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BEHAVIORAL MODIFICATION IS THE PATH TOWARDS THE CASHLESS ECONOMY IN INDIA

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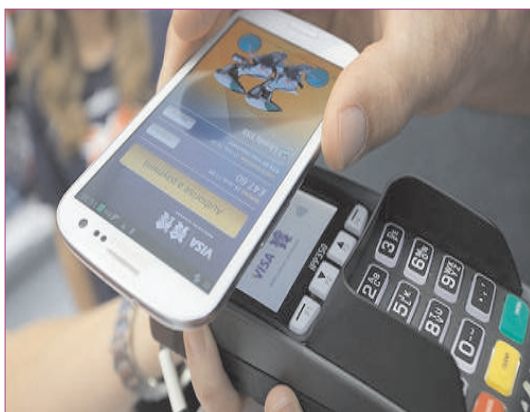
ABSTRACT: -

A cashless economy is one in which all the transactions are done using cards or digital means. The circulation of physical currency is minimal. The Prime Minister, Shri. Narendra Modi launched the Program "Digital India" with a vision to transform India into a digitally empowered nation and creating a cashless, paperless economy. As per the current status of India, only 7% to 8% of all the payments are taking place electronically. On November 8, 2016, a historical date, he talked about making India a cashless economy and on November 27 during an election rally in Uttar Pradesh; he again motivated the people of India to become familiar with cashless transactions. The paper under study tries to throw light on the awareness of cashless economy to the small traders and the relationship between challenges faced by them to understand the digitalization process in India.

KEYWORDS: Digital India, Cashless Economy.

INTRODUCTION :

The demonetization of the highest denomination currency notes is part of several measures undertaken by the government to address tax evasion, counterfeit currency and funding of illegal activities. The requirement to deposit currency notes in excess of specified limits directly into bank accounts has resulted in the declaration of hitherto unaccounted income, subject to higher tax and other penalties. India has one of the highest levels of currencies in circulation at over 12% of GDP and of this cash, 87% is in the form of Rs. 500 and Rs. 1,000 notes. Globally, this is not unusual as the central banks of several countries pump massive amounts of cash into the economy, mostly in very large denominations. Facilitating faster payment services The payments eco-system in the country provides multiple options to different segments of users for funds transfer as well as for making payments in exchange of value for goods and services. With increasing adoption of electronic payments, particularly those driving e-commerce and m-commerce, there is a growing demand for faster payment services which, in turn, facilitate ease in doing financial transactions.



CASHLESS ECONOMY

A Cashless Economy is an economy in which all types of transactions are carried out through digital means. It includes e-banking (Mobile Banking/Banking through Computers), debit and credit cards, card-swipe or point of sales (POS) machines and digital wallets. At present, India is far behind to other economies with regard to cashless transactions. The ratio of cash to gross domestic product in India is one of the highest in the world-12.42% in 2014 as compared with 9.47% in China or 4% in Brazil. Another report by Boston Consulting Group (BCG) and Google

India mentioned that last year around 75% of transactions in India was cash based while it was 20-25% in developed nations such as US, Japan, France, Germany etc. Another statistics have revealed that India has 76.47 billion currency notes in circulation in 2012-13 as compared with 34.5 billion in the U.S. Moreover, various other studies have shown that people prefer to make payments in cash in malls even when they carry credit cards with them. But, the step taken on Nov 8, 2016 of demonetization has pushed digital and e-transaction to the forefront in India due to depletion in cash. Now, e-banking, e-wallets and other transaction apps are becoming more prevalent.

SMALL TRADERS BUSINESS

A small trader also refers to traders or small institutions whose trading volumes are quite low. In certain jurisdictions, the term "small trader" refers to businesses and suppliers whose sales do not exceed a certain level in each taxation year. Because of the demonetization small traders and marginal traders are got effected for a while in terms of disturbances caused to purchase the goods from whole seller and even in the case of selling also. The biggest challenge on them was to deposit their saved money in to the bank this will not allow them to purchase goods. But after passing certain period of time most of the small traders got to know the benefits of cashless economy like transparency and security.

REVIEW OF LITERATURE

Alvares, Clifford (2009), in their reports "The problem regarding fake currency in India." It is said that the country's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Ashish Das and Rakhi Agarwal (2010), in their article "Cashless Payment System in India-A Roadmap" Cash as a mode of payment is an expensive proposition for the Government. The country needs to move away from cash-based towards a cashless (electronic) payment system. This will help reduce currency management cost, track transactions, check tax avoidance/fraud etc. enhance financial inclusion and integrate the parallel economy with main stream.

