

E - COMMERCE

**NAME OF THE CHAPTER: DIGITAL PAYMENT (ONLY THE
PORTION NOT YET COVERED IN CLASS)**

SEMESTER: SECOND

MARKS ALLOTTED TO THIS CHAPTER: 8 MARKS

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DIGITAL PAYMENTS



Digital
Wallet



Various E-Payment Methods

- ☐ Credit and Debit card
- ☐ Digital Currency
- ☐ E-Wallets
- ☐ Peer-to-Peer Methods
- ☐ Smart card
- ☐ Micro-payments
- ☐ B2B

Definition of Debit Card



In a *General* sense,
"Debit card is a facility or utility provided by banking companies to their customers to help them execute (carry on, perform) different financial transactions anytime and anywhere that too with ease, comfort, speed and safety. Such a customer-friendly facility gives debit cardholders (users) a smarter and secured way to make quick payments while purchasing (i.e. during a sale transaction) various goods and/or services from any merchant (one that accepts a debit card) either from a traditional market or an online market."

Within a *Business* perspective,
"Debit card is a suitable alternative to cash payment."

In an *Academic* sense,
"Debit card is an electronic card used to compile and execute financial transactions of its cardholder (user). Though this card belongs to its cardholder, in a real sense, it always remains the property of its issuing bank. Cardholder is free to use it until its day of expiration provided he/she maintain a balance in his or her bank account."

What is a Credit Card?

*A plastic card
issued by a
financial
institution that
allows you to buy
things on credit*



The Difference Between a Credit Card and a Debit Card



- Tied directly to your checking account
- Can be used where a credit card can be used
- Uses a PIN to complete transactions
- Good for daily use to help you stay within budget



- Line of credit you can access with your card
- Purchases usually require signature
- Pay interest if balance is not paid off in 30 days
- Use for hotel reservations and car rentals

What is a smart card?

- The standard definition of a smart card, or integrated circuit card (ICC), is any pocket sized card with embedded integrated circuits.

OR

- A smart card is a plastic card with a small, built in microcomputer chip and integrated circuit that can store and process a lot of data



Definition of E-Money

E-money (literally 'electronic monetary means') – money which were provided in advance by one party (the person who provided money) to other party, who records the information about the amount of money provided without opening a bank account to execute monetary obligations of the person who provided money to third parties and in relation to which [money] the person who provided money is entitled to make instructions by electronic means exclusively (Item 18 Article 3).



ELECTRONIC FUND TRANSFER

- EXCHANGE OF MONEY FROM ONE ACCOUNT TO ANOTHER THROUGH COMPUTER
- Cardholder-initiated transactions, using a payment card such as a credit or debit card
- Direct deposit payment initiated by the payer
- Direct debit payments, sometimes called *electronic checks*, for which a business debits the consumer's bank accounts for payment for goods or services
- Wire transfer via an international banking network such as SWIFT
- Electronic bill payment in online banking, which may be delivered by EFT or paper check
- Transactions involving stored value of electronic money, possibly in a private currency

