

Electronic payment system with the current payment system essay sample

[Economics](#), [Money](#)



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Introduction

With the onset of the information age, Philippines are becoming increasingly dependent upon network communications. Computer-based technology is significantly impacting the ability to access, store, and distribute information like personal information's, business information's and stores these information's into a secure storages and distribute it by internet connections or file sharing. Through this technology, human society is living into the fullest, that there are things that impossible before but today through the help of technology it made possible. Nowadays, most of the businesses small or big institutions, private or public organizations use the electronic especially in paying the bills. According to Keck (2005) Electronic payment have a several advantages, which were never available through the traditional modes of payments, some of the most important are: privacy, integrity, compatibility, good transaction efficiency, acceptability, convenience, mobility, low financial risk, and anonymity.

Notre Dame of Marbel University (NDMU) is a private educational institution that are using a traditional mode of payment until now, which is not appropriate nowadays and also to the number of the students in the said institution. Thus paying tuition fees is a very important obligation of students and also to the parent's. In line with this, the business office plays important role in paying the financial obligation of the students and parents. On the current payment system of Notre Dame of Marbel University (NDMU), there is a need to be improved in terms of time, speed and security. In terms of time, there's an instance that the students encountered delaying of time because of the long line in the business office. In terms of speed, the

electronic payment is faster and more accurate rather than the traditional payment which the Notre Dame of Marbel University (NDMU) is still using.

In terms of security, the parents can secure the real amount stated in the statement of account, because there is an instance that some students edited the real amount to the statement of account and put a high amount on it. Electronic payment system will give information to the parents in terms of easy access and to minimize the consumed time by paying the tuition in the banks. The medium of electronic payment to the banks are cash, bank account, and credit card but the banks are specified only namely, Rizal Commercial Banking Corporation (RCBC) And Development Bank of the Philippines (DBP) which is located near at NDMU. To the business office, it can help to minimize the works of the business office staff because, the number of students who will pay to the business office will be lessen but it will become optional to the students to pay in the banks because some of the students have no accounts in the banks.

Statement of the Problem

This research aims to compare and to give information to the parents and students that electronic payment system could be an option in paying school tuition. To pay tuition fees using banks. This study will be supported by the following:

1. How much time will be saved in electronic payment system?
2. What percent of student will be less in line of paying tuition in school?
3. What

prove could be determine to have alternative option in paying tuition in the business office?

Purpose of the Study

The purpose of this study is to evaluate and analyze the difference between the current payment system and the electronic payment system. It is also meant to assist consumers and service providers of Notre Dame of Marbel University to understand the various electronic payment alternatives such as Electronic funds transfer (EFT), direct deposit, digital gold currency and virtual currency.

Electronic payment is a subset of e-governance which is the application of electronic means in the interaction between Government and citizens, and Government and businesses (A. I. H. Dankwambo, FCA, and OON, 2010).

Electronic payment is a direct form of payments and banking without physical appearance at the establishments through the means of electronic interactive communication channels and other technology infrastructures.

Significance of the study

Business world is moving towards its modernization and which is today known as the digital world. So, these days the electronic payment system offers ways in commercial trades and in accordance with payment of tuition fees of student, faculty and parents of Notre Dame of Marbel University. The ways of payments includes credit cards and cash only. Electronic payment system has been developed to complement the weaknesses of real currency for the sake of electronic payment system of tuition fees for the student and

faculty of Notre Dame of Marbel University and many requirements and security measures to be met so as to be used like real currency. Student and faculty analyzed the anonymity of electronic payment, among the many requirements and security measures in order to come up with an effective and safe ways to offer anonymity for the electronic payment system. To students. Electronic (E-Cash) or electronic money are playing more significant role in our daily life due to the rise of internet usage.

The significant effect to the student have to queue in lines, this saving the time, no need to cut classes just to pay their tuition fees. This brings convenience to the student of Notre Dame of Marbel University. To faculty. This electronic cash system increases the speed of transaction in financial organizations. This advantage supplemented by very good accuracy as the transaction is done with the help of machines and computers. The manual labor involving the cashier security and other bank staff is reduced. To parents. The online Electronic system that are operated through the internet, provide convenience to the parents and the cashier. The parents do not have to actually go to the school to transact at business office. The online system also provides convenience to the cashier in the business office, as he does not have to deal with a long line of people. The parents of a student studying in a far-off university can change his credit card that can be used only for paying tuition fees. Another very good advantage of e-cash is that the transaction are all recorded in a database, so one does not have to keep wondering when and for what purpose one has spent money.

Scope and Delimitation

This research will focus only to the Electronic Payment system and to the Current Payment system of Notre Dame of Marbel University. It will exceed to the flow of the system of the two various banks specifically Development Bank of the Philippines (DBP) and Rizal Commercial Banking Corporation(RCBC). It coordinates only to the advantages and disadvantages of the electronic Payment system and the Current Payment system of paying tuition in the institution. Beyond of the research some of other problems which are not contain in the papers. It will not cover the security of the system and how will it be protected from the hacker.

