



Analysis of Stabilization of Price Fixing for Foreign and Domestic Tourists in the Perspective of Islamic Business Ethics

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ABSTRACT

Currently, buying and selling activities have developed very rapidly, this is due to the development of technology and the level of creativity of the nation's children. Along with the development of the times, selling and buying activities can also be done quickly, namely by making transactions through several applications on mobile phones or what we usually call an online shop. However, not many people ignore offline buying and selling, because business people will always come up with the latest innovations to attract the attention of buyers. All of that can be proven, one of which is the development of modern markets such as hypermart, alfamart, carrefour and many others that have spread widely in various cities in Indonesia. To realize an ideal market, it must be supported by two factors. First, competitive prices on the second trade commodity, the absence of imperfect competition, monopoly, oligopoly or cartel in certain commodities. The data obtained is by field research (field research). The data collection methods are observation, interview or interview and documentation. Business actors must be careful in determining the price to be marketed, therefore it is necessary to formulate an appropriate strategy in the product pricing system, to increase profits and the level of consumer satisfaction. Mistakes in pricing can have various consequences for the company, such as reduced levels of consumer satisfaction and trust, so that buyers feel uncomfortable and will switch to looking for other business actors. In addition, buyers can also make a rejection reaction and it will even be fatal with an action that can drop the company's good name. Whereas in Islamic business ethics, price fixing must be applied fairly and without disadvantage between the seller and the buyer.

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1. Introduction

In essence, humans are social creatures, while in Islam the relationship between humans as social beings is known as muamalat. The various forms of muamalat here are such as: buying and selling activities, pawning, transfer of debt, renting, wages and so on. (Khabib Basori 2007) Each individual has their own needs that must be met. Every human being will try to meet these needs, one of which is by working. By working, humans will get needs in the form of clothing, food, and many others that money can buy. There are various kinds of work here, one of which is to become a businessman or entrepreneur. In muamalah, the most important activities carried out by humans are doing business or trading. Trading is an activity that is highly recommended in Islam. As has been explained in the Qur'an Sura Al Baqoroh verse 275, Allah affirms that: "... Allah makes buying and selling legal and forbidding usury ...". From this verse it can be concluded that buying and selling is highly recommended and it is forbidden to take too much profit from buyers or in Islam it is called usury.

According to Islamic trading law, one of the most useful and profitable businesses is to trade or trade, the profit in question is the remaining excess after a reasonable compensation and production factors. So, in Islam profit can be concluded as a form of reasonable profit in trading and not usury. Even the Messenger of Allah has stated that trading or trading is one way of the door of sustenance, meaning that through this trade, the doors of other sustenance will also be opened, so that Allah's grace will be emitted from him. (Tira Nur Fitria 2016)

Currently, buying and selling activities have developed very rapidly, this is due to the development of technology and the level of creativity of the nation's children. Along with the development of the times, selling and buying activities can also be done quickly, namely by making transactions through several applications on mobile phones or what we usually call an online shop. However, not many people ignore



offline buying and selling, because business people will always come up with the latest innovations to attract the attention of buyers. All of that can be proven, one of which is the development of modern markets such as hypermart, alfamart, carrefour and many others that have spread widely in various cities in Indonesia. To realize an ideal market, it must be supported by two factors. First, competitive prices on the second trade commodity, the absence of imperfect competition, monopoly, oligopoly, or cartels in certain commodities. In this case it can be interpreted that there are several traders and certain types of prohibited goods and freedom to trade as long as they do not take high profits above the normal price (the price of the equivalent). (Syamsul Hilal 2014)

In general, business actors and consumers usually demand a fair price system, fair prices can occur due to the power of demand and supply in the market. The price paid after a transaction of goods and services in accordance with the agreement between the seller and the buyer is also called the market price. Price fixing is a price fix that has been agreed upon by the two parties conducting the transaction and this applies in general. However, recently, there have been many cases of price instability in the market due to a lack of knowledge on how to formulate the right strategy in pricing and taking profits.