Risks involved in E-payment

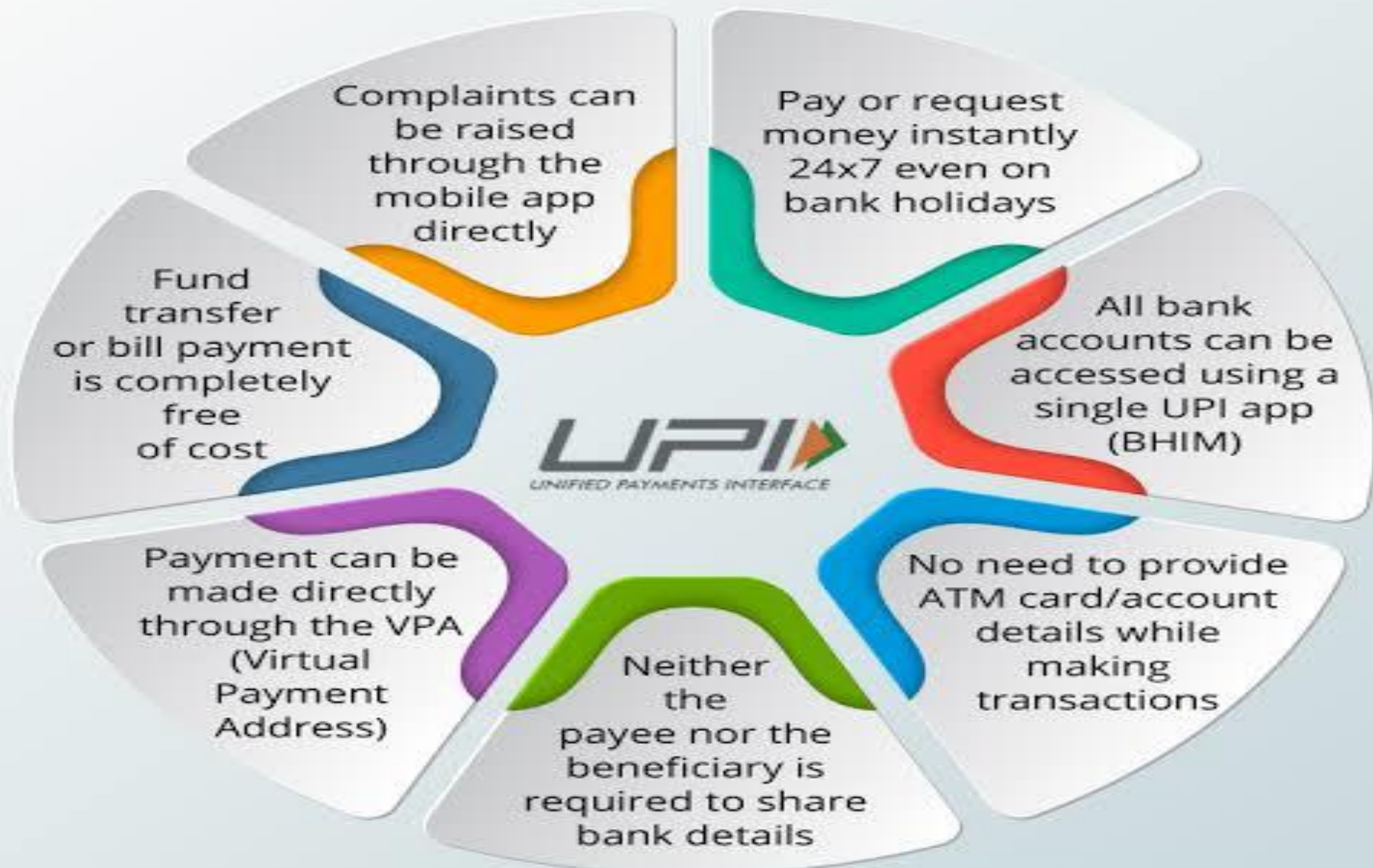
Stolen payment
credentials and
password

Impulse buying

Dishonest
merchants &
financial
providers

Payment
conflicts

Lack of
anonymity





DEFINITION




- ✓ A system of banking in which customers can view their account details, pay bills, and transfer money by means of the internet.
- ✓ The remote delivery of new and traditional banking products and services through electronic delivery channels.



CONCEPT OF ONLINE BANKING

- **Online banking allows a user to conduct financial transactions via the Internet. Online banking is also known as internet banking or web banking. Online banking offers customers almost every service traditionally available through a local branch including deposits, transfers, and online bill payments.**

IMPORTANCE OF ONLINE BANKING

- ▶ Offer flexibility with online banking
 - ▶ Delivering banking products and services to the door-step of customers
 - ▶ Reduction in the use of cash for transactions
 - ▶ Provision of 24/7 banking services
 - ▶ Prevention of customers from carrying cash which can be an attraction for robbery
 - ▶ This is achieved through the following means:
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Thank
you!