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ABSTRACT:

India happens to be the world's fastest growing mobile market. The total number of mobile users in the country touched a new height of 81.1 million last month and it is going to increase at a very rapid rate. The use of mobile for money transaction will open new avenues for the customers and for operators involved in this. I have suggested and implemented the idea of using mobile for money transactions among the mobile users that will facilitate easy and fast money transaction. I have discussed the roles of organizations that need to be involved in making MMT (mobile money transaction) possible and ubiquitous.

INTRODUCTION:

India happens to be the world's fastest growing mobile market. The country saw close to around 4.7 new members joining the club in the month of January. With this new customer base, the total number of mobile users in the country touched a new height of 81.1 million last month. In India, the mobile market is growing at a very rapid speed thanks to new features added in the mobiles that are luring the customers. The recent study by iSuppli Corp shows that the mobile users base in India will rise to 278 million in 2010, resulting in a cellular penetration rate of 23.9 percent of the nation's population. So fast that India in 2005 emerged as the world's sixth-largest market in terms of mobile-phone subscribers, and will become the second largest in 2010, second only to China.

The mobile has become the must-have commodity in society today. The mobile was introduced in the market for wireless communication. However, with time, owing to technological advancements the world sees the mobile revolution as a convergence of technologies and has the versatility to develop as a camera, mp3 player, video player etc. The mobile can help the users in paying off their bills and can take care of their money transactions. This will facilitate easy and fast money transactions and would save a lot of users time: sending a message can do all this. For the realization of this feature, I have proposed the method and implementation schemes and discussed

the roles of the financial and non-financial organizations needed to be involved in this.

MMT (Mobile money transactions):

It is a service where the users can do money transactions through a mobile by sending a message. It will facilitate easy and fast money transactions and will save the users time of going to banks or ATMs. Through this, the users can pay for their purchases by transferring money to the m-account of the seller.

A) M-Credit:

This service will be the same as credit card services offered by banks, where the only difference is that the people need not to go to ATM machines and can instead, use their mobile for this purpose. This service will be available to working people. They would have to open an account with the bank and can do money transactions regardless of the amount they have in their account, but up to a certain limit as imposed by the bank. They will be asked to pay later on for their transactions. It is a short-period loan provided by the bank that gives the freedom to the users to make transactions today and pay tomorrow. The users can use this service to transfer money to their m-account and from there; they can make all sorts of money transactions through their mobile.

B) M-Debit:

This service gives the power to use the mobile as a debit card, where by sending a message the money transaction will be performed. For this service, the users will need to open an account with the bank and will be allowed to do money transactions depending on the money they have in their account. This service can be useful to students. Money is deposited in their accounts by the parents and the students could use it anytime for transactions. For this, the users will need to transfer the money to their m-accounts, to do money transactions through their mobile.

C) MT (Money transfer)

This service will provide freedom to perform money transactions to users who are not registered with banks for the M-credit and M-debit services. The users will need to buy the prepaid cards

(available in different denominations) to recharge their m-accounts. This will provide the users with the option of choosing the amount with which they need to recharge their m-accounts.

What is M-ACCOUNT?

When users want to use their mobiles for money transaction, they will need to open an account with the operator who provides the MMT service. This will be a virtual account where they can deposit money by buying a prepaid MT (money transfer) card, or transfer money into it through M-Credit or M-Debit accounts.

PROCEDURE:

- First step: The registration form will be available at the service providers counters. The users will need to come to these counters to fill up the forms and to register for the service.
- Second step: For registration, users will need to include personal details as mentioned in the form and after confirmation of their personal details the acknowledgement will be sent to the users. Then they become subscribers and will need to set the password for using the service, to ensure privacy and security of their money transactions.
- Third step: For the M-credit and M-debit service registrations, the users will need to go to the bank. The users will need to open a new account or may operate from their existing account.

Implementation method:

The users who want to do money transactions through mobile will have to register with their operator. After registration, the service can be implemented in two ways:

- a) The service provider will provide the users with an **MMT option** in which they will need to type their password to access it and for transactions. After the password is verified, the users can access the MMT window. Here the users can have a feature such as a virtual passbook option, which will inform them about their previous transactions. They can access their M-ACCOUNTS to check their balance. For performing monetary

transaction the users will need to type the amount and the receiver's M-ACCOUNT number to transfer the money to the receiver's m-account. To provide additional security the users can be provided with a three digit random number that they need to enter after the amount, to ensure security and privacy. The service provider will verify password by checking the password sent by the users against their mobile number.

