

**THE DYNAMICS OF ELECTRONIC INVESTMENT NETWORKS:  
AFRICAN EXPERIENCE**

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## **ABSTRACT**

**Expanding opportunities for people in developing countries is a pressing concern for governments and for the global community. This is because of the fact that nearly half of the world's population lives on less than two dollar a day and one point one billion barely survive on less than one dollar a day. Thus, improving the climate for investment in African countries is essential to provide jobs and opportunities for young people and to build a more inclusive, balanced and peaceful world. Consequently, the importance attached to increasing the magnitude and productivity of investment must be underscored. African's investment ratio is still not sufficient to replace depreciated physical and human capital, requiring that both domestic and foreign investment be mobilized to effectively achieved sustained economic growth. This paper therefore argues that the dynamics of electronic investment networks in the African context need to be strengthened.**

**KEYWORDS: E-GOLD, V-CASH, DIGITAL CURRENCY, INVESTMENT, AFRICAN ECONOMY, FOREX TRADING, ON-LINE BUSINESS, ELECTRONIC NETWORKS, INTERNET STOCKS, E-BAY, NETWORK MARKETING, REFERRAL PROGRAMME, USD22, GOLDLINK, DIAMOND TRADERS, COMPOUNDING, INTEREST RATES**

## 1.0 INTRODUCTION

Private firms (farmers, micro enterprisers, local manufacturing companies and multinational enterprises) are at the heart of the development process. Driven by the quest for profits, they invest in new ideas and new facilities that strengthen the foundation of economic growth and prosperity. The contribution firms make to society is mainly determined by the investment climate, which is the location specific factors that shape the opportunities and incentives for firms to invest productively, create jobs and expand. Investment climate thus plays a central role in growth and poverty reduction. Government policies and behaviors play a key role in shaping the investment climate.

Improving government policies and behaviors that shape the investment climate drives growth and reduces poverty.

A good investment climate encourages firms to invest by removing unjustified costs, risks and barriers to competition. But it is not just the volume of investment that matters for growth; rather it is the productivity gains that result. Thus, a good investment climate encourage higher productivity by providing opportunities and incentives for firms to develop, adapt, and adopt better ways of doing things.

Unfortunately, Africa's economic growth performance in the last three decades and has been disappointing. Following relatively high growth rates in the immediate post. Independence period, the continents economic growth rate declined for most of the 1970's, 80's, and 90's. The observed African's poor economic

performance is in stark contrast with developments in other developing regions, especially the high performing East Asian nations. which recorded positive per capital growth rates over a prolonged period. Differences in domestic policy responses to the oil price shocks was one major reason for African's disappointing growth performance. And instead of taking additional adjustment measures, such as currency devaluation and sound fiscal/monetary policies, they tried to accommodate the shocks by financing their current amount deficits through borrowing from the international capital markets (African Development Report, 1995). However, the last two decades witnessed a collapse in gross capital formation, especially for sub-Saharan African although the countries of North Africa have had higher rates of capital annulations, gross capital formation remained stagnant for the period under consideration.

A note broadly based financial system that include money and capital markets, nonblank intermediaries and financial instruments will have increased the supply of equity capital and long-term credit, which are vital to private investment. Non-bank financial instruments such as venture capital schemes, bond and equity, pension funds, insurance underwriting, leasing and mortgage finance an help in promoting competition and diversification of financial markets. Foreign portfolio investment can be attracted with country and regional emerging market funds. Deepening and broadening domestic capital markets will however, require well functioning stock markets and effective institutional framework to regulate and monitor market operations, and encourage the development of private brokerage underwriting and credit rating

institutions. Small and medium-scale micro enterprises are often, in the informal sector, a dominant part of the private sector in African, and effective means of meeting their financial requirements need to be explored. Although informal financial arrangements have served as sources of finance, they have proved insufficient in meeting the needs of these enterprises. Efforts should therefore concentrate on upgrading informal financial arrangements and strengthening their links with formal institutions that have provided financial support to large numbers of clients on a sustainable basis.

Thus, the importance attached to increasing the magnitude and productivity of investment must be underscored. Africa's investment ratio is still not sufficient to replace depreciated physical and human capital requiring that both domestic and foreign investment be mobilized to effectively achieve sustained economic growth. This paper therefore studies the dynamics of electronic investment networks in the African context. The rest of the paper is divided into six sections. Section two looks at the African investment climate. Digital payment system is discussed in section three. Section four is concerned with online portfolios/internet stocks. Network marketing is examined in section five while section six looks at E-book/bay investment. Section seven concludes the paper.

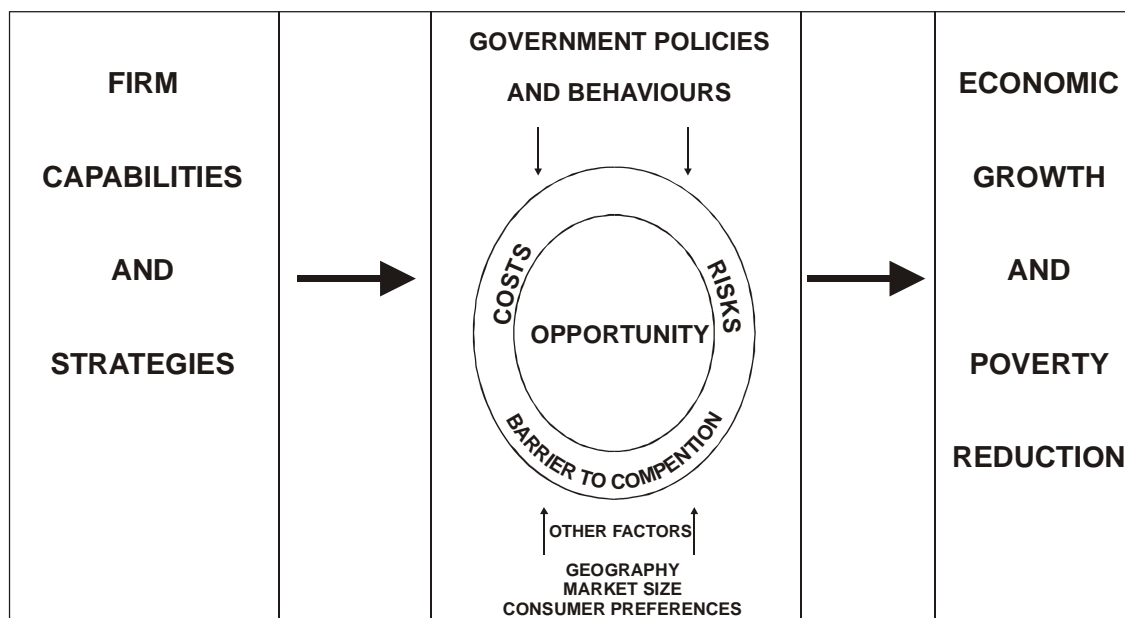
## **2.0 AFRICAN INVESTMENT CLIMATE**

Investment climate is the set of location-specific factors shaping the opportunities and incentives for firms to invest. Productively, create jobs and expand. Firms are the starting point of the

framework as shown in figure 2.1. Here, the term firm include the full range of economic agents ranging from individual farmers and micro entrepreneurs to domestic.

Manufacturing establishments and multinationals, regardless of their size, activity, or formal legal status. The horizontal place represents their investment decision. Firms decide whether to incur costs today to change or augment production in the future, such as investment in machinery, facilities, and research and development. They come to the decision with different capabilities and strategies. Their decision is motivated by the quest for profits and profitability is influenced

**FIGURE 2.1 INVESTMENT CLIMATE FRAMEWORK**



By costs, risks and barriers to competition associated with the opportunity. The volume and productivity of the resulting investment contribute to growth and poverty reduction.

