

**EI "VSTU"**

Foreign Language

2015

A stack of credit cards is shown, including a Visa card, an American Express card, and a MasterCard. The cards are overlapping and slightly out of focus, with the text "Credit cards" overlaid in the center.

# “Credit cards”

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**“All the advantages  
of having money is  
the ability to use it.”**

**Benjamin Franklin**

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1. What is the Credit Card?
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**CREDIT CARD** – is a bank card intended for the payment of goods and services, as well as for getting cash.



## History



- The first credit card was issued in 1914 by General Petroleum Corporation of California (today Mobil Oil)
- In 1928 in Boston to a narrow circle of the most creditworthy customers were issued and outstanding first metal plate on which the extruded (embossed) address.

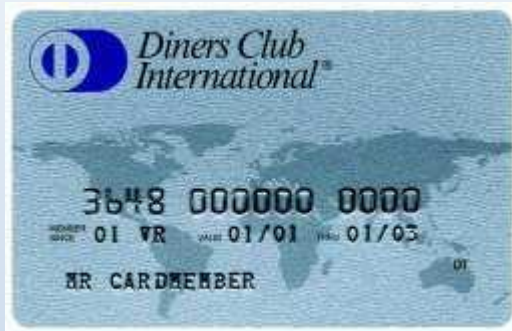


- In 1946 employee of the New York National Bank of the United States John Biggins made the first bank card.



- In 1950, the major banks have released their cards.

## History

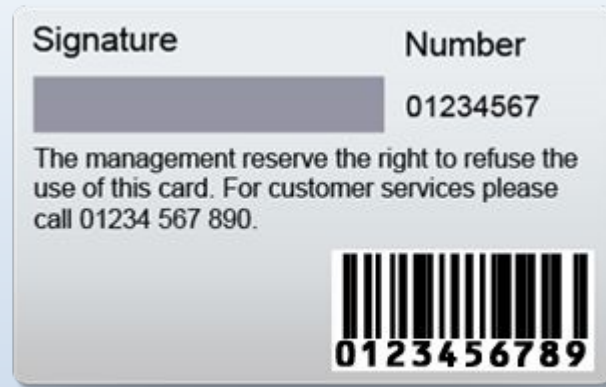


- In 1950, the company Diners Club issued the first plastic card with a magnetic strip to pay for travel and leisure.



- In 1956, Bank of America has developed a payment card for universal use (BankAmericard)

## There are various types of cards:



- ✓ **Cards with bar-coding** - the recording of information on the card using a bar-coding used before the invention of the magnetic stripe and in payment systems has not been spread. Cards with bar codes are quite popular in the special card programs do not require calculations. This is due to the relatively low cost of such cards and reading equipment.



## There are various types of cards:



- ✓ **Embossed cards** - cards, information on which is applied in the form of convex characters, allowing transfer data from card to card-check mechanically by means of self-copying paper and imprinter.

## There are various types of cards:



- ✓ **Cards with a magnetic strip** - a card on which as a carrier of information about the holder of a plastic card, number card itself, its validity, and others.-used a magnetic strip. Information is applied to the card during personalization by the bank and will not be changed.

## There are various types of cards:



- ✓ **Cards with a microprocessor** - a card containing chip, also known as "chips" or "smart cards." The memory chip stores information about the status of the account, minimum or maximum amounts that can be used at the same time, about the operations performed during the day, and much more. This is the most protected from counterfeit cards. Thanks to the chips, a number of operations can be performed without regard to the Bank of offline. The information in the memory chip on the card can be updated in the course of operations on the pitch of the bank in the background. There are contact and contactless cards with a microprocessor.

# Advantages and Disadvantages of Credit Cards

## Advantages:

- **Convenience** - Credit cards can save you time and trouble - no searching for an ATM or keeping cash on-hand.
- **Record keeping** - Credit card statements can help you track your expenses. Some cards even provide year-end summaries that really help out at tax time.
- **Purchase protection** - Most credit card companies will handle disputes for you. If a merchant won't take back a defective product, check with your credit card company.
- **Balance surfing** - Many credit card companies offer low introductory interest rates. These offers allow you to move balances to lower-rate cards.



## Disadvantages:

- **Overuse** - Revolving credit makes it easy to spend beyond your means.
- **Paperwork** - You'll need to save your receipts and check them against your statement each month. This is a good way to ensure that you haven't been overcharged.
- **High-cost fees** - Your purchase will suddenly become much more expensive if you carry a balance or miss a payment.
- **Unexpected fees** - Typically, you'll pay between 2 and 4 percent just to get the cash advance; also cash advances usually carry high interest rates.



**Thanks for your attention!**