The island of Bali or more often known as the island of the gods is one of the provinces in Indonesia which has a million charms with a very dense population, where most of the population is immigrants from various cities and islands. One of the reasons they have migrated is the large number of jobs with high salaries to meet their daily needs. One of the most involved jobs is to become a businessman. They usually sell various kinds of Balinese souvenirs and trinkets in the form of handicrafts. Besides that, Bali is also one of the continuous provinces in Indonesia developing the tourism potential of the region, with cultural values that are still very thick and still preserved until now, this is an additional value in itself for tourists, both domestic and foreign.

The ideal tourism area is an area that is able to guarantee the aims and objectives of the tourism industry in accordance with its function. In the sense that the tourist destination can provide various attractions. These attractions include the natural beauty of the surroundings as immovable objects and cultural manifestations of a regional or national character as moving objects, and can show the activities of the surrounding community. (Tri Nugroho 2014) Reporting from bali.bisnis.com the number of foreign tourists or tourists who came to Bali Province in June 2019 increased rapidly, namely by 13.17% compared to the record in May 2019. When compared to June, the number of foreign tourists to Bali has increased by 0.96 percent.

In addition to the natural beauty with thick cultural nuances, there are several stalls that enliven the franchise business competition in Bali. In the increasingly monopolistic business competition, business actors often use all kinds of methods to be able to get higher profits and win the competition in the market world. Even though the method used is not in line with sharia principles which impose limits on humans in carrying out all their activities.

According to Ibn Taymiyyah, the concept of fair price is the value of goods paid for the same object given, at the time and place the goods are delivered. Fair in determining the concept of price desired by Ibn Taymiyyah, namely not to hurt and not to harm others. With a fair price, both parties will get their respective satisfaction and neither party will feel disadvantaged. (Farma 2018) But in reality, this is still the case with many business actors who are still ordinary. They do not understand what factors should be allowed or not in doing business according to Islamic law, they only focus on profit alone. So that there is a lot of price connection systems that can harm the buyers. (Kotler 2005)

In line with research conducted by several researchers, one of which was research conducted by Bustami in 2017 concerning "The Behavior of Handicraft Traders in Increasing and Discriminating Market Prices" states that the results of this study indicate that there is price discrimination committed by traders in the Beringharjo Market, Yogyakarta. So that it can be categorized as a transaction which is illegal or null and void according to Islamic law. This is nothing more because there is an element of injustice and bad faith by the seller and it results in harm. Then the research was carried out by H.

Based on preliminary research, the stalls in the Kuta area, the price fixing mechanism used has not applied Islamic economic principles, where in practice these stalls implement a price-fixing system in their pricing mechanism. In addition, there are differences in price setting between foreign tourists (WNA) and domestic tourists (WNI). With the existence of a price continuation system and differences in price fixing between foreign and domestic tourists, it is clearly contrary to the principles of Islamic economics that apply the concept of buying and selling that is good, honest, there is clarity. and do not harm others. Errors in pricing can have various consequences for the company, such as reduced levels of customer satisfaction and trust, so that buyers feel uncomfortable and will switch to looking for other business actors. In addition, buyers can also make a rejection reaction and it will even be fatal with an action that can drop the company's good name. However, this seems normal and mediocre between the seller and the buyer, but it is also good if business people run their business in accordance with Islamic economic principles.

2. Literature Review

The basis of microeconomic development will never be separated from the problem of price fixing that is motivated by a market mechanism process. Meanwhile, the market mechanism itself is formed because of a combination of demand theory and supply theory which is the basis for the formation of a broader economic science. According to Philip Kotler: Price is one element of the marketing mix that generates revenue and other elements that generate costs. Another explanation about price was also put forward by Philip Kotler, namely that price is an element of the marketing mix that is most easily adjusted, both in terms of product characteristics, channels, and even promotions that require more time. Price also communicates the company's intended value position to the market regarding the quality of its product and brand. (Kotler 2005) Even though the main objective in doing business is to make a profit, determining the selling price of a product is not done without calculations, even if it is useless to set a low price, it will feel useless if you continue to lose money. Therefore, it is necessary to have the right strategy in determining prices, this is intended so that the mission of providing a relative price but still good quality can be in line with the main objective, namely financial benefits.