Essentially, a good investment climate is one that benefits everyone in two dimensions. It serves society as a whole, rather than just firms, including through its “impact” on job creation, lower prices, and broadening the tax base. It also embraces all firms, not just large or influential firm. The second segment in the figure represents the investment climate. Some aspects of the investment climate, including geography and market size, are difficult for government have more decisive influence over a range of other factors. The specific influences are policies closely tied to investment behaviour. Thus, the forward-looking nature of investment points to the importance of stability and security, especially the security of property rights. Regulations and taxes quality property rights and have first order implications for costs, risks and barriers to competition. Finance, infrastructure and labor are the key inputs to investment activities. But firms do not respond to formal policies above and they make ligaments about how those policies will be implemented in practice. Thus, it is the interaction of formal policies and government that firms assess in making investment decisions. And this has important implications for strategies to improve the investment climate.

Indeed, the private sector is not static nor are individual firms. There is a large and ongoing reallocation of output and jobs across firms. Such dynamics is a sign of a vibrant economy and accounts for a significant share of productivity growth. Here, firms are forced to compete in their search for profits and there are enticements, such as the lure larger profits. The entry and exit of firms is and inherent part of a market economy and an important source of

innovation. While trade theory predicts that much of the adjustment to greater openness would lead to reallocation across sectors, there are larger differentials in the levels and rates of growth of productivity across firms within a sector and low productivity helps predict exit. It is not that countries should aim to have a particular size distribution of firms. Here, what is important is allowing the selection mechanism to work free of political interference that favours influential political influence and try to use this to manipulate policies to their advantage, often at the expense of smaller firms.

However, most Africa countries have a dual structure with a modern economy operating abridgise a more traditional economy with high levels of informality. Estimates suggest that more than half the economy is informal in many African countries (world bank, 2005) and that informality is growing.

There are also degrees of informality and one criterion is whether firms are registered with the government while another is compliance wit regulations and taxes. The informal economy is diverse, ranging from subsistence farmers and these engaging in entrepreneurship out necessity, to more affluent firms that find it feasible to evade tax and regulatory obligations. Here, a large pool of individual workers exists in the informal economy, working for formal firms as wells as working for enterprises that are threshes informal. Women are disproportionately concentrated among the smallest of the informal microenterprises regulatory experience in other countries, too often regulatory systems have been transplanted uncritically to African countries from elsewhere. Many

African countries inherited their regulatory systems from former colonial powers. Particularly, when the colonizing power had little interest in establishing long-term settlements, there was little incentive to adapt approaches to the needs of the broader community. Being largely irrelevant to conditions in the host society, the regulations were often ignored or used mainly as a lever for officials or other to extract rent. Those benefiting from the status quo have incentives to resist reform, no matter how dysfunctional the regulations may be for the investment climate. So the same laws and regulations often remain unchanged for decades, even as laws in the source country evolve.

The tendency to transplant laws and regulatory systems from other countries continues to this day. In many cases, adaptation to local conditions is required and without it, transplanted approaches can lead to poor results. Regulatory standards may be set at unrealistic levels relative to local circumstances, contributing to compliance problems, informality and unjustified costs. Approaches may not fit easily with related parts of the policy and regulatory framework, generating additional uncertainty and risk. Or regulatory systems may involve high levels of discretion relative to the effectiveness of local institutional safeguards. Government failures and poor institutional fits combine to create many distortions in regulatory approaches that harm the investment climate in African countries.

Good financial markets connect firms to lenders and investors willing to fund their ventures and share risks, while good infrastructure connects them to their customers and suppliers and helps to take advantage of modern production techniques.

Unfortunately, inadequacies in finance and infrastructure create barriers to opportunities and increase costs for rural micro entrepreneurs as well as multinational enterprises.

By impeding new entry into markets, these inadequacies limit the competitive discipline facing incumbent firms, dulling their incentives to innovate and improve their productivity. However, such inadequacies are large in African countries. Here, the underlying problem with both finance and infrastructure can be traced to a specific market failure. Information asymmetries and market power associated with economies scale. Financial markets have been repressed and distorted by state ownership, monopolies, directed or subsidized credit and other policies appealing to the short-term interest of politicians and favored groups. Those measures undermine financial sector development, firm-level productivity, and economic growth. Governments using state ownership or regulation to pursue objectives unrelated to efficient service delivery have undermined infrastructure provision. This act typically favor some groups over broader interest and introduce new sources of inefficiency Thus reflection of African investment climate is comparatively shown in table 2.1

**TABLE 2.1 AFRICAN INVESTMENT CLIMATES COMPARATIVE REFLECTION**

| 1                       | Gross Domestic Product Per Capital % Growth, 2002-2003 | Gini Index | Gross % of Capital GDP Formation 2003 | High Technology Exports % of Manufactured Export 2002 | Net Private Capital Flows Millions of Dollars 2002 | Foreign investment Million of Dollar 2002 | Official Development Assistance Dollars Per Capital 2002 |
|-------------------------|--|------------|---------------------------------------|---|--|---|--|
| 1                       | 2  | 3          | 4                                     | 5   | 6  | 7   | 8  |
| World                   | 1.4  |            | 20                                    | 21  | -  | 630,827                                   | 11   |
| Low income              | 4.9  |            | 22                                    | 4   | 7151   | 12941                                     | 12   |
| Mid East & North Africa | 1.2  |            | 232                                   | 2   | 5359   | 2653                                      | 21   |
| Sub-Saharan Africa      | 1.3  |            | 18                                    | 4   | 6968   | 7822                                      | 28   |

### **3.0 DIGITAL ELECTRONIC PAYMENTS SYSTEM**

The payments system consists of institution, set of instruments and procedures through which economic agents discharge financial obligations. In other words, a payments system refers to a set of instructions and procedures used for the transfer of value and settlement of obligations arising from the exchange of goods and services within a defined market. Here, the ultimate goal is to ensure that exchange of monetary value is achieved using payment instruments that offer the least risk, inconvenience and cost. A few attribute defined this system reliable, prompt accessible, secure and cost effective. The digital payments system includes internet/e-banking, GSM/Mobile banking, electronic money, credit cards, debits cards, virtual recharged for private telephone operators (PTO) E-cash by Digi-cash, EFT, SWIFT, ATMS. Because of the use of hi-tech security measures, like biometric verification, which includes the electronic reading of fingerprints, incidents of fraud are easily thwarted.

Indeed, a payments system is a mechanism that facilitates intermediation through the transfer and the processing of the value of money from the payer (buyer) to the payee (seller) in the process of exchanging goods and services. The system includes not only the instruments but also organizations, operating procedures and information and communications arrangements that are used in initiating and transmitting payment instructions from one part to another in settling obligations. The electronic payment system enables fund to be transferred electronically between individuals, financial institutions, companies and the government sector. Thus, the system is made possible by the

existence of electronic money (e-money), which can be defined as a stored-value, or prepaid product in which a record of the funds or value available to the consumer for multipurpose use is stored on an electronic device in the consumer's possession. In other words, electronic money is defined as an electronic store of monetary value on a technical device, including prepaid cards that may be widely used for making payments to entities other than the issuer without necessarily involving bank accounts in the transaction, but acting as a prepaid bearer instrument. The two main types of electronic money are card-based e-money (electronic purse) and network or software-based e-money (digital cash). However, the payments architecture has been modernized drastically to support the new business culture through electronic means of settlement and these include electronic bill presentment and payment (EBPP), electronic funds transfer (EFT) real time gross settlement system (RTGS) and electronic clearing.

Electronic funds transfer refers to the system of transferring money from one bank account to another without physical money changing hands. ETF is used for both credit transfers, such as pay roll payments, and for debit transfers, such as mortgage payments and other periodic payments. It has an edge over other payment instruments because it is safer, more convenient and more cost effective than paper, cheque payments and collections. SWIFT (system of worldwide inter bank fund transfer) is a prototype EFT. It is designed for international payments using a messaging system. It facilitates international trade; letters of credit and its transfers are characterized by high transaction costs denominated in United States dollars.