- b) The second method is that when users want to use the MMT service they need to type the password in their message window and send it to the service provider. This will inform the service provider that the users want to use the MMT service. Then the users will be shifted from normal message mode to **MMT mode** (meant for money transaction). After receiving the request, the service provider will acknowledge the users and they can type the amount and the receiver's M-ACCOUNT number in a specified format. To provide security and privacy the users will need to type their password and send it to the service provider. After verification the service provider will send a positive acknowledgement. On receiving a wrong password, it will send a negative acknowledgement (i.e. reject the request) and any request received for a transaction will be rejected. The user cannot perform money transactions until the correct password is typed and sent to the service provider. The service provider will verify the password by checking it against the mobile number. For canceling the service the users will need to send the password again. This will inform the service provider that the user wants to leave the MMT mode.

Organization involved:

A) Involving banks

Services like M-credit and M-debit will require the involvement of banks. Users will need to open an account and register with the bank to use the M-credit and M-debit services. This will call for mutual understanding between the bank and the service provider. The bank will be issued an **identification number** to represent its identity to the service provider and to the users. When users wish to use the M-credit or M-debit service, they will type the

identification number and message it to the service provider. This will help the service provider to locate the bank with which the users want to do transactions.

B) Mobile operator as a virtual bank

The service provider will provide the M-account service to the users. The users who want to subscribe for the MMT service will need to open the M-account with the service provider. The users will use this account to perform all their money transactions through mobile. Buying prepaid MT cards available at the service provider counters can recharge the M-account. They can transfer the money from the M-credit or the M-debit to their M-account.

Types of transaction:

- **Money transfer to the M-account from the M-credit and M-debit account:**

This transaction involves the user and the bank. For this transaction, a user will need to register for the M-credit and M-debit service.

- **Money transfer to the M-credit or the M-debit account from the M-account:**

This transaction also involves the user and the bank. This is the reverse of the first type of transaction. In this case, the user has to transfer money from the M-account to the M-credit or M-debit account.

- **Money transfer from one M-account to the other M-account:**

This transaction involves two users. Here the sender user will need to know the M-account number of the receiver user.

Implementation of various transactions:

A) Money transfer to the m-account from the M-credit and M-debit:

The users can use this service to transfer the money to their m-account.

To make a transaction the users will need to know the security password needed to use the MMT service and the bank's identification number along with the M-credit or M-debit number.

The users will need to mention the banks identification number and message it to the service provider. The service provider will look for the banks identification number in his database and acknowledge the users. The users will need to type their M-credit or M-debit number along with the security code provided by the bank and the amount the users want to transfer to their m-account. The service provider will forward the request to the bank server. After verification, the bank will ask for the user's m-account number and after getting it from the user, the money will be transferred to the m-account. After the successful transfer of money to the m-account, the service provider will acknowledge the user.

B) Money transfer to the M-credit or the M-debit account from the M-account:

Similarly, money can be transferred to the M-credit and M-debit account from the M-account. After verification, the users will mention their M-credit and M-debit account number along with the security code and the amount.

C) Money transfer from one M-account to the other M-account:

The users will use this service when they need to transfer the money from one M-account to the other M-account. The sender users will type the password and message it to the service provider. The service provider will verify the password and if it is correct will send the acknowledgement. The sender users will need to type the receiver's M-account number and the amount they want to transfer and message back to the service provider.

Role played by banks:

The bank has a crucial role to play to make this more successful and ubiquitous. The users can use the M-credit and M-debit services when they open an account with the bank. The bank will issue them the M-credit and M-debit number, which can be used by the users for performing transactions through a mobile. When the service provider

sends the request to the bank, the bank will also perform its security verification steps to ensure security to the transactions.

Type of services:

- M-credit:
- M-debit:

Role played by the service providers:

The service provider provides the basic services to make MMT (mobile money transaction) possible. The service provider will provide all the security to maintain the transactions secure and private.

Types of Services:

Medium for MMT:

The service provider will provide the medium through which the MMT can be made possible. The service provider can implement any of the above-mentioned “implementation techniques”.

M-account:

The service provider will provide the user with a virtual account that the user will use for transaction.

Conclusion:

To epitomize, mobile phones are much more than just a communication tool. With advancements in technology, it has become possible to handle business and manage daily work by sitting at home.

The use of mobile phones for money transaction will add a new dimension to the convergence of technologies and will provide users with a quick method for money transactions. This will free users from carrying cash or going to the ATM or banks.

Terms included:

MMT: mobile money transfer

MT: money transfer

M-credit: mobile credit service offered by the bank

M-debit: mobile debit service offered by the bank

M-account: mobile account offered by the service provider

