

Are We Moving Towards Cashless Economy?

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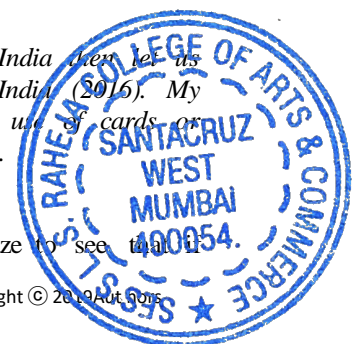
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ABSTRACT

I begin with Introduction, which will let you know my opinion on cashless economy in India then let us move towards some important inventions and the purpose of demonetisation in India (2016). My Research objective, methods, results, interpretation and conclusion on "frequency of use of cards or mobile banking etc instead of cash by people of Mumbai suburban", will be explained briefly.

INTRODUCTION

Cashless economy indicates no use of cash for payment or transfer of funds. I am amazed to see that



India becomes cashless economy then there will be no need of carrying change, informal market will collapse, printing and distribution cost of cash will be lower, property price will decrease, no need of ATM, no need to check purse again and again while shopping etc. As you can see, I have used word ‘if India become cashless economy’ that means there are many if’s such as poor internet facilities, merchant don’t possess card swipe machine, resistance to change, high bank charges, Hacking, Illiteracy etc.

Inventions

| particular | year | Name of inventor |
|------------------------|------|---|
| Debit card | 1966 | Bank of Delaware |
| Credit card | 1950 | Frank McNamara (New York city) |
| Mobile banking(paybox) | 1999 | Mathias Entemann and Eckart Ortwein (increased demand due to better availability of smart phones) |
| Online banking | 1981 | Citibank, Chase Manhattan, Chemical Bank and Manufacturers Hanover (4 large banks of New York city) |

The push for the digital payments was one of the stated intention of the **demonetisation(India)**. There was immediate and sharp jump in the digital payments in November–December 2016 owing to shortage of cash.

RESEARCH OBJECTIVE

- ❖ Need for better infrastructure so people can move towards cashless economy
- ❖ Reduction of informal market, black money etc
- ❖ Frequency of use of cards, mobile banking etc instead of cash for payments.
- ❖ Need for cashless economy

METHODOLOGY OF THE STUDY

The present study is based on qualitative and quantitative data. The quantitative data is collected through the sampling from the respondents. The sample size is 111. The different age group of people including student, home maker, working class and business person are considered as sample for the study.

| | |
|----------------------------|---|
| DATA SOURCES -PRIMARY DATA | Primary data is collected through survey. Data is collected by using GOOGLEFORMS |
| SECONDARY DATA | Secondary data is collected from Google. |

Literature Review:



**“An analysis of growth pattern of cashless transaction system an evidence from Lucknow city”
by Kumar, Piyush (14/6/2018).**

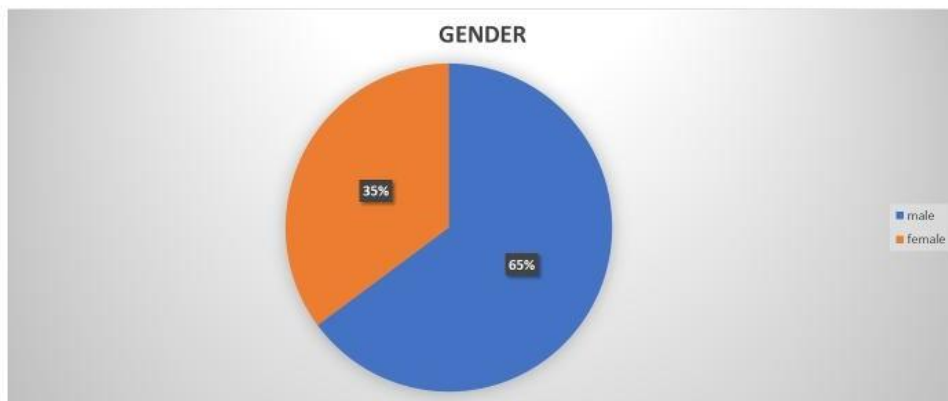
Researcher has identified some of the factors were identified like Safety newline Related Issue, Fear Related Issue, Cash Holding Motive, Convenience, consumer newline Awareness, Transaction Cost and Utility Motives using factor analysis. With the help newline of different statistical test, the interrelatedness of various factors and proposed newline hypothesis was tested. For making the Cashless transaction more effective, there is a need to educate consumer about the differentiating factors of the Cashless Transaction newline System.