In determining profit, several techniques can be used, one of which is the Break Event Point (BEP) analysis technique or break-even point analysis which is used to determine the level of sales and product mix needed only to cover all costs that occur during a certain period. Break event point analysis can be used to determine the point where sales can cover costs incurred. The break event point analysis can also be one of the bases for making decisions about the minimum number of sales that must be achieved so that the company does not suffer losses, by using this analysis the company can determine the effect of changes in selling prices, costs, and sales volume on profits. From this explanation, it can be concluded that break even point analysis is one of the strategies or technical tools used to determine the volume of production activities (business), where from the production volume the company can earn profits and also will not suffer losses. The purpose of this breakeven analysis is to determine the sales volume and product mix to achieve the targeted profit level or zero profit. (Christine Praticia Ponomban 2013) The calculation system for the break even point analysis is carried out by using two approaches, namely calculating the break even point based on product units and the break even point based on sales in rupiah. The way to calculate it is as follows:

- a. Calculates break even point based on product units

$$BEP(Q) = \frac{FC}{P - V}$$

Information:

BEP (Q) = Break-even point based on Agaric Tea or Agaric Pure product units

P = selling price per unit (IDR / unit)

V = variable cost per unit (IDR / unit)

FC = Fixed costs (Rp)

Q = The number of units / quantity of the product sold

- b. Calculate break even point based on sales in rupiah

$$BEP(Rp) = \frac{FC}{1 - (V / P)}$$

Information:

BEP (Rp) = Break-even point of production based on sales in rupiah Agaric Tea or Agaric Pure

FC = Fixed costs (Rp)

P = selling price per unit (IDR / unit)

V = variable cost per unit (IDR / unit)

Fixed costs for Agaric Tea and Agaric Pure products consist of land and building tax costs, BPOM permit fees, machine depreciation costs, and machine maintenance costs. (Ratri Maulani, Rini Dwiastuti 2017)

Price determination is carried out by market forces, namely the forces of demand and supply. Demand can be defined as the quantity of a particular good which a consumer wants and can afford at various price levels, while supply is defined as the quantity of a particular good where a seller is willing to offer goods or services at various price levels.



Demand (demand) and supply (supply) can be described in the curve as follows:

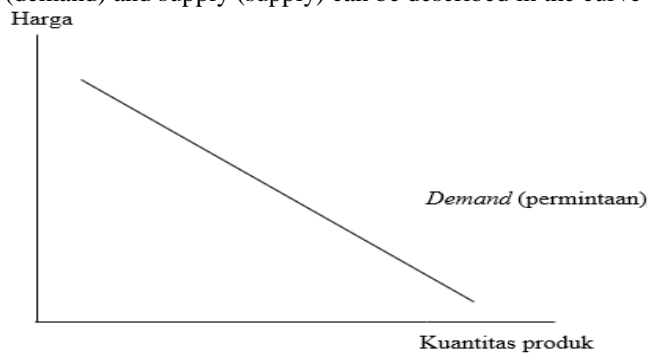


Fig 1. Demand curve drawing

c. Description of the demand curve:

If the price of a product falls, consumers will be interested in buying the product in larger quantities. Conversely, if the price of a product rises, consumers will reduce the number of their purchases so that the number of products sold will decrease

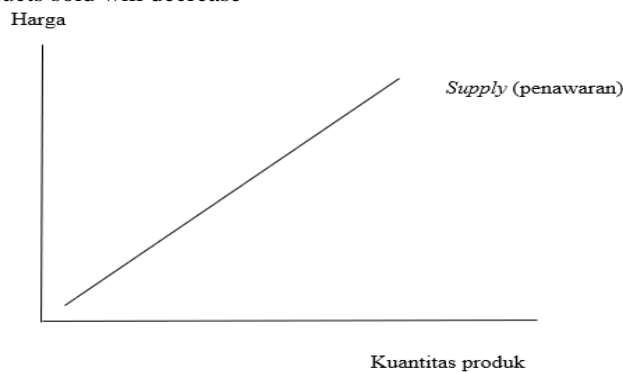


Fig 2. Supply curve drawing

d. Supply curve description:

