



UDC 336.741.24(045)

ADVANTAGES AND DISADVANTAGES OF USING ELECTRONIC MONEY

Stud. A.V. Poliushkevych, gr. BEK-1-15

Language and scientific supervisor O.V. Nazarenko

Kyiv National University of Technologies and Design

The last decade is characterized by the emergence of innovative products for payment, which is to a certain extent promoted by scientific and technological progress and the development of the financial market, influenced by the development of information technology and the Internet. Appear fundamental new technologies for the implementation and payment of business operations. Unidentifiable security can be easily implemented with the help of an electronic payment instrument for bearer, which is why the study of the prospects for the spread of the use of electronic money is today very relevant and every year becoming more widespread.

Consequently, electronic money is a payment instrument that exists exclusively in electronic form, that is, in the form of records in specialized electronic systems. New payment tools appeared not by chance at the request of developers, their emergence is an objective process, caused by new dissatisfied needs and increased requirements for the efficiency and reliability of payments traditional technology.

However, the use of electronic money, as well as any other new development, faces a number of problems associated with in the first place with insufficient experience of enterprises, state bodies and consumers with systems of electronic funds and payments.

The purpose of the article is to find out economic and legal the essence of electronic money; analysis of the advantages and disadvantages of electronic money. Due to the fact that the Internet has become much closer to each of us, part of the business activity of many people passed to him. This has led to the need to launch online payment tools. This function is performed today by electronic money. Electronic money can be received, transferred to friends, they are acceptable for payment of services and goods, etc.

Moreover, as in the case of real money, payments are made in real time: if you have transferred money, in a minute they will appear on your account. A peculiarity is that they can not be held in their hands, you can not put it in your pocket. They do not seem to exist materially. Electronic (digital) money is closely tied to the usual paper equivalents.

In order to use virtual cash, you must first install electronic wallet (special free software), and then make regular, non-virtual money into the system. After the procedure of replenishment you get the right to dispose of your money, but submitted in electronic form.

With today's online currency you can make any purchase, order a service or exchange money with a counterpart from anywhere in the world. Restrictions on work with payment systems are minimal, and most of them are easy to remove after basic identification - loading scans of a passport or other document in the established form.

Consider the specific advantages and disadvantages of electronic payment systems. Traditionally, we will first consider the benefits:



First, the simplicity and low cost of emissions. Electronic money does not have to be printed, using huge production capacities, labor, raw materials, which is associated with high costs.

Secondly, easy storage and independence from banks. Electronic payment systems are stored electronically, they do not require packaging, money repositories, transport, security and other factors necessary to provide a flow of paper money.

Thirdly, high portability: electronic money, regardless of the amount, has no size (volume, weight, etc.) unlike traditional banknotes and coins. First of all, the lack of division into denominations. Thanks to the electronic nature of the EPS, there is no problem in choosing the required amount, delivery when making payments etc.

Fourthly, there is no need for recalculation. Electronic money does not need to be transferred - this function is carried out by algorithms of payment systems, which practically are not mistaken. The loss of quality over time does not exist. The funds on electronic purses, due to the lack of their physical form, do not wear out, do not torn, not scratched etc.

In the first place is the convenience of holding settlements. Electronic money is easy to pay for goods and services on the Internet or send them as private transfers. Transmission takes a few minutes and the funds arrive at the recipient almost instantly, including the number and between countries. In practice, personification is not lacking. Electronic money can be transferred without knowing the name, surname, passport data and bank account numbers of the recipient, it is enough to know the number of the electronic purse.

And the last advantage is the security system. Electronic payment systems use various modern ways to protect payments and save money on electronic purses. Excluded are all possible crimes that may be related to cash processing (robbery, theft etc.).

Despite all these preferences, electronic money can have some problems as well. The most important issue is absence of perfect legislative framework. In most countries, including in post-Soviet countries, there are no effective methods for legal regulation of the circulation of electronic money. Due to this, electronic payment systems are often used as a means of managing the shadow business, tax evasion etc. Also, there are cases of fraud as a complex issue, since it is almost impossible to catch such a thief.

Secondly, the need for sufficient training. Creating an electronic wallet, making electronic money drawings, making payments - all this requires a certain level of knowledge. A person who owns the Internet in general does not have or does not have any can make certain mistakes, and they, in turn, may be a loss of money. Cash on electronic wallets may be blocked. Many ENS retain such an opportunity with which the user agrees when signing the offer. In the case of a lock, even if it was not the fault of the user, it is very difficult to return money from the electronic purse, sometimes it is impossible.

Thirdly, the entrance or exit of the money is quite expensive. To put money into traditional electronic and vice versa, you need to pay a fee: banks, exchange offices, payment terminals and payment system. The amount of commissions in aggregate can reach 5% or more, which is quite a lot in comparison, for example, with non-cash settlements in banks or with the receipt / sending of money transfers.

And the last of the disadvantages is not wide using of electronic money yet. Although the speed of electronic payment systems is constantly increasing, electronic money has not yet been



widely used. They do not accept payment at all online stores. That is, far from what you can always pay for the goods or services you want to use with electronic money. Electronic payment systems can feel all the difficulties that affect all of their members. For example, in 2013, law enforcement agencies blocked accounts of intermediaries of Web money in Ukraine, and in this connection the course of virtual hryvnia dropped sharply, and all transactions with him became expensive and difficult to execute.

Summing up the above we can conclude that electronic money has as many irrefutable advantages, as well as a number of shortcomings. Electronic money is a very convenient way to make instant payments, including micro-payments, which can be only a few hryvnas. Electronic money greatly facilitates life, since they can instantaneously transfer money to any account and easily track their financial status and the amount of savings that remain in the account. However, if you make money online, or just dream of it - you need to use electronic money in your work.

Key words: *electronic money, payment instrument, innovative products.*

References

1. Ikonnikova MV Electronic money in the aspect of economic globalization. Ukrainian Money Market: perspectives, problems and solutions / MV Ikonnikova // Foreign Trade: Economics, Finance, right. - 2012.
2. Kravchuk V. Electronic money in Ukraine / V. Kravchuk // Analytical report. - K .: Alpha-PIC, 2014.