“A Study On Digitalization Or Cashless Economy And Financial Inclusion In India And Its Impact In The Rural Areas” by Beena M. (2020)

This study makes an attempt to know the views and perceptions of common people regarding digital and cashless transactions and analyses the significance of cashless economy.

An analysis and interpretations of frequency of use of Cards, UPI, Mobile banking etc by people of Mumbai suburban also importance and challenges of cashless economy

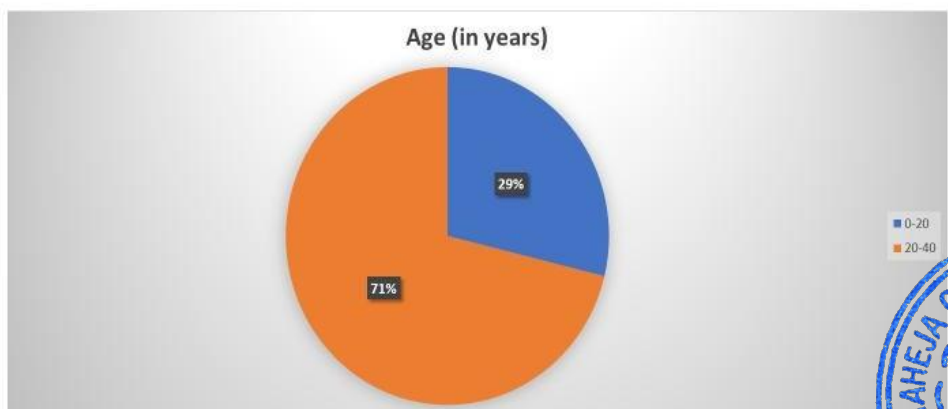
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DATA INTERPRETAION N

- a. 35% i.e. 72 out of 111 are female respondents.
- b. 65% i.e. 39 out of 111 are male respondent s

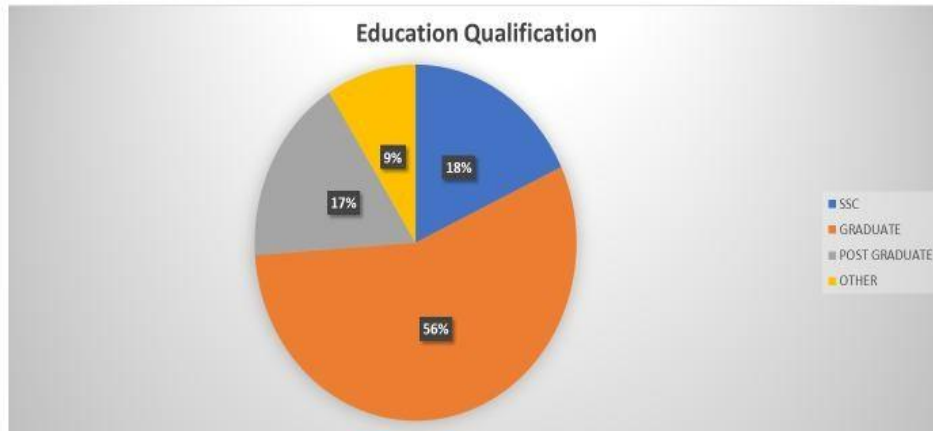
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DATA INTERPRETATION

- a. The age group 20-40 indicates the highest percent age (71%) i.e. 79 responses.
- b. The age group below 20 indicates 29% of responses i.e. 32 responses.

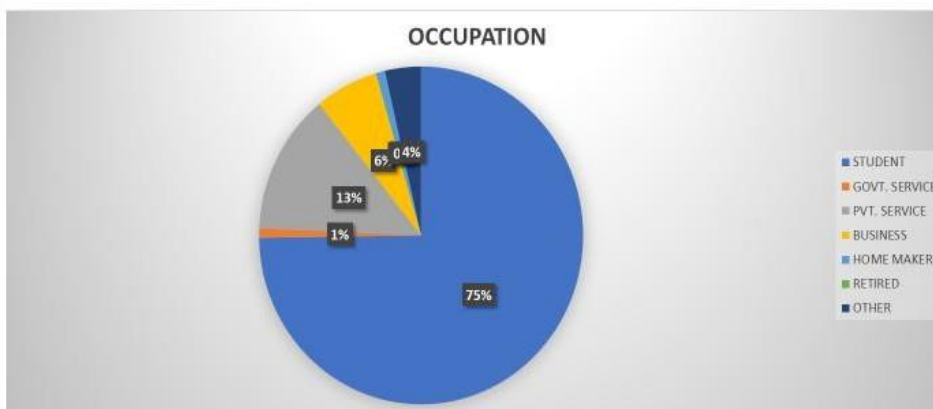
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DATA INTERPRETATION:

- a. Out of 111, the highest numbers are of graduates (56%) i.e. 62
- b. The S.S.C. degree holders comes next with 18 % i.e. 20 of the sample size.
- c. post graduates and Others comes next with 17% i.e. 19 & 9% i.e. 10.

