

Reviewing Methods of Payment

Advantages of Using a Check

- People who use checks don't have to carry around a lot of money. This may reduce the risk of losing money through accident or theft.
- People have a record of purchases made with checks.

Disadvantages of Using a Check

- Some businesses do not accept checks.
- Some people forget to enter information about the checks they write in their check registers; as a result, they may write checks for more money than the amounts they have in their accounts.
- It takes time to write a check when you make a purchase.
- It may be inconvenient to carry a checkbook around.
- If your checkbook is lost or stolen, others may try to write checks on your account.

Advantages of Using a Debit Card

- A debit card is small, so it is convenient and easy to carry around.
- You can make purchases quickly and easily using a debit card.
- Carrying a debit card is safer than carrying cash or checks, since there is a limit on the amount of money that can be lost if the card is stolen.
- A debit card is quite secure. A PIN (Personal Identification Number) is needed to use the card.
- A debit card enables you to get cash at many locations from ATMs.

Disadvantages of Using a Debit Card

- Some people forget to enter amounts for their purchases in a transactions register; as a result, they may lose track of how much money they have left in their accounts.
- A debit card can be lost or stolen.
- Debit cardholders who use their cards infrequently may forget their PINs.

Advantages of Paying Online

- It's convenient.
- You can make payments from your home.
- You don't need an envelope, stamps, and a walk to the mailbox to send in your payment.
- You can buy goods and services nationwide or internationally.

Disadvantages of Paying Online

- You may pay an additional shipping fee for goods purchased and sent to you.
- If you make a purchase at a non-secure website, you could be a victim of identity theft.
- You may forget your password or user name.

Advantages of Using a Credit Card

- Credit cards are easy to carry and use.
- Consumers can purchase things now and pay for them later.
- Credit cards are safer to use than cash or checks, since there is a limit on the amount of money that can be lost if the card is stolen.

Disadvantages of Using a Credit Card

- It is easy to forget that each time a credit card is used, debt is created; too much debt might be difficult to repay.
- Fees and interest may be charged for the use of credit cards.