

Money & Banking

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Barter or Swapping

- This means exchanging one good for another

eg.: a horse for a cow

What is Money?

- Money is anything that is generally accepted by people in exchange for goods and services

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What are the characteristics of money

- Money should be:
 1. portable
 2. divisible
 3. durable
 4. uniform in quality,
 5. recognizable and
 6. limited in supply.

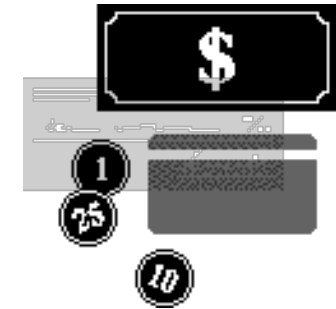


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➤ What is Legal Tender?

- This is money which must by law be accepted in exchange for goods and services
- Coins and notes are examples of legal tender, cheques are not

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- Today money comes in 3 forms:
 1. currency,
 2. plastic cards
 3. cheque/laser



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Currency

- This consists of coins and notes



Plastic Cards

- These consist of plastic cards such as credit cards, laser cards, ATM cards, etc.



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A Credit Card - Buy Now, Pay Later

- This means that the credit card company pays the supplier/retailer for goods or services when they are bought.
- The credit card holder repays the credit card company at a later date.
- VISA and MasterCard (Access) are examples of credit cards.
- The credit card holder will receive a bill each month.

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A Credit Card

Advantages

1. Buy goods straight away
2. Don't have to carry cash around
3. Can be used abroad.

Disadvantages

1. High interest
2. Be careful not to spend more money than you can afford to repay

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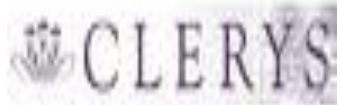
A Charge Card

- This is similar to a credit card.
- Holders pay a yearly membership s
- Accounts must be paid in full when statement is received
- No interest is thus charged

eg.: American Express and Diners Club



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A Store Card

- These are issued by big shops and garages.
- Customers can purchase a certain amount of goods on credit and if payment is made by a certain date no interest will be charged.

eg.: Arnotts, Esso, Clerys, etc.



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Smart Cards

- These allow customers to combine ATM, Laser, cheque guarantee, Cirrus/Link (which allow customers to withdraw money in ATMs abroad) facilities



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Automated Teller Machines (ATM's)/Hole in the Wall Banking

1. Lodge money
 2. Withdraw money
 3. Pay Bills
 4. Order chequebooks and statements
 5. Top-up, etc.
- Consumers need to enter their ATM card and P.I.N. number into the ATM machine



P.I.N. = Personal Identification Number



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A Debit/Laser Card

- This allows payment to be made without using cash or cheque.

Cirrus Card

- The cirrus facility on a laser card enables the current account holder to withdraw money and make payments abroad.

□ Cash Back

- This allows customers to withdraw funds from their account when using a laser card

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Irish Financial Agencies

- Banks

1. Allied Irish Bank (A.I.B.)
2. Bank of Ireland (B.O.I.)
3. Ulster Bank

- Building Societies

1. Educational Building Society (E.B.S.)



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Irish Financial Agencies

- An Post
 - DIRT free but no loans



- Credit Unions
 - There are over 500 individual credit unions in the country



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- Services offered by financial agencies
 1. Money Transmission
 2. Savings
 3. Lending - except An Post
 4. Foreign Exchange