If the price of a product rises, the benefits obtained will also increase, usually business actors are motivated to make the product available to be offered on the market, this results in the number of goods available in the market increasing. Conversely, if the price of a product falls and results in very thin profits, entrepreneurs are less enthusiastic about procuring and providing the product to be offered to the market. (Sadono Sukirno 2014)

In general, the price is an amount of money that is exchanged in order to obtain ownership rights to a good or service. Pricing decisions are increasingly important due to the current state of consumers who tend to seek value (*value*) when buying goods or services. The determination of the selling price of goods or services is the aim of management to make decisions. Pricing is usually done by adding a percentage above the value or amount of production costs for manufacturing companies, and above the merchandise capital for trading businesses. Meanwhile, in service businesses, pricing is usually done by taking into account the costs incurred by the service to service users.

There are several methods in the pricing system that are grouped into four parts based on their basis, the details are as follows: 1) Demand-Based Pricing Method, this method emphasizes factors that can affect customer tastes and preferences rather than cost factors, profit, and competition. Customer demand itself is based on various considerations, including the customer's ability to buy (purchasing power), the position of a product in the customer's lifestyle, the benefits provided by the product, and the price of the substituted product. 2) Cost-Based Pricing Method, in this method the main price determination factor is the supply or cost aspect, not the demand aspect. Prices are determined based on production and marketing costs plus a certain amount so as to cover direct costs, overhead costs, and profits. 3) Profit-Based Pricing Method, this method seeks to balance revenue and costs in pricing. These efforts can be made on the basis of specific profit volume targets or expressed as a percentage of sales or investment. 4) Competition-Based Pricing Method, apart from being based on considerations of cost, demand or profit, prices can also be determined on the basis of competition, namely what competitors do. These efforts can be made on the basis of specific profit volume targets or expressed as a percentage

of sales or investment. 4) Competition-Based Pricing Method, apart from being based on considerations of cost, demand or profit, prices can also be determined on the basis of competition, namely what competitors do. These efforts can be made on the basis of specific profit volume targets or expressed as a percentage of sales or investment. 4) Competition-Based Pricing Method, apart from being based on considerations of cost, demand or profit, prices can also be determined on the basis of competition, namely what competitors do. (Muhammad Birusman Nuryadin 2007)

Based on some of the above methods, it can be concluded that the objectives of pricing are as follows: first, profit-oriented goals, these objectives are known as profit maximization, which means choosing the price that can generate the highest profit. Second, volume-oriented goals, here pricing is based on specific volume-oriented goals or what is commonly known as volume pricing objectives. Prices are set in such a way as to achieve target sales volume, sales value, or market share. Third, image-oriented goals, according to this third objective, the image of a company can be formed through a pricing strategy. Companies can charge high prices to establish or maintain a prestigious image. Meanwhile, low prices can be used to form an image of value, for example by providing a guarantee that the price is the lowest price in a certain area. Fourth, is a goal that is oriented towards the level of price stabilization, the goal of stabilization is done by setting prices in order to maintain a stable relationship between the price of a company and the price of an industry leader.

Whereas in the view of sharia, Islamic trading is a trading system based on values and ethics that are derived from the basic values of religion that uphold honesty and justice. (Jusmaliani 2008) The market has an important position in the economy, Rasulullah SAW highly appreciates the price set by a market as a fair price. Therefore, Islam emphasizes the existence of morality, such as healthy competition, honesty, openness and justice. The implementation of these values of morality in the market is the responsibility of every market participant, for a Muslim these values are a reflection of his faith in Allah SWT. Economic principles in Islam are the main principles that build the structure or framework of Islamic economics which are extracted from the Al-Quran and Hadith. Economic principles serve as basic guidelines for every individual in economic activity. Islamic teachings prohibit economic activities that contain gharar which means risk, uncertainty and uncertainty. (Muslimin Kara 2012)

