★ A balloon payment reverse mortgage as the name suggests it works on reverses stream. it is mortgage

★ A reverse mortgage is helpful to the older people in their financial need.

4th Assingment.

1) meaning of guarantee ?

a firm promise that something will be done or that something will happen.

a written promise by a company that it will repair or replace a product if it breaks in a certain period of time.

2) what do you understand the term of E-banking ?

E-banking is a product designed for the purpose of online banking that enables you to have easy and safe access to your bank account. E-banking is a safe, fast, easy and efficient electronic service that to carry out online banking services, 24 house a day and 7 day a week.

3) define ATM ?

an automated teller machine (ATM) is an electronic banking outlet that allows customers to complete basic transaction without the aid of a branch representative or teller.

4) what do you understand the term of credit cards ?

A credit card is a thin rectangular piece of plastic or metal issued by a bank or financial services company that allows cardholders to borrow funds with which to pay for goods for payment.

5) what do you mean electronic cheques?

E-check is a digital version of a paper check and is also known as an electronic check online check, internet check, and direct debit. e-checks use the automated clearing house to direct debit from a customer business bank account with the help of a payments processor.

6) give the meaning of smart cards?

a plastic card for example a credit card, on which information can be stored in electronic form.

A smart card, chip card, or integrated circuit card (ICC or IC card) is a physical electronic authorization device, used to control access to a resource smart cards can provide personal identification device used authentication data storage and application processing.

5 mark

1) what are the difference between traditional cheque and electronic cheques?

A small business owner who wants to stay competitive and current with technological advances may offer a variety of venues from which customers can make purchases. online commerce can be a lucrative way to boost overall sales. when making the sale it help to provide customers with a variety of option for making payments. Knowing the difference between e-checks and paper checks can help you make an informed decision about which payment forms to accept.

paper check Definition :

A paper check is a form of payment that draws money directly from a checking account. The payer' the writer of the check - writes the name of the payee' on the 'pay' to the order of" line and signs the check on the signature line. A check is safer than paying cash because the canceled check becomes a permanent record of the payment.

E check Definition :-

An electronic check e-check is an electronic from of a paper check. just like a paper check, an electronic check draws money directly from a checking account. E-checks usally have tracking numbers that are similar to the tracking numbers on paper checks customers can record e-checks in checkbook register in the same way that they record paper checks.

Benefit of E checks:

Accepting e-checks provides customer with a way to make electronic payment without incurring debt. The same payment gateway for commerce that accept credit and debit card information that accept credit and debit card information should also take e-checks.

2) write a short note of following

(A) ATM

An automated teller machine (ATM) is an electronic banking outlet that allows customer to to perform quick self-service transaction such as deposits, cash withdrawals, bill payments and transfer between accounts fees are commonly charged for cash withdrawals by the bank where the account is located, by the operator of the ATM operated directly by the bank that holds the account.

(B) Smart cards

A smart card, chip card, or integrated circuit card is a physical-electronic authorization device, used to control access to a resource. It is typically a plastic credit card-sized card with an embedded integrated circuit chip. many smart cards include a pattern of metal contacts to electrically connect to the internal chip.

(c) Credit cards :-

A credit card is a thin rectangular piece of plastic or metal issued by a bank or financial services company, that allows cardholders to borrow funds with which to pay for good and services with merchants that accept cards for payment. credit cards impose the condition that cardholder pay back the borrowed money, plus any applicable interest as well as any additional agreed-upon charges either in full by the billing date or over time.

3) Explain difference between traditional banking and E-banking :-

Basis	Traditional Banking	E-banking practices
global coverage	Traditional practice provides limited coverage.	E-banking practices involve global coverage while sitting at home / office.
marketing Tool	Traditional practice does not provide proper marketing tools.	E-banking provides the facility of marketing of products / schemes online easily.
prompt services	Traditional practices involves process which requests more time.	E-banking saves lot of time as there is no need to stand in long queues.
Reduction of errors/ frauds	Traditional banking practices do not provide a complete check on banking transaction	with the system of reconciliation of inter branch transaction, frauds and errors could be reduced.
paperwork	Bank executives have to perform a lot of paperwork which increases both time and cost.	cost and time could be reduced as everything is to be through some internet and no need for huge paperwork
Risk of carrying cash	in the case of traditional business, a person has to carry cash at each point of time.	E-banking provides banking without carrying cash as plastic money (ATM credit cards are available)

10-mark

1) Define guarantee ? list out various types of guarantee ?