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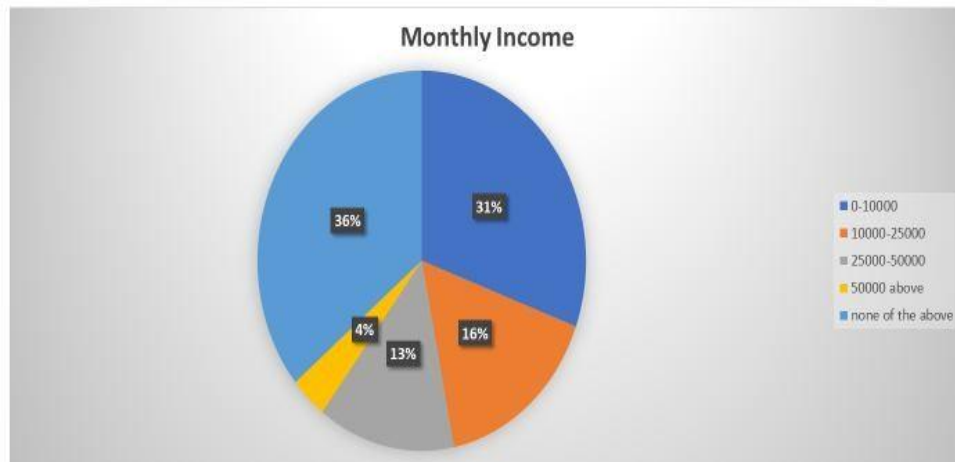


DATA INTERPRETATION

- a. Out of 111, 83 are students' i.e. 75%.
- b. Private Service indicates 13% i.e. 15 responses.
- c. Business indicates 6 % i.e. 7 responses
- d. Combined percentage of home makers and government service indicates 1% i.e. each 1 out of 111 of the sample size.
- e. others indicates 4 % i.e. 4 responses.



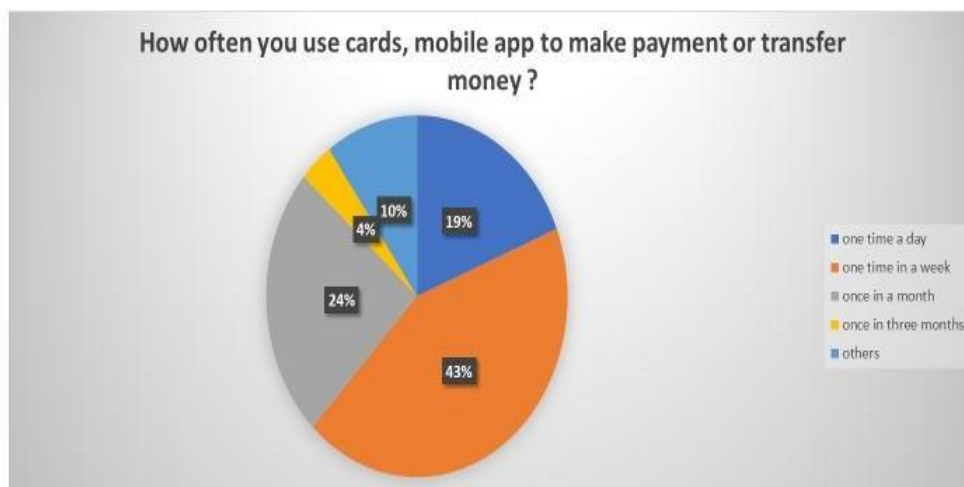
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DATA INTERPRATION

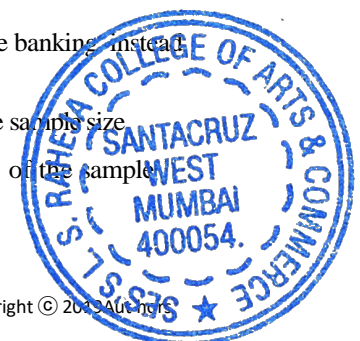
- The highest percentage (36%) are with none of the above i.e. 40 out of 111 of the sample size.
- Whereas monthly income with categories below 10000 & 10000-25000 are 31% and 16% i.e. 34 and 18 out of 111 of the sample size.
- Whereas monthly income with categories 25000-50000 & 50000 and above are 13% and 4% i.e. 15 and 4 out of 111 of the sample size.