In Ibn Khaldun's opinion, the price mechanism is determined by supply and demand that occurs naturally. When there is a natural price increase due to the lack of goods or the large number of requests, it means that Allah wants to provide His sustenance to the merchants, and when a price decrease occurs due to an abundance of goods or a lack of demand, Allah wants to provide His sustenance to consumers. (Hendra Pertaminawati 2016)

With regard to prices, Ibn Taymiyyah also argues that "the size of the increase in a price depends on the size of the change in supply or demand. If all transactions are in accordance with the rules, then the price increase that occurs is the will of Allah SWT. " In the Islamic concept, the meeting of demand and supply must occur voluntarily, in the sense that neither party feels compelled to make transactions in the price fixing decision. So the meeting point between supply and demand which is in a state of willing and willing without any coercion from any party will create a balanced price. There is no price fixing system that is forcing, either against business actors or traders or against buyers, (Muhammad Hamabal 2019)

This is in line with the word of Allah in surah An-Nisaa 'verse 29 which reads:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا (٢٩)

This means: "O you who believe, do not eat each other's wealth in an evil way, except by way of commerce that is consensual among the people. And don't kill yourselves, verily Allah is most merciful to you. " (Surah An-Nisaa 'verse 29)

Price fixing is when the ruler or his representative or anyone who leads the Muslim community in the area orders market players not to sell their goods except for a certain price, it is prohibited to add or subtract them for the common benefit. (Fauzia 2019) While the explanation given by Imam Yahya bin Umar regarding the concept of pricing, he stated that the existence of prices is one of the most important things in a transaction, so there should be no neglect of price fixing because it can cause damage to society. Prices must also be determined by market forces, including the power of supply, demand and mechanisms for pricing and all of this must be subject to rules. (Adiwarman Azwar Karim 2004)

The price can be said to be fair if the price determined can produce satisfaction between the seller and the buyer, in the sense that no one feels disadvantaged between the two parties, because if the price set is too low, the seller or producer cannot cover the costs that have been issued. And vice versa, if the price is set too high it will have an impact on decreasing the purchasing power of the community. Economic justice in Islam requires everyone to get their rights without having to take the rights of others, with economic justice every individual will get their rights according to their respective

contributions. Islam also strictly forbids someone harming other people, as Allah SWT says in the Qur'an Surah Asy-Shura verse 183:

وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَعْنُوا فِي الْأَرْضِ مُفْسِدِينَ (١٨٣)

Meaning: "and do not harm human rights, and do not be rampant on the face of the earth by causing damage." (Surah Asy-Shura verse 183).

In the paragraph above, there is a prohibition so that there are no acts of mutual harm to one another, as well as a prohibition against taking away the rights of others. So it is related to the verse that in Islam all forms of economic activity are required to protect each other's rights so as not to harm each other between the seller and the buyer. Likewise in the price fixing system that must be done voluntarily without any party feeling disadvantaged. In principle, business transactions must be carried out using a fair pricing system, because a fair price is a reflection of the commitment of Islamic law to comprehensive justice. In general, this fair price is a price that does not cause exploitation or oppression (tyranny). (Bustami Bustami 2017) In Islam, it gives freedom to every business actor to use whatever pricing methods are deemed appropriate in his business, provided that the price set by the business actor or trader does not wrong the buyer, that is, not by taking profits above normal or at a reasonable level.

3. Research Methods

This study uses field research methods in which the compilers have searched for data sources directly in the field or from traders in the kiosks of the Kuta Bali area. Due to the heterogeneous research, this study took data sources based on the sample studied. By using purposive sampling, namely selecting certain people who are considered to have a population. Methods of data collection using: observation, interviews or interviews and documentation. Data analysis uses a process of simplifying the data into a form that is easy to understand, read and interpret. The analysis is carried out by inductive analysis and deductive analysis.