Essentially, SWIFT is a worldwide community of financial institutions whose purpose are to be the leader in communications solutions enabling interoperability between its members, their market infrastructures and their end-user communities. It works in partnership with its members to provide low-cost competitive financial processing and communications services of the highest security and reliability. It contribute significantly to the commercial success of its members through greater automation of the end-to-end financial transaction process, based on its leading expertise in message processing and financial standards setting. It capitalizes on its position as an international open forum for the world's financial institutions to address industry-level threats, issues and opportunities.

Plastic money refers to any online or offline card based device which carries monetary value that could be used as a means of setting financial obligations. Plastic money types include e-purse, debit cards and credit cards. E-purse or electronic wallet carries a pre-loaded monetary value and can be used as a means of payment for multiple small value purchases. E-purse such as value card and smart pray is the predominant type of plastic money in use in most part of African countries. Credit cards allow the holder t make purchases and with draw cash up to the prearranged credit line. The credit is settled either in part or in full within a specified period. Credit card are used in most countries worldwide to pay for goods and services, settle bills over the phone or by direct debit, order goods and services over the phone and the internet, and withdraw cash from ATMs at home and abroad, spread payments

of more expensive purchases and so on. The examples of internationally recognized credit cards include visa, Diners, master card, Discover, America express and so on. Debit cards enable the holder to have purchases and withdrawals charged directly to funds in his account. VISA, Euro card Master card, and America express and ATM cards are some examples of debit cards. The automated teller machine (ATM) is a cash point machine that allows the customer to perform some of the common teller transactions such as cash withdrawals, deposits and transfers. ATMs are generally accessible 24 hours a day, 7 days a week, 365 days a year.

However, the challenges facing credit card used in African include; absence of a credit risk management framework, absence of a national identification scheme, high percentage of unbaked population, and lack of enabling legal framework. The key problems facing the acceptance and used of debt cards/ATM services include the limited geographic spread of financial institutions, especially in small towns, inadequate infrastructure, lack of public awareness, lack of interoperability between issuers/service providers as well as security concerns. Thus, an adequate and functional information and communications technology (ICT) infrastructure is essential to the realization of an efficient, reliable, prompt accessible, secure, and cost effective payments system.

e-gold (established in 1996) is a gold backed digital currency service, offering irrevocable online payments, and easy online access. The currency is widely accepted, established, stable and

secure. Similarly, V-cash (established in 2001) has become a widely accepted digital currency and provides real-time irrevocable online payments, with a safe, secure easy to use online interface. The international cash card service will completely revolutionize the way in which e-commerce is transacted on and off the Internet. With the cash card, you control your money, immediately whenever and wherever you happen to be. In other words, cash card is the secure, real-time, transaction systems for the 21<sup>st</sup> century.

A day trade with \$5,000 in a trading account can open a position worth up to \$500.00. However, there are some online brokers that permit new traders to open trading accounts with as low as \$1,00 and allow trading with \$500 margin.

Since leverage can work against you as well as for you, the risk factor is very high in currency trading and as such, a person who does not have extra capital that is losable should not trade in the currency markets. However, proper trading and adherence to the prescribed system gently enhance your prospects of very profitable trading. You must be willing to allocate enough time to study and master basic trading skills/disciplines before putting real money at risk; acquiring a proven trading system or methodology that should be strictly followed to eliminate trading on emotions. Such a system will incorporate good money management including correct stop loss. Placements and must have a real-time data feed with quality charting software. This will enable you to clearly analyze the market and follow our trading strategies and you must have a good forex broker that offers demo trading accounts and

will enable you to execute your real trades without excessive delays and slippage. Again, a professionally managed forex currency program can be structured in a number of ways. Most have a minimum account requirements of at least \$25,000 or more and they usually require investor to enter a written agreement with the management company which includes a maximum risk tolerance level. Investors then deposit funds into a special account held at a bonded institution (bank) and thereafter, the management company trades for the investor attempting to achieve a 3.9% net return per month. For their services, a trade commission and incentive fee is charged and deducted from the gross profit, and some programs even provide segregated accounts, insurance policies and trading audits to increase investor safety and peace of mind.

#### **4.0 ONLINE PORTFOLIOS/ INTERNET STOCKS**

An online-high yield investment program is an investment plan that offers return on investment (ROI) higher than the conventional investments. The profits are usually calculated and paid on a daily basis, while general interest rates range from 0.5% to 10% daily. However, this investment program could as well be regarded as higher risk investment program because the risks involved are higher than those of conventional investment plans. Here, as an online investor, you invest some money in the program of your choice and get paid a pre-agreed percentage of your principal as a profit daily, weekly, monthly or even yearly depending on the terms offered by the network administrator.

The very high yield investment program offer interest percentage usually from 5% and above daily. These types of investment programs usually allow a minimum deposit of one dollar and offer very short-term investment plans ranging from one to three days. That means that you should be able to withdraw your principal from them after these days, depending on the chosen plan. Here, they operate the principle called PONZI. They pay you interest with the money new investors deposit with them and the cycle continues that way. However, this program may not last long. Thus, a potential investor beware.

The moderate yield programs offer returns on investment rate that are higher than conventional investment schemes but are moderate and realistic. These rates are usually between a half percent to three percent of your principal daily depending on the amount deposited and duration of principal. They usually have a

minimum deposit limit of ten dollar as well as having a period for which the principal will be locked in. thus, there will be a period of time (such as six months) from the time you make a deposit with them that you will not be able to withdraw your principal. However, your profit will be paid daily and made available for withdrawal anytime

The high yield investment program that give online accesses to your investment account are programs that you are required to open an account with them using a username and password of your choice. Here, all the details of your transactions with them are recorded in your account and you can login at any time to check your deposits, account balance profits and withdrawals. Again, your daily profits are paid into your account and available for withdrawal into the e-currency account upon request. On the other hand, the high yield investment programs that do not give online access to your investment account are programs that do not make provision for you to access your investment with them online. You do not maintain an online account on their website and such programs pay your profits directly into your e-currency account when due. Given online security threats, this program type is the safest. In other words, there is no risk of hackers hacking into your account on the program administration website and then being looked out.

Compounding of profits is an investment feature in which you are allowed to compound your profit from one day to your capital for the next day's profit calculation. As an illustration, suppose you deposited one hundred dollars that pays two percent daily. After

the first day, you would have earned a profit of two dollar and instead of withdrawing the two-dollar profit; you can decide to compound the profit wit the principal. In this case, the principal for the secondary will be one hundred and two dollars and your profit will be calculated based on this. It continues that way as long as the investment last, these programs that allow compounding have a feature in the online account where you can specify the percentage of your profit to be compounded daily from 0% to 100%. Thus, a wise decision is to set your compounding ratio to 0% and keep withdrawing all your profits to your e-currency account until you have recouped the initial money you invested. Thereafter, you can set your compounding ratio to anything between 0% and 100%.

Transacting business with the high yield investment programs is mainly through the Internet and there is need for a medium of exchanging funds over the Internet. The popular and universal medium is through e-currencies. E-currency is a medium of exchange widely accepted across the Internet and there are different e-currencies that are mostly denominated in United States dollars. Examples include storm pay, international gold, e-gold, e-bullion and EMO. E-gold is the oldest, popular and widely accepted e-currency. It is backed up by physical gold and denominated in dollars. The account is free to open and it accepts people globally. However, e-gold does not collect cash from you. Thus, you will have to make use of independent exchange services whom you will pay, through any means specified by them and they will in turn credit the equivalent funds to your e-gold account. Also, whenever you withdraw your profits from the

investment programs, the funds are deposited in your e-gold account. To convert this money in your e-gold account, you have to make use of the exchange service by transferring the funds to their account and they will pay the cash equivalent.