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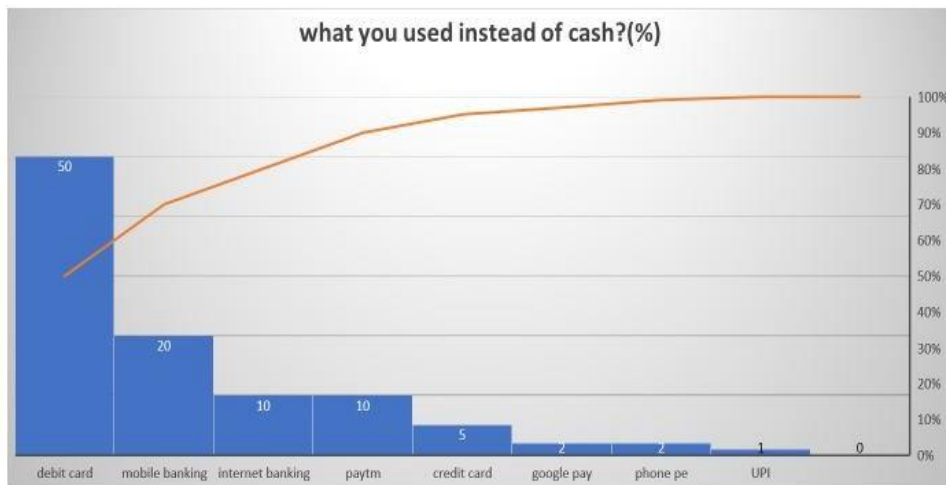


DATA INTERPRETATION

- The highest percentage (43%) are with one time in a week use of cards or mobile banking instead of cash i.e. 48 out of 111 of the sample size.
- Whereas once in a month and a day are 24% and 19% i.e. 27 and 21 out of 111 of the sample size.
- Whereas once in a three month and others are 4% and 10% i.e. 4 and 11 out of 111 of the sample size.



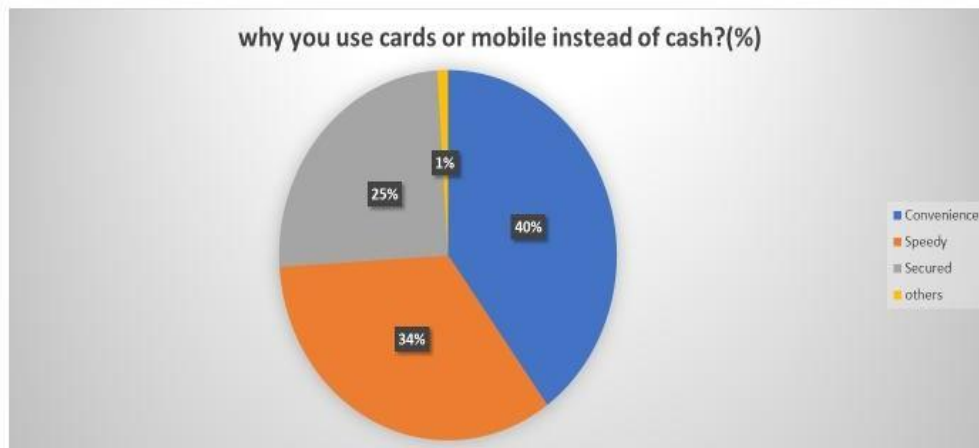
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DATA INTERPRETATION

- a. Out of 111 of sample size 50% use debit card.
- b. Out of 111 of sample size 20% use mobile banking.
- c. Out of 111 of sample size 10% use internet banking.
- d. Out of 111 of sample size 10% use Paytm.
- e. Out of 111 of sample size 5% use credit card.
- f. Out of 111 of sample size 5% use google pay, phone pe and UPI together.