3.1 Stabilization of Pricing Perspective of Business Ethics as Balance for Foreign and Domestic Tourism

The urgency of the Islamic economic conception is to pay attention to the principles of muamalat law, namely that muamalat will be fulfilled and valid if it is done on a voluntary basis and without any coercion. This principle reminds us that the freedom of will of the parties concerned must receive attention, because violations of this freedom of will result in the unjustifiability of a form of muamalat which in Islam only recognizes controlled freedom, namely freedom related to justice, religious and moral principles. .

In obtaining the provisions of Islamic law, it can be done by establishing the validity of customs that are more evenly accepted by the community and have binding provisions, which can be referred to as customary law. One of the methods of *ijtihad* and *istinbat* of conclusion in matters of Islamic law is to determine 'urf or good customs and habits as a source of Islamic law. Among the requirements for 'urf to be accepted as a source of law is that it must not conflict with the Koran and al-Hadith. 'The urf must apply continuously in a society to all events without exception, because most events are measured and ascertained by practice rather than sum by count.

From the explanation above, if it is correlated with the cases that occurred in the stalls of the Kuta Bali area, that the price game played by business actors is a habit of local traders who are carried out continuously and have become a custom. Price increases are related to behavior regarding 'urf and in this case categorized into al-'urf al-'amali or deeds, both personal acts such as eating, dressing, etc., as well as civil actions intended to bring out rights or abolishing these rights, whether in the form of an agreement (an act between two parties such as marriage, buying and selling, etc.) or non-engagement such as a grant and so on. Al-'urf al-'amali, is a habit in the form of an act that is well known to the public. (Wasisto Raharjo Jati 2013) As is the custom of many people in buying and selling goods in the usual way (giving to each other) without first saying the consent of the qabul or handing over. Whereas according to the Shari'a, the consent of the qabul is one of the legal requirements for buying and selling, because it has become a habit in society, the sale and purchase is considered valid and permissible.

The existence of price increases that occur at certain times is a natural thing, because based on economic theory, when supply increases, demand will also increase. This is considered reasonable considering the large flow of tourists, both foreign and domestic, who come to the stalls in the Kuta Bali area, causing an increase in prices. Meanwhile, in the Islamic economy conception, the problem of pricing is fully left to the seller and the buyer. Islam also recognizes the term *al-gaban* (bid tactic) which indicates the existence of cooperation that must be carried out, both by the seller and the buyer based on the principle of willingness between the two parties who transact in accordance with the applicable Islamic text commands. The Prophet's own unwillingness to apply prices when prices are soaring proves the existence of freedom to

gain profit for sellers in selling their merchandise up to any percentage as long as it is done in a lawful manner. This is in line with the hadith from Anas Ra which reads:

حَدَّثَنَا عُثْمَانُ بْنُ أَبِي شَيْبَةَ حَدَّثَنَا عَفَّانُ حَدَّثَنَا حَمَّادُ بْنُ سَلَمَةَ أَخْبَرَنَا ثَابِتٌ عَنْ أَنَسِ بْنِ مَالِكٍ وَقَتَادَةُ وَحُمَيْدٌ عَنْ أَنَسٍ قَالَ قَالَ النَّاسُ يَا رَسُولَ اللَّهِ غَلَا السَّعْرُ فَسَعَّرَ لَنَا فَقَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ إِنَّ اللَّهَ هُوَ الْمُسَعِّرُ الْقَابِضُ الْبَاسِطُ الرَّازِقُ وَإِنِّي لَأَرْجُو أَنْ أَلْقَى اللَّهَ وَلَيْسَ أَحَدٌ مِنْكُمْ يُطَالِيَنِي بِمُظْلَمَةٍ فِي دَمٍ وَلَا مَالٍ.

