

Title:

Credit card basics

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595

Summary:

"Which bank's credit card do you have?", "what is its credit limit", "what type of card is it"...such questions are on everybody's lips today. The world seems to have been squeezed and wrapped into a credit card.

Keywords:

credit card,bank,store,incentive

Article Body:

"Which bank's credit card do you have?", "what is its credit limit", "what type of card is it"...such questions are on everybody's lips today. The world seems to have been squeezed and wrapped into a credit card. Nowadays everybody speaks and grasps the language of credit cards. The credit card syndrome seems to have gripped all of us.

But are credit cards only beneficial? Let us analyze the pros and cons of this pocket plastic and see what outweighs the other.

The Benefits of a Credit Card:

- Keep heavy cash in abeyance—money is the most coveted thing in this world. Carrying lot of cash wherever you go is always a bone of contention. A credit card facilitates you to travel without heavy cash and have a carefree and happy trip or shopping.
- Imagine yourself out for shopping in a wonderful mall. While you shop, you remember to take boots for your son, spectacles for mother, necklace for your beloved wife...but falling short of money! The credit card is your best friend in such a situation.
- Even if you lose your credit card, you need not be apprehensive and scared the way you get when you lose your cash. This is because you can get the card freezed or blocked from the bank and relax.
- Credit card works anywhere and everywhere nowadays. You just need to bag

your card and make a move to any destination without bothering for money.

- Loan facility can also be availed via credit cards.

The Negative Aspect of Surge in Credit Card usage

- Generally everybody does not meet the eligibility criterion to hold a credit card. yet in order to enhance their sales and as part of marketing strategies, companies, private banks etc. do away with giving these cards to who so ever caters even to the minimum terms and conditions.
- The loan factor-the cards provide you with huge credit limits. The consumer ignorant of the forthcoming trouble, keeps on drawing money from his card and most often when he realizes his mistake, it is too late. He not only comes in the debt of the money he withdrew but also the massive interest that is charged by these companies and banks.
- Many credit card companies provide lucrative offers almost every month in the form of incentives. These incentives are basically meant to boost the sale of their product. Incentives like travel programs, gas purchases etc. are a very common phenomenon these days. But one should not get lured by these for it is well said that everything that glitters is not gold. Initially the cards might be promising for some cheerful moments but once you become habitual of them they can land you in soup.
- The addictiveness- it is most often the addictiveness of these cards that is a source of trouble. People, who keep on drawing from the bank's or company's credit, suffer largely.
- Debit cards are believed to be different from the credit cards. But actually the difference is minute. A debit card can also be used as a credit card at times and there are some eminent banks that charge fee with the debit cards too. So more or less the situation remains to be the same.

When you make up your mind to go for a debit card, consult some advisor. Know the details of the interest rate, the tenure to repay the amount and other such things. Do not be carried away by brand names. Just make a survey first and then decide which one to go for.