

Cashless Economy In India

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ABSTRACT

OBJECTIVES: The objective of this paper is to provide a detail conceptual understanding about Cashless economy. It is a system in which all the transactions are done through online mode which includes direct transfer from one account to another or by the way of debit cards and credit cards.

METHOD/STATISTICAL TOOL: In this paper conceptual study is undertaken to understand about the cashless economy with the help of SWOT analysis.

FINDINGS: Initially this trend is not a success but now the demonetization policy increased the use of this system. It not only increase the employment opportunities or improves the living standard of people but also reduces the burden of handling cash , reduce threat of theft and cyber fraud .

APPLICATION: Overall it helps in improving the economic growth of a country.

Introduction: In past decade money is not used as a medium of exchange ,barter system is there where goods are exchanged with the goods. Then the gold coins and silver coins was used for the exchange of goods . After the evolution of banking system money is used as medium of exchange which increases the fraud, bribe , and theft in our society Kumar, R. R. (2016).. Honorable Prime Minister Narendra Modi launched the programme ‘Digital India’ to transform the country to cashless economy. Cashless economy is an economy where all the transactions related to goods and services are done by the digital means which includes card swipes (debit card / credit card) , digital wallet , mobile banking etc. it also raise the universal application of artificial intelligence in our financial structure.it is the system in which money settlement frictions can be diminish through the use of holding bank balance and earn ROI on it. India government has administer a prime change in economic territory by demonetizing the currency notes of Rs 500 and 1000 on 8 November 2016 which somehow leads to the enlargement and modernization of the system. Government also encourages cashless transactions by Phonepe , BHIM ,TEZ , mobiwik, paytm and other apps of digital payment with a scheme to enable India to progress towards a cashless society .Our honorable Prime Minister unveiled schemes to promote internet banking which includes rupaykisan cards to the holders , 10% discount is given to users for making payment by RFID cards , extra incentives are given by insurance companies

to say 10% when the payment is done by any of the digital means .this system represent India at the stage of growth and development

Somehow this system helps us to eliminate our country from black money or illegal trade etc.

Types of cashless digital payment mode :



SWOT Analysis :Here s stands for strengths and w for weakness both these concepts are concerned with internal environment and o stands for opportunities and t for and threat these concepts are related with the external environment. Strategic fit is the terminology used where both internal as well as external environment matches.

Strengths-

Avail Huge discounts – By using the online mode of transactions government of India gives the various benefits on doing transactions which is beneficial for the consumer like online rail booking provides seasonal discount from 1 January 2017 with the accidental insurance also , discount on purchase of fuel through online mode , waiver of service tax etc.

Easy to handle – Plastic cards are easy to handle .The facileness of managing the payment is probably the great motivation to go digital. There is no longer requirement to handle cash in your pockets or to withdraw a cash from the automatic teller machine, many other equipment like pos is available in almost each and every store now a days. It is uncomplicated to block plastic cards remotely if purloin.

Translucency and liability– digital payment and transactions is a proof for both the tax collector and for the tax payers so it is a transparent system in itself. Every individual can easily check the past history of their transactions also.

Fall in prices – it helps in eliminated the black money that is invested in real estate , so it also helps to fall down the prices of real estate market.

Displays true picture – In politics majority of the votes are the buying votes , so now it is impossible to spend crores on elections which also shows the true picture of India democracy.

Weakness-

Involves fee charges – if a person is thinking of doing online transaction some amount is deducted from the account i.e transaction fees. Our society is not in favor of this cost so basically this is an obstacle of going cashless.

Difficult for illiterate people – In our country still there is illiteracy in many of the section of society , due to the lack of knowledge and infrastructure it is not possible for them to put into effect the cashless economy.

Involves risk factor – Due to the hacking of the bank accounts and the passwords people generally avoid to go for the cashless economy. People have a fear of losing their money because of the security issues.

Customers not aware- people are not fully aware about this system in rural areas and sub urban areas like avail discounts and offers on doing an online transactions.

Opportunities-

Improvement in technology – internet usage is increasing day by day in our society with this view banks starting innovating their technological factors like transfer payment through online mode 24*7 which are so convenient and easy for the users.

Raising trends of ecommerce - Number of online purchase of transactions are increased in a millions in last 4 years which somehow directly increase the other market like logistics , delivery channels which also increase the employment of our country.

Increasing usage of smart phones – our environment is dynamic so people try to change accordingly as they are shifted from feraure phones to the smart phones and started adapting modernization which also helps In improving the GDP of our country .

Threats

Handling security issues – it is one of the biggest concern in cashless economy because after demonetization the frauds , information leakage, hacking of accounts is increasing day by day because of this people generally do not want to kept the huge amount in accounts, still they opt for handling cash.

Financial involvement: Under the government scheme PMJDY many people open their bank accounts but still that accounts are not operated because of the illiteracy and lack of revenue.

Wrong perception – due to the lack of proper knowledge people still believes that it is convenient to handle cashand face aversion to society.

Conclusion- This concept is reliableand upstanding. We as Indians have to promote the concept of our honorable PM NarendraModi effectively in our society, because it helps to eliminate many problems like corruption, cyber crime or any other criminal access from our country moreover it helps in developing Indian economy to a great extent by the way of modernization.

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