Narrated from Anas RA, it happened at the time of Rasulullah SAW, the prices of goods rose in the city of Medina, then the companions asked Rasulullah SAW to set a price. So the Messenger of Allah said: "Verily, Allah SWT is the One Who Sets the price, the one who holds the most, the one who releases, and the one who gives sustenance. I really hope to meet Allah SWT without any of you suing me with accusations of injustice in blood and property. "

The scholars concluded the hadith as follows: that it is unlawful for businessmen or individuals to determine the price of goods because this is a source of tyranny. The public is free to transact against them against this freedom. The maintenance of the buyer's issue is no more important than the maintenance of the seller's problem. If the two of them face each other, then both parties must be given the opportunity to carry out *ijtihad* regarding the *maslahah* of both. The obligation of the owner of the goods to sell at a price he does not agree with is contrary to the provisions of Allah SWT and includes a violation of market prices. Violation of market prices here, for example fixing prices by way and for inappropriate reasons, is an injustice (*zulm* / injustice) which will be held accountable before Allah. On the other hand, it is stated that the seller who sells his wares at market prices is like a person who struggles in the way of Allah (*jihad fii sabilillah*), while those who set themselves and carry out price fixing are considered an act of denial.

3.2 Price Discrimination Against Foreign Tourism

In addition to raising and lowering prices carried out by traders who are in the stalls of the Kuta Bali area, another problem that is carried out by these traders is the price increase, where a trader gives different prices for both foreign and domestic tourists. Where there is a price increase for taking advantage of normal profits for foreign tourists, or it can be known as *Ghaban faa-hisy*, where the seller sells goods above the market price due to the buyer's ignorance of the market price. This difference is due to tourists' ignorance of the actual price conditions, so that the prices are easily tricked by traders. In addition to these problems, traders consider that tourists are travelers who come and go, meaning that they are only temporarily in the area. They carry out price hikes to buyers, especially tourists who come from abroad. The way they recognize from the language and accent of speech, and the appearance of the buyer does not reflect or represent the characteristics of the local or domestic population.

Humans in doing business are given the freedom to get maximum profit, but they are bound by faith and ethics, so that humans are not absolutely free to determine the fixing of a price. Rukun doing a buying and selling or business activity is determining the object to be traded. In buying and selling these objects, it must be clear that the terms of supply and demand are known as prices. The price extension is carried out by traders to foreign tourists with the assumption that tourists who come to these stalls are people who are only temporarily in the Kuta Bali area or only as a transit point. It is different from the local people who live in, so the possibility of being made a customer has a low chance. The price is too high and exceeds the purchasing power of the community and can harm the buyer or the needy because they are unable to buy. Islam forbids inflating prices or selling goods at unwanted prices. When talking about price hikes that occur at the kiosks of the Kuta Balid area, it can be categorized as a transaction that is canceled or not according to Islamic law. This is not more due to an element of injustice and dishonesty as well as bad faith by the seller which results in harm. Meanwhile in Islam, all forms of obedience must be eliminated in any form, including in buying and selling because the very fundamental principles of Islamic economic practice are based on the principles of honesty, trust and sincerity.

4. Conclusion

Price increases that occur at certain times are normal, because based on economic theory, when supply increases, demand will also increase. This is considered reasonable considering the large influx of tourists who come to the stalls in Kuta Bali, causing price increases. In the Islamic economic conception, the problem of price regulation is left to the seller and the buyer. In Islam, the term *al-Gaban* (*bid tactic*) is known which indicates that there is cooperation that must be carried out, both by the seller and the buyer based on the principle of willingness between two parties who transact in accordance with the applicable *shari'a* text.

As well as the price hikes made by traders in the stalls of the Kuta Bali area to foreign tourists by taking advantage of normal profits is a transaction that is canceled according to Islamic law. This is not more due to an element of injustice and dishonesty as well as bad faith by the seller which results in harm.

Whereas in Islamic business ethics the price fixing system must be carried out voluntarily without any party feeling disadvantaged. In principle, business transactions must be carried out using a fair pricing system, because fair prices are a reflection of the commitment of Islamic law to comprehensive justice. In general, this fair price is a price that does not cause exploitation or oppression (tyranny). The price must reflect the benefits for both the buyer and the seller fairly, that is, the seller obtains a normal profit and the buyer obtains ownership rights and benefits from the goods or services. In Islam, it gives freedom to every business actor to use whatever pricing methods are deemed appropriate in his business,

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