

A COMPARATIVE ANALYSIS RELATED TO OPERATIONAL EFFICIENCY IN ISLAMIC AND CONVENTIONAL BANKS OF PAKISTAN

BY

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at ----- that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

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ABSTRACT

Purpose- The study defines comparative analysis of two banking systems in Pakistan, these two rivals are Conventional banking system and Islamic banking system. The main objective is to compare the operational efficiency of both the banking systems and try to analyze which one is better than other.

Research Methodology-Data envelopment analysis (DEA) is applied to interpret the results with the help of CRS and VRS models, the main tool to use these models is the linear programming technique in which the selected inputs and outputs are the main sources to identify the results.

Findings- The research concludes that Conventional banks are still better enough than Islamic banks because of their huge size of operations with properly utilize the resources, while Islamic banks highlights the oversize with limited resources or we can say that they are not focusing on their resource utilization process.

Practical Implications- This research can be very useful to the management of the banks because they will highlight the slacks that need improvements and will made the decisions to achieve the optimal results.

Keywords- DEA Analysis, Operational Efficiency, Linear Programming.

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