**Time Value of Money and Economic Value of Time**

Ayu Irna Indah Putri1, Ela Safitri2, Erwina Berlian Febrianti3, Nisya Risqi Qurrotun Nada4

1Fakultas Ekonomi dan Bisnis, Universitas Jember, Email: ayuirnaindah@gmail.com

2Fakultas Ekonomi dan Bisnis, Universitas Jember, Email: elasafitri969@gmail.com

3Fakultas Ekonomi dan Bisnis, Universitas Jember, Email: erwinaberlian@gmail.com

4Fakultas Ekonomi dan Bisnis, Universitas Jember, Email: nisyarisqi.qn.9g.18@gmail.com

**Abstract:**

In the present and today, it is seen from the daily activities of Muslims in addition to technology that continues to develop rapidly, especially in transaction activities in the economic world, so it is important to understand the economic value of time and time value of money, as well as their differences. So it is important for Muslims to know, understand and practice the difference between the economic value of time and the time value of money so as not to get caught in usury or transactions that contain usury. However, Islam does not allow a predetermined time value of money. The study used a qualitative descriptive method, in which the collection of literature reviews was obtained through journals. The results we get are, the time value of money means that money has a time value, while the economic value of time means that time has economic value. Then when viewed from sharia rules, the time value of money is not included in the essence of sharia because it is not in accordance with sharia perceptions, namely using additional or interest, and this is usury. While the economic value of time is included in the essence of sharia because the assessment uses a time basis, so it is free from usury.

**Keyword:** *Time value of money, economic value of time, riba.*