Unfortunately, there is a security problem in securing your e-currency and HVIP investment accounts from hackers. These hackers use a fraudulent means to obtain your login details as they login to your account, change all the details in your profile and then transfer all your available funds to another account. Worst, they take over your account and make sure you don't have access to the account anymore. As a remedy, always use a password that is a combination of letters and figures; open a separate email account that you will use in operating high yield investment programs.

On using a public computer, always make sure that you delete all the pages you visited from the computer and to do this, click on tools on your browser menu, select temporary files and clear history. Never open an email that you don't know where it comes from and some of these emails actually carry malicious spy-ware programs, which are installed on your computer as soon as you open the email. The program collects important data about the sites you visit and your password and sends it to the hacker, who later uses that information to gain access to your accounts and wreck havoc. After you have opened the e-gold account, do not disable the security features put in place. The default setting is such that if you try to login to your e-gold account from a computer different from the one you opened it with, you will be denied

access until you have supplied a verification code which will be sent to your email box. Try as much as possible never to leave a large sum of money in your e-gold account so that even if you get hacked, there will be little or nothing to be stolen.

However, if your e-gold account was hacked, go right ahead and call e-gold by phone. They may not be able to retrieve your stolen money but they will help your gain access back to your account. Then you should send an email to your investment program administrators. If they are genuine programs, they will address your issue quickly and once they establish that you are the real owner of the account, you will be given access back to your account and you can once again change your password.

Online forex trading is the worldwide cash inter-bank or inter-dealer market that uses a floating exchange rate system. It is the world's largest financial market with an estimated daily average of about \$1.5 trillion. The forex market is so large and is composed of so many participants that no one player (not even a large government) can completely control the direction trading is between (about) three hundred large international banks that process transaction for large companies and governments. These institutions continually provide exchange rates or each other and the broader market. Trading occurs over the Internet, by telephone and through computer terminals at hundred of locations worldwide.

The sessions are;

|                         |   |                  |   |          |
|-------------------------|---|------------------|---|----------|
| 1 <sup>st</sup> session | - | Asian session    | - | 7am Est  |
| 2 <sup>nd</sup> session | - | London session   | - | 2am Est. |
| 3 <sup>rd</sup> session | - | New York session | - | 7 Am EST |

For most online brokers, there are four currency pairs that are heavily traded and that offer almost immediate liquidity;

- US dollar/Japanese Yen
- US Dollar/Swiss Franc
- British Pound/US Dollar
- Euro/US dollar

Here, a forex trader can usually choose his or her own hours to work since the global foreign exchange market is open 24 hours/7days. As hypothetical examples, let us consider how realistic you could trade the US dollar/Swiss Franc that is quoted in Franc per dollar.

- a. Having \$5,000 in a trading account with your forex broker;
- b. Identifying a high-probability buy opportunity
- c. Buying one lot of 100,000 dollar/Franc at 1.6010
- d. Calculating potential 80-pip profit and place a limit order at 1.6090.
- e. Calculating potential 40-pip loss and place a stop order at 1.59706
- f. Two hours later, dollar rallies at 1.6080, stalls and begins to reverse
- g. Selling your one lot at 1.6070 to lock in a 60-pip profit

Thus, the analytical transaction result is

- Brought \$100,000 worth of dollar/Franc at 1.6010
- Sold \$100,000 worth of dollar/Franc at 1.6070
- +60-pips of profit X \$6.00 per pip = \$360.

In just two hours of trading, you realized a gross profit of \$360, which is again of approximately 7.2% on your \$5,000 investment. Indeed, it is the high degree of leverage available to forex traders that enables you to do this with margin requirements as little as one percent, a trader with \$5,000 in a trading account can open a position worth up to \$500,000. It is this leverage that makes it possible for even a part-time day trader to earn double-digit monthly returns on investment. Since leverage can work against you as well as for you, the risk factor is very high in currency trading. And as such, a person who does not have extra capital that he or she can afford to lose should not trade in the currency markets. However, proper training and adherence to the prescribed system greatly enhance the prospects of very profitable trading.

Thus, you must be willing to allocate enough time to study and master basic trading skills/disciplines before putting real money at risk. You must also acquire a proven trading system or methodology that should be strictly followed eliminates trading on emotions. Such a system will incorporate good money management including correct stop loss placements one must have a real-time data feed with quality charting software that will enable us to clearly analyze the market and follow trading strategies and having a good forex broker that offers demo trading accounts, will enable us to execute the real trades without excessive delays and slippage.

However, a professionally managed forex currency program can be structured in several ways. Some, with minimum account

requirements. (\$25,000) usually require an investor to enter a written agreement with the management company, which includes a maximum risk tolerance level. Investors the deposit funds into a special account held at a bound institution/bank/and thereafter, the management company traders for the investor attempting to achieve a 3.9% net return per month and some programs also provide segregated accounts, insurance policies and trading audits to increase investor safety and peace of mind.

Internet-based stock trading is an order routing and execution system, providing seamless trading in shares on the stock exchange. The client, after signing an agreement with the net broker, gets password, which enables him to get the trading terminal on his computer. This terminal gives real-time information on the offers and bids and other market information. The trader can set up a portfolio watch so that the value of his portfolio can be updated on a real time basis. When the client feeds in the order, the order goes to the broker's trading server and from these to the stock exchange system. And once the trade is executed, the confirmation along with the order number and trade number and time of execution flows back to the client. Here, the essential component of Internet based trading is the interface between broker, bank and depository participant (DP). A broker bank-DP is the best combination to begin Internet trading but experience has shown that it is. Not mandatory that all three are in position before internet-based trading commerce. As internet trading becomes a reality, the interface will develop with enquire from interested parties with this interface, the broker can control the exposure of the client on a real time basis and also fix advance exposure limits

on the basis of the deposit with the broker or on the basis of the brokers' own credit assessment of the client. In the perspective of overall risk management of the net broker, the system provides a flawless control mechanism, which is essential when dealing with faceless customers. Infact trading is only a logical extension of the computer to computer link allowed by the stock exchange and have the broker will be in a position to provide value additions, either on his own or through the software render.

Infact, the advent of internet-base trading in the world will change the face of the world capital market very soon in terms of the volume of transaction, the nature and settlement or trade and the profile of market participants. Having the ability to in the market is crucial and day trading gives us the independence and timing necessary to pin point the entry and exist points. In day trading, individual orders receive almost the same visibility as market maker orders by utilizing the state-of-the art systems provided by various broker/dealers, traders may have order executed in a matter of seconds. The 'spreads" (the price different between market makers stock buyers and sellers) are no longer the sole domain of the market makers. That means that the active day trader, by monitoring real-time dynamic quotes, has the ability to buy, sell, bio and offer within the spread, thus creating the opportunity to realize small profits. Here, the increase trader may execute anywhere from 20-90 traders in one day. Instant access to the market also helps minimize trading risk and gives a trader more control and the ability to bail out of a bear market.

Basically, a day-trader needs a 'trading floor' where real-time dynamic NASDAQ and NYSE quotes and computer access to NASDAQ's small order execution system and select-Net systems, and NYSE's DOT system is provided. The best way to become involve in day trading is to watch the excitement first-hand. A larger account leads to a higher buying power and the higher buying power opens the door to more opportunity such as higher priced stocks or opening multiple positions. Higher price stocks have more potential for volatility and opening multiple positions could allow you to increase profitability when a market trend is evident. In general, most day traders are flat at the end of the trading day. Holding a position overnight increases the trader's exposure to loss and increase market risk. Perhaps, one major reason that day traders do not carry overnight positions is because after the closing sell, you have no control over your position. Anything can happen and you have no control of it until the following morning which may be two late. Trading involves substantial risk and if you plan on trading with borrowed money or money you cannot afford to loose, day trading is not for you. Consequently, special attention must be paid to the risk management techniques.

