

# [Credit organization can contact the bank to](https://assignbuster.com/credit-organization-can-contact-the-bank-to/)

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Credit card and Debit Card Similar but what are thecrucial differences? Debit cards offer theaccommodation of a credit card however work in a completely different way.

Debitcards draw cash from your bank account when you buy something. Credit cards have high loan costsand are viewed as a spinning credit extension that you can utilize again afteryou pay it down. Your Credit card can influence your overall credit score. ChequePaper A paper cheque is a piece ofpaper where the owner of the cheque book can write an amount where both sideshas agreed upon. For example if you were to buy a car and it costs £2000 youcan write that amount to the seller which then they can go to the bank to cashit in.  ElectronicAn electronic cheque is an electronicduplicate of a genuine check, which is then exchanged by email.

Including theowners signature, the exchange must be signed utilizing the sender’s privatekeyWhat are they? This is a document that abusiness or the government might do their business. It is a negotiable documentwhere the business can transfer money in to the account for working of you cangive the business the check for something on return Pros Cheques offer the advantage ofmore security for cheques that have been mailed. Just the named receiver canshow a paper cheques for instalment. In the event that the beneficiary deniesgetting the check, the organization can contact the bank to confirm whoexhibited the check. Any errors can be settled with the bank specifically. ConsCheques allow people andorganizations to pay for products and ventures over a specific time-frame.

EachCheques has a date and it can’t be cashed before this date, subsequentlycausing delays in payments. Post-dated Cheques are regularly utilized by numerouspeople which has prompt numerous organizations not accepting them. Direct Debit Pros When you use a debit card, youget protection by having a four- to six-digit identifier for your card.

Youneed to input that pin to remove money from an ATM and complete a purchase atthe cash registerConsDebit cards can be risky because it your card gets stolenare you misplace it somebody that’s finds it will be able to access your money. Also since the card is linked to your account there is a limit to what you canspend overall.  Invoice (30 day terms)Customer or supplierAn invoice is adocument sent by a supplier of an item or administration to the buyer. Theinvoice sets up a commitment with respect to the buyer to pay. The invoice is averification of the understanding between the BUYER and SELLER of the productsor administrationsPros Perfect for organizations with ahigh cost of sales, for example, temporary work, as an extensive piece of yourinvoice paid straight away, which will support income and boost cash flow. ConsInvoice isn’t the easiest methodfor business financing. Organizations will regularly charge in the vicinity ofone and four percent of each invoice. There may likewise be charges if yourcustomers don’t pay their invoices on time.

Organizations need to look into allthe related expenses and comprehend that the yearly rate may be substantiallyhigher than anticipatedCommercial E-Pay systems GoogleGoogle pay which is also known asgoogle wallet or android pay is a payment system developed by google whichallows people to buy items with their phone which is linked to a credit ordebit card. This can be used through a google wallet app which is available onthe app store on iPhone or the google store if you have an android phone like aSamsung.  This can store credit cards, debit cards loyalty cards from other business and vouchers. AppleWith apple pay it is calledwallet on the phone, it is only available for iPhone because in comespre-installed on the phone once you receive it. This a payment system where youlink your bank account to accredit card or debit card and you will be able topay for items by scanning your phone. On apple pay you can add up to 12 cardson the device at once.             MicrosoftMicrosoft wallet is a paymentsystem only available Microsoft phones.

To set up you need to have a Microsoftaccount with your preferred payment methods shipping address. It is stored in asafe and secured place. This accepts all major credit and debit cards. GarminThis is a payment system only availablefor Garmin smart watches. Like other payment systems this accepts credit ordebit card.

This is a payment system that is on your watch where you can makepurchases without your phone. This also works anywhere where it has acontactless sign. This is an easier way than your phone, card or carryingaround cash. Pros Payment methods on the phone iseasier than carrying around a credit or debit card or cash.

This is aconvenient way because everyone has a phone it is unlikely that some won’t havea phone. Also with the phone it is faster and easier than a card or cashbecause you will have to have the cash ready when the cashier says the amountthat is need and it is faster than just typing the pin in to the machine. Cons If you have an old model phonelike an iPhone 4 it is unlikely that it will have apple pay on it only recentmodels will have apple pay like the iPhone 5, 6, 7, 9 and x. Also not all storeswill have mobile payment systems, this might be that the store may not be ableto afford it even though that it is growing more and more popular. Sometimesthe app may require an update to work to the best and if you are not connect tothe internet for a long time one you turn on mobile data it will start toupdate.

How do you get setupwith these types of payment systems/what do you need to have up front? To get set up with any of thesesystems you will have to have one the recent models of phone or a smart watch. Toset up the e-pay you can have the IPhone. The first thing you need to do is goto the wallet app and tap it, it should open up. After the app has opened tapthe plus icon in the blue circle. After that a new page should open withcontinue at the bottom which you tap and then scan the card for your details oryou can type it in manually.   PayPalHow is it different fromApple pay? With apple payor E-pay systems it is contactless you can just hold your device up to the cardmachine and pay for the thing you want to buy right there. Whereas with pay palit is for more online buying. Pay pal allows you to pay, transfer money andaccept payments and all you have to do is register your credit card or debitcard.

Pros        One of the biggest benefits of using pay pal is that mostpeople already have an account so being able to transfer and accept money willbe easy. Another advantage to PayPal is that there is no monthly fees to usetheir process but then can charge you another fee depending on the type ofcredit card used. If a business signs up for pay pal and is working with alarge amount of money it will make it easier because the business can transfermoney in to the staffs account with no hassle. It can be used to pay otherbusiness if they have bought something.

ConsA disadvantage of pay pal is thatyour account can be frozen without warning if pay pal gets complaints aboutyour account. If your account has been frozen you won’t receive a message or ae-mail. Also they can freeze your account for about 180 days so the money youhave in your account won’t be able to access until the ban is over. Furthermore if you sell itemsonline and a problem arises for example it gets lost in the mail and you oryour business has no way of tracking it PayPal is highly likely going to sidewith the buyer. Also EBay now owns PayPal and if there is a problem with youPayPal account there is going to be trouble with your EBay account as well ifyou have them linked.