

## The Impact of Volume of Electronic Transactions on Demand for Currency, Coins and Narrow Money Supply

Davoud Danesh Jaferi, Ph.D \*, Javid Bahrami, Ph.D \*\*, Mojtaba Raei Dehaghi \*\*\*

### Abstract

With the entering of information technology into the field of payments systems, the traditional payments systems have been replaced by the electronic payments systems, and cause formation of certain changes in the composition of monetary variables, which can in turn affect on concerned monetary policies.

In this paper, an attempt is made to examine the impacts of increase in the volume of Automated Teller Machines (ATM) transactions and Point Of Sale (POS) transactions on demand for currency and coins and narrow money supply, vis-à-vis using quarterly time series data from 2004 to 2013 and applying various econometrics methods. The results prima facie indicate that increase in (ATM) transactions may lead to augmentation of demand for currency and coins and mitigation of volume of narrow money per se. Similarly, rising the volume of (POS) transactions, have reduced significantly the demand for currency and coins and have boosted the volume of narrow money supply. Thus, with respect to relative escalation of volume of (POS) transactions compared to volume of (ATM) transactions, we can conclude that moving towards electronic payments systems may lead to upsurging the volume of narrow money supply and diminishing the demand for currency and coins, quid pro qua.

**Keywords:** Narrow Money Supply, Currency and Coins, Volume of Electronic Transactions, Payments Systems.

**JEL Classification Codes:** F36, G21, L1.

---

\* Member of Scientific Board, Economics Group, Allameh Tabatabaie University      daneshjafari@yahoo.com  
\*\* Member of Scientific Board, Economics Group, Allameh Tabatabaie University      javid\_bahrami@yahoo.com  
\*\*\* M.A., Trade Economics, Allameh Tabatabaie University      m.raeid67@gmail.com

## The Study of Measuring the Productivity in Melli Bank Branches of Tehran

Ahmad Jafari Samimi, Ph.D <sup>\*</sup>, Saeed karimi Potanlar, Ph.D <sup>\*\*</sup>, Kouros Azami<sup>\*\*\*</sup>

### Abstract

In this paper, an attempt is made to measure the productivity of the Melli Bank branches in Tehran during the period of 2014-2015, using the Translog Production Function Model and Stochastic Frontier Approach per se.

For this purpose, we tried to estimate the Technical Efficiency and Return to Scale measures for different branches of Melli Bank in Tehran, de' jure. The results prima facie, indicate that out of all branches under the study, the Northern branch of Seyed khandan, and the Western branch of Social Security had the highest level of technical efficiency with a rate of 0.94. On the contrary, the Southern branch of Shush had the lowest level of technical efficiency with a rate of 0.28. Moreover, we observed that the average performance of Northern branch of Tehran was 0.85 while the average performance of Southern branch of Tehran was 0.78, and the average efficiency of all branches of Melli Bank in Tehran was 0.82. Similarly, we found that, the partial elasticity of production function with respect to labour holding Bachelor or higher degree was 0.40 which compared to elasticity of other factors of production enjoyed the maximum level, sui generis.

**Keywords:** Productivity, Stochastic Frontier Approach, Melli Bank

**JEL Classification Codes:** H21, H23.

<sup>\*</sup> Professor of Economics at University of Mazandaran.

<sup>\*\*</sup> Associate Professor of Economics at University of Mazandaran.

<sup>\*\*\*</sup> Ph.D Student in Economics at University of Mazandaran.

jafarisa@umz.ac.ir  
s.karimi@umz.ac.ir  
k.azami@stu.umz.ac.ir

## Factors Affecting the Adoption of Virtual Banking in the Banking System of Iran

Abdollah Yavaran Bakhshayesh \*, Arash Badpa\*\*

### Abstract

Acceptance of virtual banking due to its newness to common people, is a major challenge in the development of banking system. In this study, an attempt is made to investigate de' facto the main factors affecting the acceptance of virtual banking and their causal relationship per se. For this reason, we have utilized the theory of planned Behavior Analysis, and DEMATEL method and subsequently applied the MATLAB Software thereto. The statistical population of this research, was comprised initially the 45 questionnaires distributed to Research Directors of banking system of Iran in which out of them, 23 questionnaires were gathered in toto. The results prima facie indicate that, there are two groups of factors which are indentified in this process i.e. Affecting and Affected factors. In this context, the affecting factors are, designated as perceived good will, tendency to confidence building and self sufficiency, while the affected factors are considered to be the family effect, friends effects and testability, sine qua non. Thus, we can conclude that the application of the Augmented Model of the Theory of Planned Behavior Analysis and DEMATEL method will properly predict the behavioral intention of people and indentifies its causal factors, Ipsofacto.

**Keywords:** Virtual Banking, The Affecting and Affected Factors, Theory of Planned Behavior Analysis, DEMATEL Techniques.

**JEL Classification Codes:** G210, C44.

---

\* Researcher, Economic Statistics Department, Central Bank of I.R of Iran.

a.yavaran@cbi.ir

\*\* Researcher, Exchange Policies and Regulation Department, Central Bank of I.R of Iran.

a.badpa@cbi.ir

## The Progress of Financial Technology and Its Impact on Future Prospects of Banking Industry: The Strategic Analysis

Seyedeh Sahar Mohammadi Ghomi\*, Siavash Hekmat\*\*, Zahra Eslami\*\*\*

### Abstract

The financial technology refers to IT based financial solutions and it is evolved per se in the process of integrating the financial services with information technology. The recent trends of financial technology progress viz-a-viz Start-Ups have generated certain challenges thereto. On this ground, it is expected that the major changes emerge in the banking industry due to introduction of Start-Ups and financial technology in the area of traditional banking system, quid pro qua. In this paper, an attempt is made to investigate the progressive trends of financial technology to outline the future prospectus of banking industry, sui generis. Subsequently, the exigency for exposing the banking system to application of financial technology has been construed through demonstrating the world successful samples, sine qua non. In addition, after utilization of SWOT analysis for designating the merits, demerits, strategic opportunities and threats of crowdfunding, the practical suggestions for expansion of banking activities, such as holding the Start-Up events and supporting the development of open-banking policies have been indicated, so that a concrete vision from perpetuation of banking activities and management of their changes could be obtained, Ipsofacto.

