

ABSTRACT

It is based on research by the development of technology the rapidly especially in the economy sector that is the payment system. The use of cards as a non cash payments make the community easier in making transactions and transfer between individuals. Non-cash payments are increasingly advancing with the payment system using electronic money, which is growing rapidly. This shows that people are starting to shift from cash payments to non-cash payments, which will have an impact on the current money supply formula. The use of cards and electronic money is basically the same as using cash as a means of payment, because whatever the unit of value contained in the electronic money media, basically it is the value of cash that can be exchanged back to the issuer in cash.

In this study the authors formulated several things, namely the effect of the volume of ATM / Debit cards and volume of Electronic Money transactions on the Amount of Money Circulating in Narrow Meaning (M1). This study aims to determine the impact of the use of non-cash payments to the money supply in the narrow sense. This type of research is quantitative research, with data sources namely secondary data. The method of analysis uses multiple linear regression. The dependent variable used is the Amount of Money Circulating in Narrow Meaning (M1) and for the independent variable used is the ATM / Debit Card Volume and the Electronic Money Volume in the period 2013 to 2017.

The results showed that partially the ATM / Debit Card Volume significantly and positively affected the Amount of Money Circulating in a Narrow Meaning (M1) as well as the Electronic Money Volume had a significant and positive effect on the Amount of Money Circulating in a Narrow Meaning (M1).

Keywords : Money Supply (M1), ATM / Debit Cards, Electronic Money, Non-Cash Payment Systems