Exercise 3

M-Payment

Mobile Business II (SS 2022)

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- Exercise 1:
  - The Secure Element can be found either embedded into the mobile phone's hardware, or in a SIM/UICC card or in an mSD card. In Lecture 5, we mentioned the advantages and disadvantages of the SIM-based Secure Element.
  Briefly discuss the advantages and disadvantages of embedded Secure Element and mSD-based Secure Element.

- Exercise 2:
  - In Lecture 6, Slide no. 15, we list several mobile payment consortia. Choose five examples from the list and explain why did they fail or why did they become and/or remain successful, depending on your choices.

- Exercise 3:

We saw in Lecture 6 that there are several types of mobile payment infrastructures, depending on the party that processes the transaction.

a) In your opinion, in which infrastructure does the party, which processes the transaction, collect more data and in which infrastructure does it make more profit?

b) Mention some advantages and disadvantages of each of the infrastructures.

- Exercise 4:
    - Facebook was in the process of developing a new payment solution, the cryptocurrency Diem (Libra). At the same time, central banks and countries like China are in the process of researching, and piloting, Central Bank Digital Currencies (CBDC). Such currencies may be seen as the next step in (mobile) payment.
    - What stakeholders might be affected by this new, digital form of money, provided by a central bank?
    - Describe possible advantages and disadvantages for the stakeholders involved. Who are these stakeholders?