

CHAPTER I

INTRODUCTION

1.1 Background

Banking was a sector that became the foundation of economic development of the people in Indonesia. Micro, small and medium enterprises (SMEs) are one of the main drivers of the economics. The bank as a business entity with an orientation on achieving profit (profit-oriented) and the government as an agent of diploma provides an opportunity for those who came from the community and return to the community. In Indonesia, there are two types of banks, namely Conventional Banking and Islamic Banking. Islamic Bank helped provide support for economic development in Indonesia through customer financing and facilitating banking services to support the economic activities of the people (Dendawijaya, 2001).

Islamic Bank serves as an intermediary institution, which collects funds from the public and distribute them back to the community in the form of financing. Financing is a funding provided to other parties to support the planned investment (Mohammed, 2005).

According to Article 2 of the Law of Islamic Banking, bank conducts its business activities based on Islamic principles, economic democracy, and the precautionary principle. Under article 1, paragraph (13) of Law No. 10 of 1998, Islamic principles can be interpreted as agreement rules based on Islamic law between banks and other parties to deposit funds and/or finance business activities or other activities stated in accordance with sharia, other financing based on the principle of profit sharing (Mudharabah), financing is based on the principle of equity (Musharakah), the principle of buying and selling goods with profit (Murabaha), or the financing of capital goods with the principle of the lease pure without options (Ijarah), or by the choice of transfer of ownership of goods leased from the bank by another party (Ijara waiqtina). From various sources it can be concluded that

the precautionary principle is a risk management through the implementation of laws and regulations that apply consistently. (Yahman, Usanti, 2001).

I.2 PROBLEM FORMULATION

An issue that become an object of this final project is lack of software that provides structured information to Islamic Banking about SMEs seeking for financial help.

I.3 PURPOSE

The main purpose of this research is creating secure and interactive web application for Islamic Bank

1. Building web application that supports banks in terms of providing well-structured information about SMEs from ZISWAF.
2. Building web application that manages funding procedure.

I.4 LIMITATIONS

Limitations of the problem in this study include:

1. The list of information that will be included in this application focuses only on SME owner's contact, SME type, and decision factors.
2. The result of this application will not be mentioned until Beta Test.
3. The system is not included the integration to Islamic banking financing system.
4. The system does not do the financing process approval
5. The main limitation of this system is that it cannot make fully automatic decisions due to more information needs, such as personal credit history during a lifetime and administrative records (crimes, violations etc.), which means that decisions cannot be generated as a pure.

I.5 BENEFIT

Benefits of this research are:

1. To create Islamic banking module application that shows structured information about SMEs and helps banks to decide which SME deserves funding.
2. Increase number of Micros/SMEs to get financing from Islamic banks.

I.6 WRITING SYSTEMATICS

The preparation of this study consists of 6 (six) chapters where each chapter is divided into several sections.

CHAPTER 1 Introduction

This chapter explains about the background of selection topic, research scope, objectives and benefits of the research, methodology used in the study as well as systematic that explain the main points of discussion of each chapter.

CHAPTER 2 Scientific Literature

This chapter explains about theoretical foundation used as basis to discuss the problems at this study. Some of them are basic theory, general theory, and theory of particular relevance with Application Development framework\

CHAPTER 3 Research Methodology

This chapter explains about research methodology that will be used to Islamic banking web application.

CHAPTER 4 Proposed System Design

This chapter explains about design of a new application system which includes explanation about software requirement, design pattern, data implementation, and user interface design.

CHAPTER 5 Implementation

This chapter explains about an overview of the conclusions obtained from the results of the analysis based on the facts and truth. Suggestions are very useful for the development in the future.

CHAPTER 6 Conclusion And Suggestion

This chapter explains about an overview of the conclusions obtained from the results of the analysis based on the facts and truth. Suggestions are very useful for the development in the future.