## 5.0 NETWORK MARKETING SERVICES

Behavioral scientist have shown that in communication with others, we are least effective when we tell people things or attempt to dominate them (that is, by means of presenting, telling, teaching or persuading). But we are more effective when we interact and discover from each other (that is, by means of discussion or debate). And we are our most persuasive when we allow others to persuade themselves (that is, by means of dialogue). Thus, if we want to be effective in selling and long-term relationship building, dialogue is the most important. By having dialogue, you create a field of energy that makes people compelled to listen to you and your idea; which apparently is the dream of every sales person and distributor. The purpose of dialogue is to go beyond each person understating so that, 'collectively we can be more insightful more intelligent than we can possible be individually. Basically, there are three premises necessary for dialogue; all participants must suspend their assumptions, all participants must regard one another as colleagues and there must be a facilitator who holds the context of dialogue. The following methods of recruiting practices for networks can be either 'stand-alone' recruiting systems or involve during qualified traffic to a presentation website which has a lead capture mechanism built- in. This allows for an interested prospect to educate and identify themselves and request information and follow-up. These methods include targeted direct mail, offline classified advertising, offline display advertising, coop post card decks, publicity and other effective direct response advertising. And yet, the five essential ingredient of multilevel marketing recruiting in network marketing are conviction, communication, consistency, connection, and caring. Again, there

are secrets behind the success of top network marketers. They believe wholeheartedly in the company they work with and the products or services it markets. They have and show a confidence in themselves and their ability to succeed. They know their products, their business plan and the likely objections they will face from the people to whom they will present them. They have a well-defined system in place for obtaining leads on people that may be interested in what they offer and they have a well-defined system for taking those leads through an information process about their products and/or business plan. And they know where to spend most of their time and efforts.

Goldlynks club (initiative of cash cards international) is an online club established to help all people appreciate the value and beauty of gold, as well as understand the power of adding rare collectible American gold coins to investment portfolio for future appreciation. The concept of Goldlynk club is about linking its members to the wealth council of Gold. The club is opened to all persons based in countries featured on the Goldlynks club registration form. Here, there is the multi-level marketing (MLM) plan integrated into the club's registration process. On the payment of the club registration fee (of about one hundred dollars) gets you started at the initial starter cycle. After the transfer fees are paid, the actual amount left for registration is eight-nine dollars from this sum, twenty dollars goes to your up line, nineteen dollars goes for administrative expenses, and a fifty dollar deposit is placed in your name for the acquisition of a gold coin value at two hundred dollars.

Consequently, you have an option of having the fifty dollars deposit placed for the acquisition of a gold coin valued at two hundred dollars. The one hundred and fifty dollars must be paid within ninety days from the date you registered, and deposited funds for the gold coin. This implies that you have a limited time period of ninety days to pay the sum of one hundred and fifty dollars. Alternatively have the deposit of fifty dollars placed in your name for a gold coin, but instead of paying the balance of one hundred and fifty dollars, you join the 'power-cycle program', and get the gold coin or its monetary value. Essentially, the power-cycle program gives you the chance to earn gold coins or money through a marketing, system, known as "Network marketing" or 'multi-level marketing'. If you decide the latter, then introduce two people to the Goldlynks club and get them registered under you as your direct down line. Instruct your two direct down lines to also get two down lines each and ensure that you have six persons under you. In the eventuality of having six registered persons under you, you then qualify to power-cycle. Whenever this process is completely done, you will earn at the next power-cycle date. In other words, power-cycle means having six down lines with the aim of qualifying to earn a gold coin or the money value of a gold coin; and power-cycle date means the date a power-cycle payment is to be made.

The two categories of club membership in the program are affiliate membership and agent membership. The affiliate membership is free and is gotten automatically, once you complete the registration process. The member also gets a free personalized website and online bank account. The personal website has two

component parts; a general cash cards site and a member center. The member center is your personal site, where all the website tools needed for you to browse and conduct business transactions are found. Your online bank account (V-cash) is only accessed through this member center. The major advantage of this membership is the opportunity to withdraw their funds (money) from the Internet. Cash cards (e-currency solution provider) allow its members to use their V-cash account to send money to other e-currency platforms (e gold). Here, you can use your V-cash account to transfer funds from your e-gold account and with the V-cash account; funds can be loaded onto a debit card available from cash cards international. On the other hand, the agent membership category is gotten when the club registration fee is paid and the deposit for gold coins made and agent members, who participate in the power-cycle program at any of the cycles, can residual income for life.

The 'power-cycle date' means the date set aside for the power-cycle of any cycle you belong. The power cycle for the starter cycle stage comes up twice a month, for every new member. As a new entrant, your starter cycle power-cycle date will come up twice in every month. The days of starter cycle's power-cycle are the second and fourth Thursday of every month. The power cycle date for the " A cycle stage comes up one a month, if you are in the 'A' cycle and the starter cycle only; and the day is usually the last Tuesday of every month. However, the power-cycle date for the 'B' cycle stage does not exist for every new member. Here, you have to migrate from the starter cycle to the 'A' cycle, then from the 'A' cycle to the 'B' cycle. When you are in the 'B' cycle, the power-

cycle date for 'B' cycle then becomes operational. The power cycle date of the 'C' cycle stage, comes up when you migrate to the 'C' cycle from the 'B' cycle. When a member attains the 'C' cycles, his/her power cycle dates are fully activated. Thus, in this program, the power-cycle date for a 'C' cycle member becomes 'C' cycle (once a month), 'B' cycle (twice a month), 'A' cycle (four times a month) and starter cycle (eight times a month).

Diamonds were first mined in India around 500 B.C but now it is mostly produced in Australia, Botswana, Namibia, South African, Russia and Canada. Canadian diamond traders (CDT) Inc. is located in Toronto, Canada. They have been a highly successful, international diamond and rare gems company, specializing in marketing diamonds to brokers and Jewelers all over the world. CDT is a brick and mortar business that has been wholesaling diamonds internationally for the past years. CDTs gems are graded and appraised by 'Gem scan international. This gem scan is the largest accredited appraiser in Canada and they appraise for birks, mappins, tiffany's and other well know Jewelers and brokers. The gem scan's appraisers are also GIA certified.

Once diamonds have been mined and processed out of the mine, the rough crystals are sorted and categorized according to size, color, shape and other characteristic. Diamonds are found as rough stones and must be processed to be ate a spark that is ready for purchase. Diamonds are cut along planes of weaknesses to create the shape and facets of the diamonds in the jewelry store. Most miners well their mine production to the Debeers Cartel, central selling organization (CSO) while others offer newly

mined diamonds directly to world buyer. These buyers may cut the rough diamonds and sell the polished gems either to jewelry manufacturers or to diamond wholesalers, who then sell to diamond retailers.

To join the diamond program, you must register online at [www.canadianionds.com](http://www.canadianionds.com). One may enter as many times as possible in the diamond program. Once you are placed on the table, you may sign in at any time to see your position on the table and you will also see where you are in relation to all other members on your table. The feeder program requires one hundred dollars deposit and the diamond program requires five hundred dollar deposit. The feeder program is a stepping-stone, which feeds the diamond program. The diamonds purchased as a collector in the feeder program is valued at minimum four hundred dollars while the feeder program earns you seven hundred dollars commission. Here, the two people recruited in the feeder program follows you into the diamond program and qualifies you.

