

Electronic Money

Name: _____ () Class: _____ Date: _____






Activity 1

Different payment facilities

Objectives

- Understand the concept of different payment facilities
- Understand the pros and cons of various payment facilities and their applications
- Know what one should pay attention to when paying for online shopping

Many merchants allow customers to pay with different payment facilities. Circle the answers, and then discuss the characteristics of the payment facilities below in groups.

Payment facility	Need to top up in advance?	Can make payments on debt?	Is there a maximum transaction limit?	Need to open a bank account to use it?	Can be used outside Hong Kong?
Example  Cash	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No
1.  _____ (overdraft value cannot exceed HK\$35)	<input checked="" type="radio"/> Yes / No	<input checked="" type="radio"/> Yes / No	<input checked="" type="radio"/> Yes / No	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No
2.  _____	Yes / <input checked="" type="radio"/> No	<input checked="" type="radio"/> Yes / No	<input checked="" type="radio"/> Yes / No	<input checked="" type="radio"/> Yes / No	<input checked="" type="radio"/> Yes / No
3.  _____	<input checked="" type="radio"/> Yes / No	Yes / <input checked="" type="radio"/> No	Yes / <input checked="" type="radio"/> No	<input checked="" type="radio"/> Yes / No	Yes / <input checked="" type="radio"/> No
4.  _____	<input checked="" type="radio"/> Yes / No	Yes / <input checked="" type="radio"/> No	<input checked="" type="radio"/> Yes / No	Yes / <input checked="" type="radio"/> No	<input checked="" type="radio"/> Yes / No

* The above answers are for reference only. They are subject to the latest information.

Activity 2

Divide students into groups and ask them to discuss the following situations. After the discussion, a representative from each group reports.

Group discussion (Choose the right payment facility)

Which payment facility would you choose based on the following situations? Why? What are the cons of each payment facility? Choose one of the following situations for group discussion and send a representative to report to the teacher and classmates upon completion.

Situation 1: Buying daily groceries at a supermarket



	Reason	Cons
Cash	It is easy to use and can be used widely.	It is inconvenient as it may require changes.
Credit card	Points can be earned and it is change-free. Signature is required. Security is high. Paying by installments is available.	Interest will be charged for overdue repayments. Need to be aware of credit limits.
Octopus	It is easy to use and change-free.	Top up in advance is required. The maximum stored value limit is \$1,000. The maximum payment amount per transaction is \$1,035. (The maximum negative value is HK\$35.)

Situation 2: Booking a holiday tour



	Reason	Cons
Cash	It is easy to use and can be used widely.	As the amount is large, ranging from a few thousands to over ten thousand dollars. It is not convenient to carry cash.
Credit card	Points can be earned and it is charge-free. Signature is required. Security is high. Paying by installments is available.	Interest will be charged for overdue repayments. Need to be aware of credit limits. Travel agencies may also charge an additional fee.
EPS	It is easy to carry. Password is required to make a transaction.	There must be sufficient money in the bank account. Some merchants may charge a handling fee.

Note: EPS is one of the popular electronic payment facilities in Hong Kong. One can transfer the amount through the debit card (ATM card) in real time and the amount will be deducted from the cardholder's bank account instantly.

Situation 3: Buying a car at a car dealership



	Reason	Cons
Cash	It is easy to use and can be used widely.	Carrying large amounts of cash is highly risky and there is a risk of being stolen.
Apple Pay	Bonus points can be earned. Fingerprint authentication is equipped. Security is high. Paying by installments is available.	Interest will be charged for overdue repayments. Need to be aware of credit limits. Not all dealers accept Apple Pay.
EPS	It is easy to carry. Security is high. Password is required to make a transaction.	There must be sufficient money in the bank account. Some merchants may charge a handling fee.


Note: Apple Pay is a mobile payment and digital wallet service developed by Apple Inc. that allows consumers to make payments by using the iPhone, mobile devices which are compatible with Apple Watch and other mobile devices such as iPad.




Activity 3

Group discussion (Comparison of payment facilities)


(Suitable for more capable students)

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Tsz Yan
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I want to buy a pair of limited edition sneakers,  but it is out of stock in the shops nearby.  

10:45am ✓




Why don't you buy it online? Many people are shopping online nowadays.


10:48am




I've never tried online shopping. What payment facilities are accepted for online purchases?

10:49am ✓




You can shop online if you have a credit card. 

10:51am



But I don't have one. Can you tell me your credit card number and verification code so I can shop online?

11:02am ✓



Please fill in credit card information

Credit card number:


Expiry date(MM/YY):

Cardholder's name:

Fill in your name with English letters or Chinese pinyin


ID number:






Date of birth(DD/MM/YY):

Credit card verification code: 

Submit
Cancel

11:02am ✓



 No! We can't share our credit card number and verification code so easily.    

11:04am

+
😊

Send

Discuss the following questions and write down your answers.



What are the pros of using credit cards compared to cash?

What are the risks of paying with a credit card?

Q What are the pros of using credit cards compared to cash?

A

- Using credit cards can avoid handling cash and changes. It is easy to carry. You can use credit cards online and overseas, and also choose to pay in foreign or Hong Kong currency.
- Some merchants offer discounts to designated credit card users. Using credit cards can also accumulate points and redeem gifts.
- If you lose cash, it is difficult to get it back, but you can cancel the credit card if it is lost. Also, a signature is required for authentication.

Q What are the risks of paying with a credit card?

A

- Personal data and credit cards can be stolen.
- If you lose your credit card and you are not able to cancel it immediately, you may suffer a huge loss.
- It is easy to use and may result in excessive consumption.
- If you cannot settle the repayment every month, the credit card company will impose high interest rates.



Do you prefer shopping online or at a physical store? Why?

Will you tell your friends the account numbers and passwords of your payment facilities, and other personal information? Why?

Q Do you prefer shopping online or in store? Why?

A Open-ended answer. Reference answers:

- Online shopping, because I can shop online at home and it is convenient to pay for online purchases.
- In-store shopping, because I need to try on clothes and shoes. I feel more welcomed by talking to salespeople. Online shopping carries a risk of products not matching the descriptions.

Q Will you tell your friends the account numbers and passwords of your payment facilities, and other personal information?

Why?

A

- No. There is a risk of it being misused if I tell my friends the account numbers and passwords of my payment facilities (for example, credit/debit card numbers and verification codes), there is a chance of being lost/embezzled resulting in a loss of money.
- Even for my friends, I would not tell them in order to reduce risks.

Summary

Understand the pros and cons of electronic money

Pros:

- ◆ No need to handle changes and keep a lot of cash.
- ◆ One can make payment on credit so it is more flexible when making purchases.
- ◆ Some payment facilities require password or signature for authentication. It is more secure.
- ◆ It can be used outside Hong Kong

Cons:

- ◆ Interest will be charged for overdue repayments.
- ◆ There is a maximum transaction limit.
- ◆ Some payment facilities collect personal data.
- ◆ Disclosing the verification codes / passwords of credit card or other payment facilities has a risk of it being misused.



Extension activity

Try to list other payment facilities not mentioned above and think about their characteristics.

Payment facilities	What can we purchase if we use it?	Reasons to use it	Where is it popular?
WeChat Pay	Transport, food, in-store shopping, online shopping	Broadly accepted No risk of receiving counterfeit banknotes Change-free	Mainland China
Bank transfers	Online shopping Send money to other countries Paying bills, such as tuition fees, telephone bills	High security Easy to transfer money to regions outside Hong Kong	All around the world
Installment	More expensive products, such as smartphones, home appliances, cars	You can repay a monthly amount without paying the total amount of the installment immediately.	All around the world