

## **LATENT BENEFITS OF CREDIT CARD TO CREDIT CARD ISSUING COMPANIES, ITS USERS AND MERCHANTS**

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### **ABSTRACT**

**C**redit cards, an electronic payment card, are increasingly becoming part and parcel of one's day to day life. It is easily approachable and widely used these days. Credit cards offer a line of credit (i.e., a loan) that is no interest is to be paid if the monthly credit card bill is paid on time. Some credit cards are tailor-made for use with entertainment related activities; some are travel oriented and still others are designed for business purposes. Credit cards offers varied range of rewards to its holders that help one to save and enjoy huge discounts in shopping and dinings etc. Carrying a lot of cash can be troublesome and risky at times, and at many times one can face scarcity of cash-in-hand, just when it is needed most. At that point such card is the smart solution to these problems. One would wonder that what could be the reasons that banks are extending credit to its card holder inspite of the cost associated with it. The proposed research is to explain a part of it.

**KEY WORDS:** Credit, Interchange Fees, Non-Liquid Transaction