**Keywords:** Fintech, Start-Up, Crowdfunding, E-banking, SWOT Analysis.

**JEL Classification Codes:** G24, M13.

\* MS, Industrial Engineering, R&D Expert, Karafarin Bank, Tehran sa.mohammadi@karafarinbank.ir

\*\* MS, Industrial Engineering, R&D Expert, Karafarin Bank, Tehran s.hekmat@karafarinbank.ir (corresponding author)

\*\*\* PhD student of Management, R&D Director, Karafarin Bank, Tehran, Iran z.eslami@karafarinbank.ir

## Lessons from South Korea Experience in the Automotive Industry

Yeganeh Mousavi Jahromi, Ph.D \*, Amin Qobadi \*\*

### Abstract

The Automotive Industry in the most of the developed and developing countries, which are active in this field is considered to be the engine of the industrial sector, and its product is deemed as sign of growth and national identity for any country in toto. In Iran, the growth and development of automotive industry for attaining its optimal position and competitiveness, have always been the main goals and desiderata of strategic planners in this industry. Hence, reviewing the automotive experiences of leading countries, such as South Korea in the context of industrial activities, could provide useful pattern for formulating the future planes of this industry in the country per se. In this paper, an attempt is made to investigate the structure and operation of automotive industry in the South Korea. The results prima facie indicate that the process of automobile manufacturing in South Korea, is a compiled and coherent program which availed the unsparing support of the government in the initial stage and gradually by its proportionate and stepwise progress, the extent of government finance diminished and the share of private sector in this industry enhanced, so that at present, it is distinguished as one of the automotive industrial hubs in the world and its manufacturing products are competing with most sophisticated car industries of the globe, sine qua non.

It is worth to note that, although comparatively the automotive industry of Iran is almost in the same age as it is the South Korea's one, but due to lack of any comprehensive and coherent strategy on automotive industry in Iran, its products are laying behind the South Korea and can not compete with her in the market sui generis.

**Keywords:** Automotive Industry, South Korea, Iran, Government

**JEL Classification Codes:** E23, R38, R42.

---

\* Member of Scientific Board, Payam-E-Nour University

yeganehmj@gmail.com

\*\* Research Officer, Department of Economic Research and Policy, Central Bank of I.R. of Iran.

a. Qobadi@cbi.ir

## Issues on Design and Implementation in Inflation Targeting

Translated by:

Reza Boostani, Ph.D, \* Hadi Dadkhah \*\*

### Abstract

Realization of potential benefits of inflation targeting depends on how effectively its strategy is designed and implemented. In practice, inflation targeting Central Banks have tended to execute this approach in broadly similar ways. Implementing inflation targeting has two advantages: transparency and flexibility. Transparency could improve the public understanding of what monetary policy can do and can not do; decreasing the economic and financial uncertainty; and strengthening the accountability of the Central Bank to the government and the general public. On the other hand, flexibility means the Central Banks can react effectively to short-run macroeconomic developments. These two features tend to be mutually reinforcing.

Key operational issues that arise in the implementation of inflation targeting include: the choice of the numerical values for the targets; the time horizon over which the target is relevant; the condition under which the target should be modified; how to go about hitting the target; and how to handle unintentional target misses. Making decision about these issues is fully compatible with instrument independence for the Central Bank.

**Keywords:** Monetary Policy, Inflation Targeting, Design, Implementation, Independency.

**JEL Classification Codes:** E31, E52, E58.

---

\* Researcher, Central Bank of I.R of Iran

\*\*Ph.D, Student, Sistan and Bluchestan University

## Central Bank Role in Financial Stability

Translated by:

Abbas Fadaie\*, Mohammad Valipourpashah\*\*

### Abstract

In the run – up to the 2007-2009 financial crises, Central Banks were celebrating their success on price stability amid their independence from government and virtues of their strong analytical framework of inflation targeting. However, the global financial crises paved the way to ponder about the financial stability sine qua non. Since history teaches us that Central Banks have always had a dual role: maintaining price stability and financial stability per se. In this context, the financial stability departments are expanding in different Central Banks of the world. It is worth to note that most Central Banks were established during the times of crises to finance the government and assume the role of financial crises management, in their early days. But at present, while the structures for financial stability are well articulated, somehow, the analytical models and the appropriate macro prudential tools to correct the financial system in times of crises are not developed, which are major challenges for the Central Banks to be applied de Jure. Thus many academic economists favor a rule-based system to ensure that the macro prudential tools are viable and efficient in time, while most Central Banks interested in discretion because according to them each situation is unique, quid pro qua.

**Keywords:** Financial Stability, General Level of Price Stability, Financial System, Macro prudential Supervision.

**JEL Classification Code:** C16 ,C23 ,E51 ,G21.

---

\* Ph.D Student of Economics, Monetary and Banking Institute, Central Bank of IR of Iran.

abbas.fadaie@gmail.com

\*\* Ph.D Student of Economics, Monetary and Banking Institute, Central Bank of IR of Iran.

ashaptl@gmail.com