

# Plastic money advantages and disadvantages

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



Due to the technological revolution in financial sector, the payments in banking system have undergone a tremendous change. The Number of innovative products for making payment has developed after the prevarication and globalization. Customers have showed their preference over the suffragettes plastic money generally over a period of timeline debarking process. Plastic money is an alternative to the cash or the standard 'money. Plastic money is referring to the credit cards or the debit cards that we use to make purchases . Various other types of elastically provided by banks in India are ATM cards, Smart cards.

Cushman patella e term plastic money has been used in different settings to describe a wide variety of payment systems and technologies (Basel, 1996) When implementing an plastic money a big effort ha s been made to make an plastic money as close as possible to real, physical I money. Oakmont and Oath (1972) presented the following six properties of an ideal electronic payment system: The security of plastic money does not depend on a special physical conditions. No special hardware is necessary and money can be sent ever the network. Plastic money cannot be copied, modified, or double - spent. Anonymity and non-traceability.

Privacy of user is protected. No-body can deduce the link between user and his payment. The customer may perform operations anonymously. The Protocol for plastic payment between customer a ND merchant can be performed off-line. No direct link to third party (e. G. Bank) is necessary. The plastic money can be transferred to any other u Economics By roman-Gaiting Advantages of Plastic Money There are several advantages of plastic money as seen in the above illustration.

The advantages include

- 1 . Eliminates the need for carrying huge cash: This eliminates the need for carrying huge load of cash which is risky and inconvenient too.
2. Risk of Loss or Theft minimized: In case of cash there is a high risk of losing cash and a chance of cash getting stolen. However, in case of debit/credit card you can report the matter to the bank and block the card to avoid misuse.
3. Anytime/Anywhere Access Using cards you have the unique advantage and convenience of using it anywhere in the country or even abroad.
4. Credit Facility: In case of credit card you have the option of buying on credit or paying later. Although the charges are high, it helps you in case of emergencies and contingencies.
5. Online Payments: You can use cards for online payments, fund transfers and various other transactions. These are the key benefits which I can easily remember, but there could be various other good features too that are specific to certain cards.

#### Disadvantages of Plastic Money

So far Vive been sounding like a nice, pleasant Bank Executive who is convincing you to open an account. Please note a few points before we look at the disadvantages of plastic money Cards/plastic money is not a complete replacement for cash Use of cards can also be risky in some cases Note: I'm

not saying that cards are not useful because of these drawbacks. Also read what are the three main types of bank transactions?

The disadvantages are just to make you aware of any risks, threats, etc so that you can use it carefully. Some of the drawbacks or risk related to cards are Non-Acceptance at Small Retail Outlets Unless you are a person who shops only in supermarkets and hypermarkets you will be forced to use cash Cannot be used for all daily needs You cannot pay your milkman, servant, paper Walla (newspaper guy), etc by card. Read which best classifies the works of African American writers during the Harlem renaissance?

Loss & Misuse Once a card is lost you have to immediately report it and get the card blocked to avoid misuse. Sometimes when you are not aware that you lost the card.... The chances of misuse is higher. Impulsive Purchases Don't yield to impulsive purchases. Try to see what real benefit or value are you getting from the purchase. If you can't live without it you can postpone or keep the spending on hold