differences in how financial statements are structured, additional disclosure requirements, and the use of social responsibility accounting.

### **Course Content**

Publication/Revision date: 10/1/2023.

Author: Steven M. Bragg, CPA.

Final exam: Five questions (multiple-choice).

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

**Subject Codes/Field of Study:** Accounting

Level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

### Instructions for Taking This Course

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

### Instructions for Taking the Online Exam

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have **three attempts** to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## Learning Objectives

---

- Identify the key issues governing Islamic accounting.
- Specify the types of business activities that are prohibited under Islamic law.
- Identify the requirements for paying Zakat.
- Recall the different types of sukuk structures that a business may use.
- Identify the unique characteristics of Islamic financial statements.

## About the Author

---

**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 300 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*. He has also written the science fiction novel *Under an Autumn Sun*, first book in *The Auditors* trilogy.

Copyright © 2024 by AccountingTools, Inc. All rights reserved.

Published by AccountingTools, Inc., Centennial, Colorado.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to Steven M. Bragg, 6727 E. Fremont Place, Centennial, CO 80112.

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

# Table of Contents

---

<b>Islamic Accounting</b> .....	<b>1</b>
Introduction .....	1
Alignment with IFRS .....	1
Sources of Islamic Law as it Pertains to Accounting .....	1
Types of Islamic Business Entities .....	2
Prohibited Activities .....	2
The Concept of Zakat .....	2
The Basis of Zakat .....	3
How to Calculate Zakat .....	4
The Timing of Zakat Payments .....	5
The Distribution of Zakat .....	5
Responsibility for Zakat Payments .....	5
Accounting for Zakat .....	6
Disclosure of Zakat .....	6
The Concept of Sukuk .....	6
Islamic Financial Statements .....	8
Islamic Accounting Principles .....	12
Sharia Auditing .....	12
Users of Islamic Accounting Information .....	12
Social Responsibility Reporting .....	13
Summary .....	15
Review Questions .....	16
<b>Answers to Course Questions</b> .....	<b>17</b>
<b>Glossary</b> .....	<b>18</b>
<b>Index</b> .....	<b>19</b>