Definition of Terms

Chapter 2

REVIEW OF RELATED LITERATURE

This chapter presents the background reading undertaken by the researchers on the variables to be focused in this study. It starts with literature on electronic payment system and advantages and disadvantages of electronic payment system. The second section of the chapter is about the current payment system. The last part of the chapter is the conceptual framework of the study. Electronic payment system

According to Turban (2008), an e- commerce payment system facilitates the acceptance of electronic payment for online transaction. Also known as a sample of Electronic Data Interchange (EDI), e-commerce payment system has become increasingly popular due to widespread use of the internet-

based shopping and banking. According to Dankwambo (2003), Electronic payment system is a subset of e-governance which is the application of electronic means in the interaction between government and citizens and government and businesses. It is a form of direct payment and banking without physical appearance at the MDA or bank through the means of electronic, interactive communication channels and other technology infrastructure. According to Keck (2010), E-payments have several advantages, which were never available through the traditional modes of payment. Some of the most important are: * Privacy

- * Integrity
- * Compatibility
- * Good transaction efficiency
- * Acceptability
- * Convenience
- * Mobility
- * Low financial risk
- * Anonymity

According to Keck (2010), one of the other disadvantages of e-payments is that most sites require you to open an online account with them. You need to register with the institution in order to be authorized to perform money transactions with them. While the overall payment process is efficient, the initial registration to a given site can be time-consuming. According to Gans & Scheelings (2000), the payment system has always been a critical part of financial system. It allows financial institutions to exchange funds and

information with one another, obviating the need for direct use of a monetary fiat for this purpose.

Current Payment System

Payment for the term is due before the end date of the universities official change of program period. You may view the statement schedule. Changes incurred throughout the terms will be billed periodically and are due by the date listed on the student account statement. To determine the amount due in should view current statements and the current student account balance. Statement came from Student financial services billing and payments, (2010).

Manual application for paying tuition fees provided that the application form is well completed and submitted with all the supporting documents, the result of deferred will be posted to the e-statement for tuition fee payment. Manual application of paying tuition fees, from ([http:// www. fohome. hkbu. edu. hk/new/students/ttfaq. htm](http://www.fohome.hkbu.edu.hk/new/students/ttfaq.htm)) For instance, payments of small denominations must be made and accepted in real time for snippets of information. Conventional instruments are too slow for micropayments and the high transactions costs involved in processing . From Electronic payment.

A better medium for small transactions, since using cash avoids the fixed cost of checking up on someone to make sure that there is really money in his/her checking account or that his/her credit is good. Advantage of paying, through cash. From

([http://www. echeque. com/kong/plan](http://www.echeque.com/kong/plan))

The cahier doesn't have to know the name of the customer. That makes money a better medium for transactions with stranger's especially stranger's from far away. Advantage of paying, through cash. From (<http://www.echeque.com/kong/plan>) Electronic Payment is a financial exchange that takes place online between buyers and sellers. The content of this exchange is usually some form of digital financial instrument (such as encrypted credit card numbers, electronic cheques or digital cash) that is backed by a bank or an intermediary, or by a legal tender. Electronic Payment Systems. From(<http://webserver.ignou.ac.in/virtualcampus/adit/course/cst304/ecom2.html>)

Conceptual framework design

The banks (RCBC and DBP)

The students and parents that will pay

The NDMU Accounts

The conceptual framework of this research shows the flow of the electronic payment system. The students and parents will pay or deposit cash or credit cards to the designated banks (RCBC and DBP) and directly to the account of Notre Dame of Marbel University.

Chapter 3

METHOD AND PROCEDURES

This Chapter presents in details the following: research method used, data

collection instruments, data collection procedures, and data analysis plan.

Research design

The research design of this study will show the flow of the electronic payment system to the bank account of the Notre Dame of Marbel University. Comparison of Electronic payment system and Current payment system of Notre Dame of Marbel University

Respondent: students and, Parents

Cash or credit card

Research Locale: Notre Dame of Marbel University

Electronic Payment

System

Banks (RCBC and DBP)

Visual Basic Studio

Electronic Payment System

Research instruments

To be able to process this study, the researcher will use visual basic studio as a tool to the program and the banking card reader. Microsoft Visual Studio is an integrated development environment (IDE) from Microsoft. It is used to develop console and graphical user interface applications along with Windows Forms applications, web sites, web applications, and web services in both native code together with managed code for all platforms supported by

Microsoft Windows, Windows Mobile, Windows CE, . NET Framework, . NET Compact Framework and Microsoft Silver light

(http://en.wikipedia.org/wiki/Microsoft_Visual_Studio).