A guarantee is a legal promise made by a third party (guarantor) to cover a borrower's debt or other types of liability in case of the borrower's default. loans guaranteed by a third party are called guaranteed loans.

types of guarantee :-

guarantee take several forms. The most common types include the following

1) personal guarantee :

A personal guarantee is a promise to repay liabilities that is made by an individual on behalf of another individual or organization. A company's executive or founder may become a personal guarantor to his or her company to be eligible to obtain a loan.

2) Bank guarantee :-

A bank guarantee is a promise from a bank to cover the liabilities of a debtor in case of the debtor's failure to fulfill contractual obligation with another party. It is usually provided by commercial banks to companies involved in transaction with unfamiliar parties or foreigners.

3) financial guarantee :-

A financial guarantee can be regarded as a form of a bank guarantee. essentially, it is an obligation of a specialized insurance company to repay the remaining interest payment and the principal amount of a bond or similar financial instrument to the lender in case of the borrower's default and that the financial guarantee can be used in transaction that involve various financial instrument and structure products.

iv) validity guarantee

This is a less comprehensive guarantee used by factoring companies. I'd never heard of it until a reader of mine asked me about it.

The promise here is that the invoices you turn over to a factor are valid, have not been pledged to another company, and are collectible. you also promise that if you receive payment on an invoice you've turned over to the factor you'll remit the funds to the factor.

conclusion :-

Recognize that using various types of guarantees are part of running a business. it's good to know that your personal guarantee of business loans usally doesn't impact your personal credit rating... unless you're called upon to keep your promise but default. always talk with an attorney to understand your legal and financial obligation for any promises you make.

2) define E-banking. list out of advantages and disadvantages :-

The development in the financial sector allows exploring various online services by the traditional banks. The banking sector is working to enhance customer service by providing them online banking services.

It is also known banking as virtual banking that allows the customers to conduct online services by using the internet.

Advantages:

1) convenience

in this busy and hectic schedule it is difficult for an Individual to make time to money and any other update banking system has developed virtual banking system for customer convenience where an individual can access their banking system anytime and anyplace.

2) Transfer service

The virtual banking system provide convenience to transfer money 24 hours in 365 days. you don't need to stick to perform any transaction within working hours as you can do as per your convenience in 24 hours

3) monitoring service

The customer can access their updated passbook anytime for monitor their transaction to manage their financial plans.

4) online bill payment

you don't need to stand in queue for paying bills as it has feature to pay any kind of bill including electricity water supply telephone and other bills

5) Quality service

internet banking has improved the quality of services by providing them convenience to perform their transaction anytime during the day. The consumers are able to apply for loan insurance and any other services without visiting the banks physically which shows that the quality of e-banking is fast and effective.

Disadvantages :-

E-banking has various advantages which improves the banking system but there are disadvantages of using internet banking. There are as follow.

1) Security issues :

Internet banking is completely insecure. there are many problems related to the website and data can be hacked by the hackers. it can leads to financial loss to the user. The financial information can also be stolen that can also create financial loss.

2) lack of direct contact between customer and banking officer.

Online banking requires effective customer service for handling issues faced by the user but lack of customer support creates disappointment among the customers. There are some online payments which may not be reflected in the system due to technical issues. it also creates insecurity among the customers. customer service executive is a barrier in online banking.

3) Transaction problem:
During online banking there are various faced by the user such as transferred payment is not reflected, payment failed, and other issues due to technical support.

4) long procedure to access e-banking
in some countries, government banks are providing internet banking by filling the internet banking form then after approval you can access security password to log in. an individual need to download the app of specific banking then all credentials needs to be filled for log'in successfully.

5) Training and development
The banks need to conduct training and development program for employees for providing quality online service which enhance the customer experience. it requires huge investment to train them for providing effective service.