

Nanyang Business School, NTU

BC3402: Financial Service Processes and Analytics

Tutorial 6: E-Money and Financial Networks (I)

Question 1:

This question is based on the Contactless e-Purse Application (CEPAS) that has been recently implemented in Singapore.

- Describe in detail the micro-payment network CEPAS. Do you think CEPAS can be classified as a form of “electronic money”? State the reasons for your answer.
- What are some of the proposed benefits of CEPAS? Why do you think there is a need to propose this new payment system given the wide range of options currently available e.g. NETS, credit card, etc?
- The successful deployment and adoption of micro-payment networks and especially electronic money within a nation or society is never an easy task. What are some of the factors that will determine the success of CEPAS?

Question 2:

- What are the settlement models available in the wholesale payment systems? Briefly describe the advantages and disadvantages of each model.
- What is CHIPS? Describe how CHIPS operates?
- In what ways is CHIPS different from the RTGS Fedwire?

