

Majors: FIN
Major/No. BBA 17

Effect of Liquidity Premium: Sukuk vs Pakistan Investment Bonds



By:

Mohtassim Khan(01-111222-086)
M. Tayyab Rehman(01-111222-085)
M. Muttayyab Razzaque(01-111222-287)

(Bachelors in Bussiness Administration)

Supervisor:
Dr. Mohsin Raza

Marketing and Business Department
Bahria University – Islamabad Campus
8th semester-2026

FINAL PROJECT APPROVAL SHEET

Open Defense Examination

Open Defense / /

Topic of Project: Effect of Liquidity Premium: Sukuk vs Pakistan Investment Bonds

Names of Students:

Mohtassim Khan(01-111222-086)
M. Tayyab Rehman(01-111222-085)
M. Muttayyab Razzaque(01-111222-287)

Class: (BBA-Finance major)

Approved by:

(Dr. Mohsin raza)
Supervisor

(Ma'am Qurat UI Ain Waqar)
Research Cell Coordinator

(Dr. Qazi Subhan)
Head of Department

Table of Contents

Abstract	3
Chapter 1: Introduction	3
Chapter 2: Literature Review	7
Chapter 3: Project Methodology	12
Chapter 4: Results and Analysis	17
Chapter 5: Discussion	20
Chapter C: Conclusions and Recommendations	30
References	35
Appendix A: Survey Questionnaire (Full Instrument)	38
Appendix C: Survey Result and Excel Sheet	44

Abstract

This study digs into the liquidity premium built into Government of Pakistan (GoP) Ijarah Sukuk compared to Pakistan Investment Bonds (PIBs), using a primary survey to get real insights straight from investors in Pakistan. Instead of leaning on only secondary market data like previous Project, this study asks people—finance pros, business academics, finance students, and retail investors—about their liquidity preferences, investment habits, what they know, and how they feel about the gap between Sukuk and PIBs in Pakistan’s split Islamic and conventional bond markets.

A structured questionnaire was made up of 20 questions covering ten themes, and it was shared with 60 people recruited through social media within Pakistan. The survey digs into things like: how well people know Sukuk and PIBs, how liquid they think each one is, personal investment preferences, awareness of the yield gap, understanding of the liquidity premium, the importance of Shariah rules, knowledge of the secondary market, how macroeconomic trends sway choices, differences between big institutions and regular investors, and how the market/regulations are viewed. We analyzed responses through simple stats, sorting frequencies, comparisons, and calculating averages using Likert scales. We also ran regression analysis and t-tests to see if different groups think and act differently.

To help frame the Pakistani results, we also looked at Project from Malaysia and Indonesia—other markets with similar government Sukuk. This study is new for Pakistan since it’s based on first-hand survey evidence rather than just market data, giving practical feedback for policymakers, Islamic bankers, and everyday investors trying to make sense of where Sukuk fits in the bigger picture.

Keywords: Sukuk, Pakistan Investment Bonds, Liquidity Premium, Investor Survey, Primary Project, GoP Ijarah Sukuk, Islamic Finance, Fixed Income, Market Perception, PSX, SBP