# CHAPTER – 11

# DIGITAL FINANCE TOOLS AND APPLICATIONS

## What is Digital Financing?

The Online System of Working in Finance with Technology where technology helps to bookings, shopping's, payments, records, banking, information and online information such as form filling, results, digital services etc.

**In India Digital Financing Examples are:**

1. Websites for Various Departments and Services

2. UPI Payment Platforms

3. Social Media for Information

4. Using of Computer, Mobile & Tablet

## Key Components of Digital Sevices

1. **Digital Transactional Platform** – It is use for all payments, receipts on digital mode from customers and business. It also includes Electronically and Non Banking Institutions are permitted to store electronic values.

2. **Retail Agent** – They help to get communication infrastructures to transmit and receive transaction details. It enables customer to convert cash into Electronic Mode

3. **Devices** – The Customer`s Services can be digital like mobile phones that is a means of transmitting data and information or an Instrument like payment card machines.

1. **OTP – It stand for One Time Password, Also Stand for One Time Pin**

   1. **Why OTP Used – TO Login in Session of Internet/Static Website/Links. It requires upgrade with Security Standards & Cyber Security Threats.**

   2. **Features of OTP**

      1. **Valid for Only One Session or Transactions**

      2. **Password Based Authentication**

      3. **Also Incorporate with Two Factor Authentication**

# UPI
## INTODUCTION AND FEATURE

- **Unified Payments Interface (UPI)** is a real-time payment system in India that enables seamless money transfers from one bank account to another instantly and free of charge through a mobile device

- FEATURE

- Instant transfers. UPI payments are processed instantly, ensuring that funds reach the recipient's account within seconds. ...

- Convenient and simple. UPI provides a user-friendly interface that simplifies the payment process. ...

- No bank details required during payment. ...

- Secure transactions.

# AEPS
## INTRODUCTION AND BENFITS

- **Aadhaar Enabled Payment System (AEPS)** is a payment service that allows a bank customer to use Aadhaar as his/her identity to access his/her Aadhaar enabled bank account and perform basic banking transactions like balance enquiry, cash withdrawal, remittances through a Business Correspondent.

- **BENFITS**

- It provides a safe and secure method of payment

- It encourages financial inclusion by serving the under banked sections of society

- It facilitates access to bank accounts through Aadhaar for all bank account holders

- Just the Aadhaar number and biometric information is enough to carry out a transaction

- It aids the disbursal of government schemes

# DEBIT CARD
# INTODUCTION & BENFITS

- Debit cards are issued by your bank and work as a combination ATM card and credit card. However, unlike a credit card, a debit card links directly to your bank account, using the money you have on deposit to pay for your purchase or make your ATM withdrawal digitally.

- **BENFITS**

- They're highly convenient. They're faster than writing a check and are widely accepted by retailers. ...

- They typically don't have any annual fees. ...

- They can help with budgeting by discouraging excess spending. ...

- They don't charge interest.

# CREDIT CARD
## INTRODUCTION& BENFITS

- A credit card is a type of credit facility, provided by banks that allow customers to borrow funds within a pre-approved credit limit. It enables customers to make purchase transactions on goods and services.

- **BENFITS**

- Credit cards offer fraud protection.

- Some credit cards allow you to earn cash back rewards on purchases.

- Using a credit card responsibly can help you build credit history.

# E WALLET
## INTODUCTION AND FEATURES

- An e-wallet is a secure money management app or online platform that allows you to make purchases with retailers on-site, transfer or send money and track rewards programs.

- **FEATURES**

- Efficiency. ...

- Mobility. ...

- Trackable Expenses. ...

- Rewards and Cashback. ...

- Global Accessibility. ...

## POS INTRODUCTION & BENFITS

- A POS system allows your business to accept payments from customers and keep track of sales.

- **BENFITS**

- reducing waiting time,

- faster scanning of items,

- quicker payments,

# INTER NET BANKING INTRODUCTION & BENFITS

- Internet banking, also known as online banking or e-banking or Net Banking is a facility offered by banks and financial institutions that allow customers to use banking services over the internet. Customers need not visit their bank's branch office to avail each and every small service

- **BENFITS**

- Check balances on accounts and view records of your transactions.

- Pay bills automatically each month with easy-to-set-up auto payment.

- Transfer funds between accounts.

- Download or print statements for your tax or personal records.

- Access your account 24/7.

## TYPES OF INTERNET BANKING

- **ATM** stands for an "Automated Teller Machine". An ATM is a computerized device that enables individuals to conduct various banking transactions without the need for a human teller. It provides a convenient way to access and manage our bank accounts, even outside the banking hours

- **NEFT** is National Electronic Funds Transfer. Owned and managed by the Reserve Bank of India (RBI), NEFT is a pan-India unified electronic payment system that enables fund transfers between bank accounts within the country.

- **RTGS**- "RTGS" stands for Real Time Gross Settlement. RTGS system is a funds transfer mechanism where transfer of money takes place from one bank to another on a "real time" and on "gross" basis. This is the fastest possible money transfer system through the banking channel.

- **IMPS-** Immediate Payment Service, which is the IMPS full form in banking, is a payment service for instant money transfers. It is facilitated by NPCI (National Payment Corporation of India). Through IMPS, one can send or receive funds instantly and do inter-bank transactions using mobile or online banking.

# Homework

**Q 1. What are Online Payment Methods?**

**Q 2. Explain USSD Payment System Working?**

**Q 3. What are benefits of Digital Payment in India and What are losses of Digital Payment in India?**

**Q 4. Why we should keep OTP for Login. Explain?**

**Q 5. What are the requirements of the System of Mobile for Payment and Receipts Online?**