**Methods of Payment**   
Activities   
**1.What is meant by the term ‘Legal tender’?**

The currency used in that country

**2.Why should credit be used wisely?**

It should be used wisely because you have to pay interest and make sure you don’t overspend because you assume that you have free money.   
  
**3.What is the difference between a *debit card* and a *credit card*?**

A credit card is when you use the money now but pays the actual bill later or at the end of the month. Where as a debit card automatically transfers funds from your account electronically and it appears right away.

**4.What are the advantages and disadvantages of using:   
Credit Card:** *Advantages:* allows you to buy what you want immediately and pay for it later, either in full or in monthly payments it avoids having to carry around large amounts of cash. It is better to lose this credit card rather than losing lots of money. *Disadvantages:* If you don’t keep up with the payments you will have to pay interest and if you don’t you will eventually be in debt.   
**Direct Debit:** A*dvantages:* It is a convenient method of payment that helps overcome the problem of forgetting to pay an account. Written notification terminating the arrangement may be made at any time.   
  
**What do the letters EFTPOS represent?**

It stands for Electronic Funds Transfer Points Of Sale.   
  
**What is required to terminate a direct payment arrangement?**

You can terminate it by writing a written letter of notification