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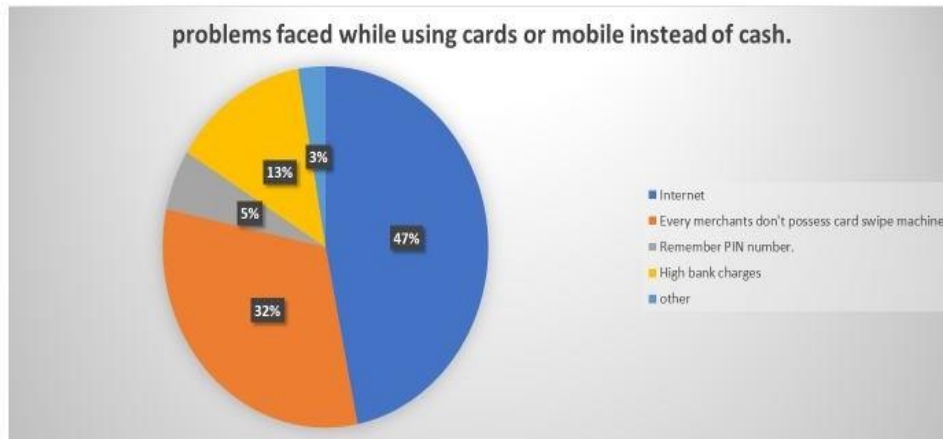


DATA INTERPRETATION

- a. Out of 111 of sample size 40% use cards or mobile instead of cash for convenience.
- b. Out of 111 of sample size 34% use cards or mobile instead of cash for speedy.
- c. Out of 111 of sample size 25% use cards or mobile instead of cash for secured.
- d. Out of 111 of sample size 1% use cards or mobile instead of cash for others.



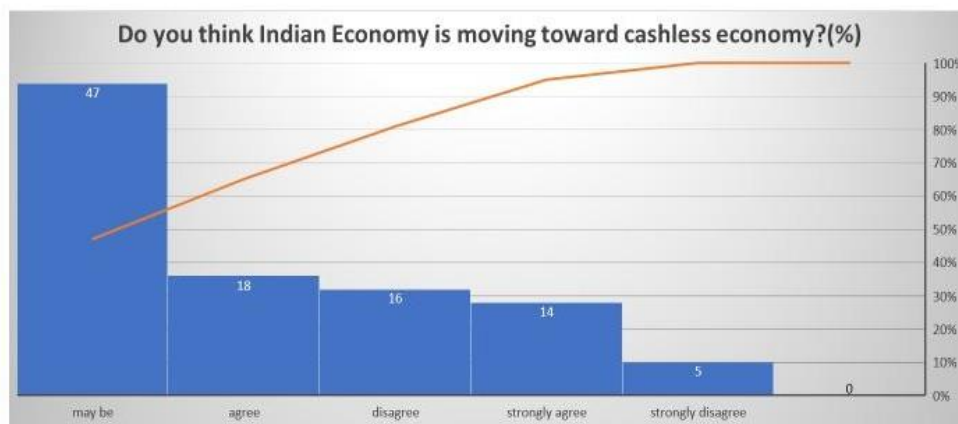
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DATA INTERPRETATION

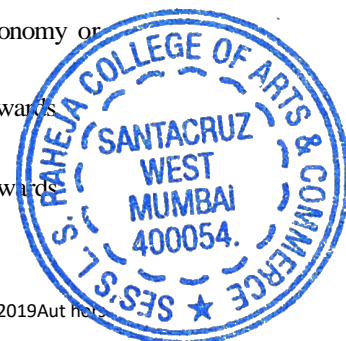
- Out of 111 of sample size 47% of people face poor internet.
- Out of 111 of sample size 32% of people are not using cards or mobile instead cash because every merchant doesn't possess card swipe machine.
- Out of 111 of sample size 13% of people are not using cards or mobile instead cash because of high bank charges.
- Out of 111 of sample size 5% and 3% of people are not using cards or mobile instead cash because they forget PIN number and other reasons.

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DATA INTERPRETATION

- 47% of sample size can't decide whether Indian economy is moving towards cashless economy or not.
- 18% and 14% of sample size agree and strongly agree that Indian economy is moving towards cashless economy.
- 16% and 5% of sample size disagree and strongly disagree Indian economy is moving towards cashless economy.



CONCLUSION

The BHIM (Bharat Interface for Money) app is an initiative by the government of India to promote cashless payments. Most of people of Mumbai suburban do agree that India is moving towards cashless economy. But still major portion of transactions are happening by cash only. And this is due to the nature of resistance to change by the ordinary citizens and their fear and mistrust towards the technology. Still there is need to penetrate the people of India to use credit cards (as per survey only 5 % are using it).

Paytm is best mobile app used for money transfer and payments. I think there should be more apps such as google pay, pay pal, phone pe with competence to break the monopoly of Paytm. Major challenges for people of Mumbai suburban is poor internet and many local vendors don't possess card swipe machine

While, a 'CASHLESS' India seems too ambitious at this point, a 'LESS-CASH' India is certainly around the corner.

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