Basically, CDT designed a simple compensation plan, which is referred to as the diamond table. Once it is full, you receive three thousand dollars, plus a diamond worth with an approximate retail value of two thousand, seven hundred dollars. Here, you earn commissions by referring other members to the program and when they make a purchase, you get credit for the sale. Best of all, the soles required to fill your table can come from people above. you, people below you and your own sales efforts or any combination. Thus, there are four levels and fifteen positions. Diamond miner (eight positions), diamond cutter (four positions), diamond polisher

(2 positions), and diamond collector (1 position). When you join, you start at the bottom miner line and there are eight diamond miner positions. When eight diamond miners fill up the level, you move up to the diamond cutter line and there are four diamond cutter positions available. When your diamond cutter line is filled you move up to the diamond polisher line and there are two diamond polisher positions available. When your diamond polisher line is filled, you move up to the diamond collector and there is one diamond collector position available and when you are in that position, you are ready to cycle out and receive three thousand dollars check and diamond with an approximate retail value of two thousand seven hundred dollar as soon as your diamond table is full.

As program rules, everyone enters or re-enters the system with no workers or freebees (OWOF). The maximum number of workers or freebees required to successfully advance into the diamond collector position is two (2WOF or IWIF). Every diamond trader that you directly sponsor (as directly referred by you) in the system is your permanent referrals. When they enter the system, they will look for you first, and if you are need of a worker they register as a worker (W) for you only. If you already have your two workers (2W) they become a temporary worker (W) for your up-line first-if there are no up-line members on your diamond table that need a worker then they become a temporary freebee (F) for someone else on your diamond table. Freebees are generally assigned to someone who has a worker (IWOF). Here, there are two kinds of freebees; a company – sponsored freebee assigned permanently to a member on the slowest diamond table in the system and a temporary

freebee acquired through the sponsoring efforts of persons on your diamond table who are not a part of your down-line. A freebee (F) is equivalent to a worker (W) in every way except that a freebee is a temporary worker coded as an 'F'. 2WOF = IWIF. Either one of these scenarios qualify you to become a diamond collector. If you advance to the diamond polisher position without being qualified, you will remain in that position until you are qualified and until the diamond table splits. A Diamond cutter who is qualified with two workers will jump over a 'diamond polisher' who is not qualified with two workers into the 'diamond collector' position. And in this system, only diamond cutters are allowed to jump. A 'diamond polisher' with only 1 worker (IWOF) will get a freebee first before any 'diamond cutters' or 'diamond miners' with 1 worker only. However, a diamond miner with 1 worker will get a freebee before a 'diamond polisher' with 0 works. If you are in the feeder program and you enter the diamond program, the workers that you sponsored into the feeder will follow you into the diamond program and become your workers in the diamond program. In other words, the system will dynamically balance the strong and weak diamond traders as every table splits, to ensure everyone is successful. So, it is not possible to determine who will be on what table. Your down-line position will generally move to another table. As a strategy, the more people you directly sponsor, the faster you will cycle-out and the more frequently you will cycle-out. One should also help your direct down-line to get their two workers in twenty-four hours and then assist those workers to get their two workers in seventy-two hours. Thus, this would definitely allow you and your workers to cycle frequently.

Indeed, one must register with Canadian diamond traders (CDT) to enter the diamond-trading program (DTP). After registering, if you want to become a diamond trader, you must pay a deposit for your first diamond and diamond grading report. Upon the receipt of your payment, you will be placed on a diamond table. Using the user I.D and password you created while registering, you may now sign into CDT's DTP. All new diamond traders will start off in level one, a diamond miner. Thus, the single most vital task for you is to introduce new diamond traders to CDT and you are only required to engage two new diamond traders. The new diamond traders engaged into the diamond-trading program will always enter into the miner position. In effect, you will move into level two as a diamond cutter. And yet, with the efforts of all diamond traders on your diamond table new miners will be engaged into the diamond trading program, enhancing your position into level three, as a diamond polisher. Again, your movement from level one to level three is possible without engaging others into the program because the other diamond traders on your diamond table may have already engaged their two or more workers. However, in order for any diamond trader to move into the final level, the minimum of two new diamond traders must be directly engaged successfully. Having achieved the 4<sup>th</sup> and final level in the DTP cycle, as a diamond collector, you are now the leader of a diamond table and the diamond sales on this table will earn you a healthy commission. When the eight miner positions have see filled, you have completed the DTP. And finally, you will have earned three thousands dollars and two thousand five hundred dollars worth of diamond.

Another way to develop income stream is by getting paid to read email. A PTR (paid to read) program is a website where members earn money for reading email and visiting advertised websites. They may emails that is being sent, come with the link that needs to be clicked in order to visit the sponsored website, and get credited for doing so. On visiting the website, you will see a timer on top of the page, and when it expires, you will receive a fee in your account. The value of this fee depends on the type of advertisement, and the program itself. Usually, the value of 1 email is between 0.25 and 2 cent. Essentially, all the money circulated in the PTR industry, comes from advertisers and promoters. Paid email advertisement can often be geographically targeted, or targeted at the members selected interest. Here, you can request a payment when your account earning has reached the minimum payment level, which is specific to the certain program. Most PTR programs have a low minimum payout while some of them even have a no-minimum payout level. However, PTR always state when they are going to make payments in their terms of service (TOS).

For a start, you are required to register a new dedicated email address and you will need it as you will receive all your paid messages to this address. It is better to choose a yahoo address because it is accessible from everywhere. Some of the paid sites will pay in checks while some of them will pay through internet money exchange sites such as money bookers or e-gold. To sign up, clicks an 'sign-up' (join) and fill in the email address you have chosen in the new page that opens. After receiving a confirmation letter to the email address provided, click on the link

inside and fill in all fields in the registration form. Here, it is better to choose a site with low minimal payment that is reachable. High paid rates for emails and opportunities for paid referrals program. To find out what site to join, there are several resources to guide;

<http://www.getpaidforum.com>

<http://www.gptboycott.com>

<http://www.beenpaid.com>

<http://www.sustainableads.com>

Several established how or no minimum payout PTR programs with good review and reputations include

Getptr.com

Worldwidecash.net

Cashspirit.com

Quickercluckers.com

Cockneymails.com

Live-from-ny-mails.com

Hanlingcash.com

Dolphincents.com

The operational PTR sites include 3-2-1 mail.com, addbonus.com, browser club, commission marketing, allcommunity.com, caring force, extra-salary, Htmal and inboscash.

Selling advertising through blogs is one of the most common ways of making blogs produce income. That is, if your blog is one of those more famous and well read, one can use it to sell and space by himself. An example of such and program is absence. This lets you choose some ads that are somewhat related to what your site is about, you are then paid based on the number of the readers

that clicked on the ads to check them out. Blogs as an affiliate program is therefore another one of those, click through opportunities. It allows blogs to serve as a medium between the affiliate sites and the readers. When a visitor becomes interested on something that you have promoted on your blogs, they can click on the link that you have provided that will lead directly to the affiliate site. And once the customer has decided to buy or avail himself of what is offered, you will get a commission based on the sale made. Indeed, blogs are a way of generating new business and getting potential customers. If you already have a product or service being offered, you can try and offer more and new things through blogs. Here, they can be your own or in reference to other site or business that you want to offer your readers. With its publicity, it has become one of the most effective income-generating tools online.

