

DETERMINANTS OF *QARDHUL HASSAN* FINANCING ACCEPTANCE AMONG MALAYSIAN BANK CUSTOMERS: AN EMPIRICAL ANALYSIS

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ABSTRACT

The purpose of this study is to examine the factors that determine *Qardhul Hassan* financing acceptance among Malaysian bank customers. Explained in more detail, the main objectives of the study are twofold. First is to test the applicability of conventional theory, notably theory of reasoned action (TRA) to the *Qardhul Hassan* financing acceptance. Second is to examine the effect of pricing to *Qardhul Hassan* financing acceptance. TRA was employed in order to examine its applicability to the context of *Qardhul Hassan* financing. Besides the original constructs of the model, the pricing construct is added in order to justify further the determinants of the *Qardhul Hassan* financing. As such, this study used survey approach in order to investigate the objectives of the study. The study found that “attitude”, “subjective norm” were important determinants to influence bank customers’ perception of accepting *Qardhul Hassan* financing. These results, on the other hand, proved the suitability of the determinants to the context of *Qardhul Hassan* financing. Besides “attitude” and “subjective norm” constructs, this study, on the other viewpoint, contributes to the existing body of knowledge by proving that the pricing factor was also an important as a key determinant of *Qardhul Hassan* financing acceptance. Although this study proved the importance of “attitude”, “subjective norm” and “price of *Qardhul Hassan* financing” factors, there still exists an opportunity for the future research relevant in this area in which it is due to limitations embedded in the current study. This study, however, is useful for Islamic banks in order to beautify *Qardhul Hassan* financing facility.

Keywords: *Banking, Islam, Qardhul Hassan, Survey, Bank Customers, Personal Finance, Bank Management.*

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