

Question 1147) - What is Mudarabah linguistically and in Shari'ah?

A: The word is derived from Darb in the meaning of travelling (i.e. to travel the earth). In Shari'ah it is a contract whereby profits are given to one partner in lieu of capital and to the other in lieu of labour. The capital must be wealth which we discussed before.

~ al-Quduri ~