Paid surveys is something almost any one can do and does not require any specialist knowledge or skill and can be done from anywhere. It is often tedious and won't make you a fortune. It is the ideal parts-time opportunity for people with a few hours to spare of to run alongside a new venture during the 'quiet' periods; and to sign up for online surveys visit [www. Survey club.com](http://www.Surveyclub.com). However, if one prefers to buy a ready-made business, there are many to choose from. Some established and profitable. Internet businesses will gladly sell you a franchise. This will most likely be a clone of their existing business and one must beware. Owning a franchise business on the Internet will prove useless one have territorial rights. Yet, the problem with online franchises is your limitations on what you can see and you must sign an agreement with the

franchiser, that you (the franchisee) will only sell their range of products. For the various franchise opportunities, visit [www.usatoday.franchisesolutions.com](http://www.usatoday.franchisesolutions.com)

An Ezine is a newsletter that is published online and sent out to the subscribers by email. Some are published monthly and others are sent out but it must focus on some aspect of your business. Ezines are generally published with main articles, classified ads and then specials available only from the publisher. The advantage of owning Ezine is the fact that if one is giving good quality information in a newsletter, the popularity concept applies. Essentially, an ezine is an electronic magazine or newsletter sent out periodically to a list of opt in subscribers. Here, opt in means they have voluntarily signed-up to receive your ezine and were not added to the list without their knowledge or permission. Some of the well-known ezines include

[www.rimdigest.com](http://www.rimdigest.com)

[www.simplebizpublications.com](http://www.simplebizpublications.com)

[www.ideasbypost.com](http://www.ideasbypost.com)

[www.myownezine.com](http://www.myownezine.com)

These ezines are very well written and each publisher has a very distinct style and personality to go along with the useful contents. The ezine is much more than an advertisement for your business. It is about between you and the readers, and thus can be a very rewarding, fun, challenging and profitable venture. Indeed, e-zines are a virtual goldmine for everyone involved. The writers can create well-written and informative articles and email them to one thousand of subscribers for free. The readers can receive the high quality information right in their email box address with no

subscription fees. Advertisers in these e-zines can reach a targeted audience for very low cost and e-zines are definitely a WIN-WIN situation for everyone involved. In general, e-zines are more effective than any other method of advertising online. Whereas for web pages, people have to go to search engine, and click a link, when you use e-zines, your advertising message is received right in the email box of your targeted prospects immediately.

Google Adwords are small pay per click advertisement that is displayed on the right side of google search results. The adverts provide highly targeted text or image adverts based on what words people used to search for the product. In the steps involved in setting up an adwords campaign, read an overview of [google adwords](#) to become familiar with how it works. Next, find a product, service to promote that is in high demand and this can be an affiliate product or one of your own products. Try to think of the main keyword people would enter into a search engine that is related to your product and then use the keyword research tools below to see how many times these keywords have been searched on in last month. Create an ad group for each main keyword or keyword phrase use word tracker to research another ten to twenty keywords related to your main keyword and this will enable you to target people who are specially using those words for searching. You can then create a number of different ad groups for each main keyword. Next, create a (Google Adwords account) usually \$5.00 activation fee for google adwords). You now decide how much you are willing to pay per click per day and you can choose a maximum cost-per-click (CPC) and set a daily budget as

low as five cents. Test and monitor your adword campaigns. The usual tracking software is adtrackz and here you can set up any number attacking campaigns and easily view them at a time.

## 6.0 E-BOOK E-BAY SERVICES

Essentially, Internet is all about information and automation. Thus, Internet users want information and they want it now. Consequently, e-books are considered to be the 'perfect' online product, and they provide Internet users with information they desire and can be instantly downloaded. To write a successful e-book is to write for your potential customer and you must provide your potential customer with the information desired. To do this, visit some online discussion lists as well as forums, message boards and news groups subscribe to email discussion lists and visit amazon.com to see the top selling books. Next, you break your subject down into different areas and once you have created your chapter titles, you begin writing each individual chapter.

Portable document format (PDF) and hypertext markup language (HTML) are the most popular e-book formats used on the Internet. PDF is a universal format that will preserve all of your original formatting. Anyone, anywhere can open your document regardless of what browser they are using or the operating system. This powerful program provides Internet users with the ability to create and distribute e-books that are viewable by everyone, regardless of what browser or operating system. The documents will be beautifully preserved in their original layout and will appear exactly intended. Documents formatted in PDF, cannot only be downloaded via a link, they can also be viewed directly from the website, without being downloaded.

Hypertext markup language (HTML) formatted e-books are group of web pages compressed into one. Exe file for distribution. HTML

e-books are completely interactive with the Internet and their files contain live links, graphics, forms, JavaScript, embedded video and so on. Depending upon the type of HTML compiler being used, the HTML formatted e-books can have customizable fields that will enable your users to customize fields you specify. Compilers (editor) is an e-book compiler that includes a step by step interface and a pop-up message box that loads prior to your e-book loading.

Active e-book compiler assigns an ESNB number to each e-book that is compiled as well as enabling the creation of 'rebranding' software. This software can be used to enable your users to modify parts of the e-book that you specify without recompiling. The best e-book format for your project will really depend upon your own preference. However, it is also important to take into consideration the type of e-book that you are creating and the number of pages it will contain.

Once you have decided upon the best format for your e-book, the design process will be next step. No matter which format chosen, are of the most important factors in determining the e-book's overall success is the presentation. The e-book should not only look professional in design, but also should be well organized and easily navigated. The e-book should include images that will enhance its appearance and compliment the subject matter. In the design process, the first page of the book will represent the book cover and it should contain an image or logo that will compliment your e-book. The page should also include your e-book's title as well as an opening statement. The next portion of the book may

contain a foreword with information in regard to your copyrights, disclaimers or other important information. This may be followed by instructional information in regard to using the e-book, such as navigation. The instructions might include an overview of how to navigate your e-book and even some screenshots. A table of contents will assist the readers in easily locating each section of the e-book.

Once you have created the e-book, necessary steps should be taken to protect your work. Although many e-book compilers will enable you to password protect the e-book. The moment you create the e-book, the US copyright laws protect it. However, you may wish to visit the following sites to register online

- Mediaregister  
<http://www.mediaregister.com>
- Click and copyright  
<http://www.clickandcopyright.com>
- US copy right office  
<http://www.loc.gov./copyright/>

Once the copyright is gotten, the international standard book number (ISBN) can be obtained. An ISBN is a ten-digit number that uniquely identifies books and similar products that are published internationally. It is used to uniquely identify one specific title, whether it is a book, e-book or similar product from one specific publisher. This number is completely unique to that one title or edition. Once the ISBN is obtained, you can submit the title to be listed in the books in print database. If the e-book is offered in different formats, we must

use a separate ISBN for each format. To order right online and receive your number, visit

<http://www.isbn.org/>

<http://www.bowker.com/>

The bookland European article number (EAN) is the standard bar code used in the book industry and it enables the ISBN to be encoded directly into the bar code. An EAN begins with 1978 and this code will enable a retailer to scan the code and easily identify a book by its, ISBN. To review the list of book land EAN bar code suppliers, visit.

<http://www.isbn.org/standards/home/isbn/Us/barcode.html>.

Once the e-book is completed, the next step will be to set up an online payment system. There are several alternatives. If you decide to get your own merchant account, you will need access to a secure server and shopping cart system. A secure server will protect your customer's information and a shopping cart system will provide the customer with a running total of what they have ordered and the total cost. A merchant account can be gotten from total merchant services (TMS) [http://www.web-source.net/cgi-bin/web/jump/cgi? ID = 2332](http://www.web-source.net/cgi-bin/web/jump/cgi?ID=2332).

The TMS merchant account will enable us to accept Visa, Master Card American Express And Discover. Here, the first merchant processing software is the Total Pay Powered By Authorize. Net Virtual Terminal. The package will enable you to authorize, process, and manage credit card transactions from any computer with an Internet connection and a web browser. The second package is the total pay powered by Authorize Net Virtual terminal that includes the

total merchant manager-shopping cart. Additional features of this package include customizable shopping cart system, UPS shipping module, links to virtual terminal and free initial installation. Their discount rate is 2.4% and \$0.35 per transaction fee; and monthly fees include a \$10 monthly statement fee and a \$10 gateway fee that includes secure, online, real time credit card and e-check processing.