Banking card readers some banks have issued hand-held smartcard readers to their customers to support different electronic payment applications: *

Chip Authentication Program (CAP) uses EMV banking cards to authenticate online transactions as a phishing countermeasure. * Geldkarte is a German electronic purse scheme where card readers are used to allow the card holder to verify the amount of money stored on the card and the details of the last few transactions (Wikimedia Foundation, Inc., 2011).

Research locale

Notre Dame of Marbel University (locally known as NDMU) is a Catholic educational institution located in Koronadal City, South Cotabato, Philippines. It is run by the Marist Brothers, a Catholic religious order from France. It offers Pre-school, Elementary, High School, College and Postgraduate courses. It is the first Marist University in the Philippines, and it houses the largest library in Mindanao, known as NDMU Library. NDMU is the only university in Koronadal City and it has been a member of the Notre Dame Educational Association, a group of Notre Dame Schools in the Philippines under the patronage of the Blessed Virgin Mary, also the Patroness of the University. (<http://ndmu.edu.ph/history>). The Rizal Commercial Banking Corporation (RCBC, PSE: RCB) was established in 1960 as a development bank and is licensed by the Bangko Sentral ng Pilipinas (BSP) for both

commercial and investment banking. It is the Philippines' fifth-largest bank by assets, with total consolidated assets of about P185 billion (or US\$3. 6 billion) as of end-December 2005. RCBC opened for business as a small development bank in 1960, then went through rapid expansion to become the preferred banker to a wide range of markets: the Filipino-Chinese market, the corporate market, locators in the export processing zones, the middle market, and the consumer/ retail market ([http://en. wikipedia. org/wiki/Rizal_commercial_banking_Corporation](http://en.wikipedia.org/wiki/Rizal_commercial_banking_Corporation)).

The Development Bank of the Philippines (DBP) is the country's most progressive development banking institution. Through the years, DBP has been a key player in nation-building by assisting critical industries and sectors, promoting entrepreneurship particularly in the countryside, helping build more productive communities, advancing environmental protection and contributing to the improvement of lives of Filipino across the nation. DBP's history can be traced back during the time of the Commonwealth of the Philippines. In 1935, the National Loan and Investment Board (NLIB) were created to coordinate and manage the various government trust funds such as the Postal Savings Fund and the Teacher's Retirement Fund.

In 1939, the NLIB was abolished and its functions were transferred to a new body, the Agricultural and Industrial Bank (AIB). AIB continued operations until the outbreak of World War II. After the war, in 1947, the AIB was abolished and the Rehabilitation Finance Corporation was formed in its place by Republic Act No. 85, absorbing the powers and functions of the AIB. The RFC provided credit facilities for the development of agriculture, commerce

and industry and the reconstruction of properties damaged by the war. In 1958, the RFC was reorganized into the modern-day DBP, reflecting that since reconstruction was largely finished, the RFC can venture into other fields (http://en.wikipedia.org/wiki/development_bank_of_the_Philippines).

Respondent

The researchers want to conduct a satisfaction survey to the students of the Notre Dame of Marbel University and to the parents about the Comparison of electronic payment system and the current payment system in Notre Dame of Marbel University. It is impractical to include all of the participants in the study; the researchers will need 40 students to answer the survey. Once the survey is completed with 40 respondents, the researchers can project the results to the whole population of students in Notre Dame of Marbel University with reasonable accuracy and confidence. Data-Gathering

Procedure

To be organized and systematic in the completion of the research study, the following procedures will be followed: 1. Before conducting the surveys and the electronic payment system program, the researchers shall seek the permission of the University president and the business office to conduct the research. This will enable them to get information to the problems and the research. 2. After this activity, the researcher will conduct survey of the current payment system to the students and parents which will give information and suggestions to the improvement in the current payment system in the business office. 3. After the survey, the researcher will compile the survey and put all the result to the statistical analysis. 4. The result of

the statistical analysis will be used in the improvement and give another option to the business office and to conduct program of electronic payment system.

Statistical treatment

To ensure systematic and objective presentation, analysis and interpretation of research data, the following statistical tools and techniques will be applied: frequency count, percentage and mean. Frequency count and Percentage. These descriptive measures will be used in presenting the count of students who are had a problem in time in paying tuitions and transactions in the business students. Percentage is to be computed following the formula: $P = \frac{F}{N} \times 100$

P = percentage

F = frequency of students

N= total number of students

Weighted Average Mean. This descriptive measure will be employed in determining the busiest time of the business office, in terms of paying tuition and the availability of time which the business office is not busy. The formula to be applied is:

$$x = \frac{\sum fx}{N}$$

The abovementioned research design, research instruments, procedures and analyses shall be employed in this study. The procedures outlined in this chapter will provide the inputs for the study. The inputs then will be processed using the appropriate statistical treatment to come up with

electronic payment system. Then, the problem in the current payment system will be solve in having another option in paying tuition by using the electronic payment system in the banks which are identified to the institution.