



TOURISM: SUMMARISED NOTES

GRADE 12



Forms of payment when travelling abroad

Electronic fund transfers (EFT)

frequently in papers

- Automatically transfer money from one account to another.
- It is processed immediately.
- Payment is made through a financial institution's application.



Advantages:

- Safe, efficient and fast.
- Cheaper than cheques or transfers at a branch.
- Can be used worldwide.

Disadvantages:

- If banking services differ, the payment may take a day or two to reflect in the other account.
- Difficult to cancel or reverse the transaction.
- Be aware of cyber-crime.

Telegraphic transfers (SWIFT)

usually in short questions (Sect A)

- The person must give his / her permission to the bank to transfer the money from an account to an international account.
- The local bank will require a SWIFT code and the account number.

Advantages:

- Money can be transferred at any time, from one country, to an account in another country.
- No internet access required.

Disadvantages:

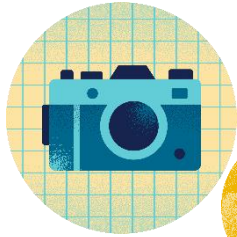
- Fees for overseas payments = high.
- The faster the transfer has to take place, the more expensive the fees.



Bank draft / Bank cheque

No Longer in use

- Is settled in the recipient's country's currency.
- The cheque is deposited directly into the beneficiary's bank account.
- Must be collected in person from the bank.
- Security features: watermark, security thread, special ink and paper.



Advantages:

- Very safe.

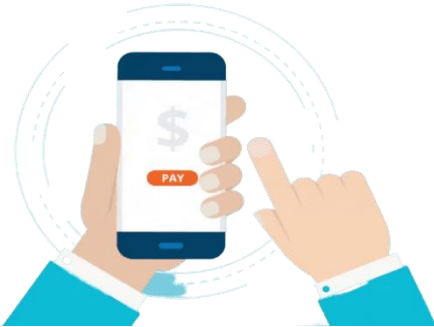


Disadvantages:

- Fees and charges = high.
- By post / courier – can be time consuming.
- No cash – the money is deposited into the beneficiary's bank account.

Internet payments

Frequently in papers



- Online payments for any product or service.
- All payments are made with a computer or mobile phone, which has access to the internet.
- Examples: Hotel reservations, booking for any service or to gain access to attractions and to pay deposits.

Advantages:

- Saves time, as you don't need to wait in long queues at the bank.
- Can be done anytime and anywhere.
- Fees are much lower.

Disadvantages:

- No direct contact with the place / person receiving the money.
- Cyber-crime (hackers) is dangerous.

Take note!!!

They referred to (IoT) in past papers – IoT = internet of things – then you have to be able to answer the question on how a tourist can use the internet to help with travel planning – Internet payments are part of the answer together with use of Emails for bookings, websites to look up places / for research & Facebook Pages for info etc...





Foreign bank notes

- Cash from the country you are visiting.

Advantages:

- Works well for immediate expenses.
- Can be used anywhere.
- Accepted everywhere.

Disadvantages:

- Very risky – can be stolen or get lost.



Credit cards



- Very safe and secure – pin number, CVV number.
- If you lose your card, you can cancel the card.
- Visa and MasterCard are accepted by most hotels / shops / restaurants worldwide.
- Access to cash in foreign country.
- Bank charges / fees are paid per transaction.
- Works well for large / expensive purchases.



Advantages:

- Can buy expensive items without saving for them, as the credit is repayable over a certain period of time.
- No need to carry around large sums of money – contributes to safety.
- Accepted by most companies.

Disadvantages:

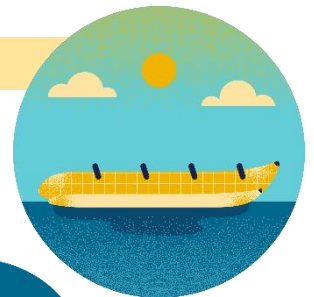
- Some places don't accept it.
- Easy to overspend.
- Transaction fees applicable.
- Interest may apply.
- Card skimming: copying of information by criminals.

Debit cards (pre-loaded with foreign money)

- Issued by all banks.
- It is preloaded with a foreign currency.
- Limited to the amount of money linked to the card.
- Can be used anywhere in the world.

Disadvantages:

- Issued by all banks.
- It is preloaded with a foreign currency.
- Limited to the amount of money linked to the card.
- Can be used anywhere in the world.





Advantages:

- Issued by all banks.
- It is preloaded with a foreign currency.
- Limited to the amount of money linked to the card.
- Can be used anywhere in the world.



Travellers Cheques

- Issued by financial institutions.
- Exchange for cash at a cashier (signatures must match).
- Value is printed on the cheque.
- Safe and convenient.
- Signature of owner serves as ownership.
- A valid passport may be required.

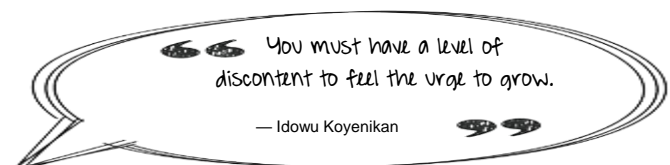
Advantages:

- Still pays out if lost / stolen.
- Available in all currencies.
- Useful if no ATM is available.



Disadvantages:

- Exchange rate not as favourable.
- Only accepted at a few places.
- Bank costs and fees payable.



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