Alternatively if you do not have your own merchant account, third party credit card processor will process your credit card orders for you. There are usually no monthly, fees and they charge a “per transaction” fee and send you payment for all of your orders processed, minus their fee and a reserve fee. A list of the best third merchant account providers include CCBill, CCNow, Clickbank, Digibuy, IBill, Kagi, PayPal, Propay, RegNow, Share-It, Verza, and Vi-share.

An affiliate program will enable us to recruit on entire sales force to market an e-book. Here, the affiliate work for you on a commission basis and they are paid a specified percentage for each sale that is made. The key to obtaining affiliates is to offer a nice commission for each sale and the higher the commission, the more affiliates that are recruited. To set-up an affiliate program there are basically two options. The first option is to purchase on affiliate software program and the affiliate software program and the affiliate software will track your affiliate sales and enable your affiliates to view their statistics. This option requires that you run the affiliate program and you are responsible for accepting payment and sending out commission checks. The second option is to use a third party affiliate tracking company to run your affiliate program for you and these companies

will track your affiliate sales, enable your affiliates to check their statistics and send out commission checks for you.

- Affiliate tracking software, ASSOC TRAC  
<http://www.web-source.net/cgi-Bin/web/ljump.cgi?ID=2333,pro-TRACK>  
<http://www.web-sourse.net/cgi-bin/web/jump.cgi?ID=61>
- Affiliate Tracking Companies Click Bank  
<http://www.web-source.net/cgi-bin/web/jump.cgi?ID=196>
- Commission Junction  
<http://www.commissionjunction.com/> increasing affiliates sales.

Listing your e-book with a number of e-book sites will increase your sales considerably. Each site will pay a specified percentage for each sale and the payment is known as a Royalty. The royalties paid will vary at each site and will depend on your selling price and format. Some current sites include.

<http://www.infopost.com/>

<http://www.booklocker.com/>

<http://www.1stbooks.com/>

Coverfactory.com

E-book apprentice.com

E-book power.com

E-book code.com

E-book submit.com

E-book friends.com

E-book Jungle.com

E-book Interviews.com

Indeed, the benefits of starting your own E-bay business, as opposed to the more traditional self employment options, such as starting a business or learning a trade or being employed in a 9/5 job scene, is enormous. Firstly, you can start an E-bay business on a shoestring, whereas buying a franchise or setting up on your own will in all probability cost thousands of dollars. The element of risk is fairly negligible with an E-bay business and you can start up in your spare time, without having to give up your job. Running an online business implies that you can do your business activities when it suits you and you can organize your auctions at any time and people will still be looking at what you have to offer. Unlike the traditional business, the market place is unlimited and you can sell your product anywhere in the world (such as a potential market place of millions upon millions of buyers).

E-bay offers great informative resources and tours for the uninitiated. Have a look at some auctions in progress and see how people list and display their products and bid for something you would like. As a start, research possible product choices by looking at what your competition is doing. A great research tool is available at <http://www.overture.com/>. It is called the keyword selector tool and it enables us to check how many times a certain word or phrase have been searched for on the Internet in the previous month. If your product is frequently searched for, then you may be owner in the market. Do not sell poor quality products. E-bay has an excellent feedback system, which it uses to rate traders and this feedback is available to both buyers and sellers; so that if you get negative feedback, it can seriously jeopardize the E-bay reputation permanently. Unless you are very confident in

your product and in a very secure position financially, start with a very small-scale business. Also try different products and combinations of products to see what works best, and always use photos, as may people buy what they see.

One should always ensure that the covers the shipping cost and any other cost incurred in running the auction sales. However, many of the E-bays top sellers sell other peoples products, which they neither stock nor ever see. Through a process called "drop - shipping". A drop-shipper is a wholesaler, who takes care of all the product-shipping details on behalf of the client. Thus, there are many drop-ship companies who tailor their services around the E-bay auction scene and who can provide you with quality products, at very competitive prices shipped directly to your buyers.

Similarly, [www.store.yahoo.com](http://www.store.yahoo.com) offers the same services as many other online store fronts (unlimited product capabilities and web site generation tools). Unlike others, yahoo fee is not exorbitant by industry standards. Small stores are categorized by having up to fifty items and cost \$100 per month while large stores are categorized by having up to 1,000 items and will cost around \$300 per month. However, the yahoo store's site generation features are excellent. Because that is no size limit to the site, every product can have a graphic, a drop-down menu and even an extensive description. The set different pricing for quantities and sales just by creating your site with yahoo store, you are automatically added to the yahoo search engine in the proper category and you can also arrange to sell products through yahoo auctions.

## **7.0 POLICY CONCLUSION**

First and foremost, improving the investment climates of Africa societies is the responsibility of host governments, both at the national and sub-national levels. But the international community can lend a hand and the case for providing that help is compelling. Public investment in infrastructure can improve the investment climate, and the international development community has long been an important source of external financing for these investments. However, to deliver sustainable benefits, investments have to be made in the context of a sound policy framework. Reflecting this, strategies for improving infrastructure are shifting away from an exclusive focus on public sector providers to creating an effective investment climate for commercial providers of those services. Experience has shown that when governments create an effective policy and regulatory environment, many private firms can provide infrastructure services better. In fact, engaging private participation in infrastructure provision has been an important part of investment climate improvement strategies in several countries. Thus, the international development community has to ensure that proposed public investments complement rather than distract attention from efforts to create a better investment climate for infrastructure providers. Therefore, the challenge of striking an appropriate balance remains, particularly for telecommunications, ports, and power supply.

The tensions between local customization and international harmonization play out in proposals to develop common international rules and standards on a wide range of issues relevant to the investment climate. Efforts to develop uniform standards to ease international commerce have long been a focus

of private bodies such as the international chamber of commerce. Complementary efforts at the intergovernmental level include those of the United Nations Commission on International Trade Law and other international agencies. In francophone Africa, harmonization of business law is being facilitated by organization pour l harmonization en Afrique du Droit des Affaires.

The possible areas for cooperative action range from developing a common set of international rules on contract law to harmonizing international accounting standards. To be effective, common international standards do not always require binding treaty obligations. Countries and firms can voluntarily adopt common norms, with the incentives to comply driven by reputation. However, a more ambitious form of harmonization is to agree not only on common rules but also to delegate responsibility for administering them to a common regulatory body. And this presents opportunities for greater consistency in interpretation, lower administrative costs, and possibly enhanced credibility for participating governments.

Developed financial markets provide payment services, mobilize savings and allocate financing to firms wishing to invest when these markets work well; they give firms of all types the ability to seize promising investment opportunities. They allow poor entrepreneurs to grow their business, even though they have little money themselves. Well functioning financial markets also impose discipline on firms to perform, driving efficiency and by facilitating new entry into product markets. They also create opportunities for firms and households to manage risks and as a result, financial

market development leads to faster growth in productivity and output.

While peace is essential to unleash productive investment, firms require an environment with a reasonable level of political and economic stability and one where personnel and property are reasonably secure. Political instability can create considerable uncertainty and risk for firms, undermining the credibility of current laws and policies. Therefore, secure property rights link effort with reward, assuring all firms (small and large, informal and formal, rural and urban) that they will be able to reap the fruits of their investments. The better protected these rights, the stronger the link between effort and reward and the greater the incentives to open new businesses, to invest more in existing ones, and to work harder.

Finally, small and medium-scale micro-enterprises (mostly in the informal sector) are a dominant part of the private sector in Africa and effective means of meeting their financial requirements need to be explored. Although informal financial arrangements have served as source of finance, they have proved insufficient in meeting the needs of these enterprises. Thus, efforts should concentrate on upgrading informal financial arrangements and strengthening their links with formal institutions have provided financial support to large numbers of clients on a sustainable basis.

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