

## TABLE OF CONTENT

APPROVAL .....	ii
APPROVAL .....	iii
BACHELOR THESIS ORIGINALITY STATEMENT .....	iv
MOTTO AND DEDICATIONS .....	v
ACKNOWLEDGEMENT .....	vi
ABSTRACT.....	ix
ABSTRAK.....	x
TABLE OF CONTENT .....	xi
LIST OF TABLE .....	xiv
LIST OF FIGURE.....	xv
APPENDIX.....	xvi
CHAPTER I INTRODUCTION.....	1
1.1 Research background.....	1
1.2 Problem Statement and Research Question.....	10
1.3 Objective and Research Benefits.....	12
1.3.1 Research Objective .....	12
1.3.2 Research Benefit .....	13
1.4 Thesis Outline.....	13
CHAPTER II LITERATURE REVIEW .....	16
2.1 Theoretical Background .....	16
2.1.1 Islamic Banking.....	16
2.1.2 The Financing in Islamic Banking .....	20
2.1.3 The Concept of Efficiency.....	24
2.1.4 Stochastic Frontier Analysis.....	28
2.2 Previous Research .....	30
2.3 Determining the Input and Output Variables .....	45
2.4 The Relation of Input and Output Variables with Total Cost .....	48

2.4.1 The Effect of Cost of Profit/Loss Sharing and Cost of Labor on Total Cost.....	48
2.4.2 The Effect of Total Financing and Owned Securities on Total Cost .....	49
2.4.3 The Difference of Efficiency Level between ICB and IW .....	50
2.5 Theoretical and Operational Framework.....	51
2.6 Hypothesis .....	53
CHAPTER III RESEARCH METHODS .....	55
3.1 Research Variables and Operational Variables Definition.....	55
3.1.1 Research Variables .....	55
3.1.2 Operational Definition.....	55
3.2 Population and Research Samples.....	57
3.3 Data Type and Source .....	58
3.4 Data Collection Method .....	58
3.5 Data Analysis.....	59
3.5.1 Single Equation Method.....	59
3.5.2 Stochastic Frontier Analysis.....	60
3.5.3 Analysis of Variance .....	62
CHAPTER IV RESULT AND DATA ANALYSIS .....	63
4.1 Descriptive Statistics .....	63
4.2 Data Analysis.....	64
4.2.1 Analysis on the Efficiency Level of ICB and IW.....	65
4.2.1.1 Efficiency Level Analysis Using Cross-Section Method.	65
4.2.1.2 Efficiency Level Analysis Using Panel Method .....	69
4.2.2 Tests of Hypothesis .....	72
4.2.2.1 Linear Regression .....	72
4.2.2.2 Analysis of Variance (ANOVA).....	75
4.3 Discussions .....	76
CHAPTER V CONCLUSIONS .....	79
5.1 Conclusions .....	79

5.2 Theoretical Implications .....	80
5.3 Research Limitations .....	81
5.4 Suggestions .....	82
BIBLIOGRAPHY .....	83
APPENDIX .....	85