OBJECTIVES

- To study about the awareness of the small traders towards the cashless economy.
- To study the challenges to make more awareness to marginal and small traders.
- To study the relationship between the gender of the small traders and their awareness about the cashless economy.

HYPOTHESIS

1. There is no relationship between gender of small traders and awareness of cashless economy in India.

Methodology: The study based on the both primary and secondary data as follows.

Primary data: It means unpublished data it is collected from small traders through the structured questionnaire and convenience sampling technique is used and results were interpreted through SPSS.

Secondary data: It means published form and data is collected from secondary source like; news papers, books, journals and various websites.

Analysis of Data

Table-1

		<i>Q: I have heard about India's Cashless Economy</i>		Total
		Agree	Strongly Agree	
Male		23	25	48
		(21.6%)	(26.4%)	(48.0%)
Female		22	30	52
		(23.4%)	(28.6%)	(52.0%)
Total		45	55	100
		(45.0%)	(55.0%)	(100.0%)

Table-1 reveals that gender of 100 respondents 48 were males and their awareness about India's cashless economy strongly agree is 25(26.4%), and agree is 23(21.6%). Female out of 52 strongly agree is 30(28.6%), and agree is 22(23.4%) Hence, it can conclude that the gender of small traders and heard about the India's cashless economy were highest at strongly agree 55(55.0%).

Chi-Square Test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.317	1	.573

The above table reveals that the result of gender and awareness about India is cashless economy. Pearson chi-square value is 0.317 at degrees of freedom 1 two tailed significance value 0.573 the value is more than 0.05. Null hypothesis is accepted hence it concludes that there is no significant difference between gender of small traders and awareness of India's cashless economy.

Table-2

		<i>Q: Cashless Economy should be introduced in India</i>		Total
		Neutral	Agree	
Male		24	24	48
		(26.4%)	(21.6%)	(48.0%)
Female		31	21	52
		(28.6%)	(23.4%)	(52.0%)
Total		55	45	100
		(55.0%)	(45.0%)	(100.0%)

Table-2 shows that gender of 100 respondents 48 were males and Cashless Economy should be introduced in India agree is 24(21.6%), and neutral is 24(26.4%); Female out of 52 agree is 21(23.4%), and neutral is 31(28.6%). Hence it can conclude that gender and Cashless Economy should be introduced in India is highest at neutral 55(55.0%).

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.932	1	.334

The above table reveals that the result of gender and Cashless Economy should be introduced in India.

Pearson chi-square value is 0.932 at degrees of freedom 1 two tailed significance value 0.334 the value is more than 0.05. Null hypothesis is accepted hence it concludes that there is no significant difference between gender of small traders and Cashless Economy should be introduced in India.

Table-3

		<i>Q: Did you find any change in sales introducing the cashless system</i>		Total
		Agree	Strongly Agree	
Male		18	30	48
		(17.3%)	(30.7%)	(48.0%)
Female		18	34	52
		(18.7%)	(33.3%)	(52.0%)
Total		36	64	100
		(36.0%)	(64.0%)	(100.0%)

Table-3 depicts that gender of 100 respondents 48 were males and Did you find any change in sales introducing the cashless system strongly agree is 30 (30.7%), and agree is 18(17.3%); Female out of 52 strongly agree is 34(33.3%), and agree is 18(18.7%). Hence it can conclude that gender and did you find any change in sales introducing the cashless system is highest at strongly agree 64(64.0%).

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.090	1	.764

The above table reveals that the result of gender and found any change in sales introducing the cashless system. Pearson chi-square value is 0.090 at degrees of freedom 1 two tailed significance value 0.764 the value is more than 0.05Null hypothesis is accepted hence it concludes that there is no significant difference between gender of small traders and found any change in sales introducing the cashless system.

Table-4

		<i>Q: Cashless sales are better than the traditional sales</i>			Total
		Neutral	Agree	Strongly Agree	
Male		3	27	18	48
		(2.9%)	(27.8%)	(17.3%)	(48.0%)
Female		3	31	18	52
		(3.1%)	(30.2%)	(18.7%)	(52.0%)
Total		6	58	36	100
		(6.0%)	(58.0%)	(36.0%)	(100.0%)

Table-4 shows that gender of 100 respondents 48 were males and cashless sales are better than the traditional sales strongly agree is 18 (17.3%), agree is 27 (27.8%) and neutral is3(2.9%); Female out of 52 strongly agree is 18(18.7%), agree is 31(30.2%)and neutral is3(3.1%) Hence it can conclude that gender and cashless sales are better than the traditional sales, which were highest at agree 64(64.0%).

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.116	2	.944

The above table reveals that the result of gender and Cashless sales is better than the traditional sales. Pearson chi-square value is 0.116 at degrees of freedom 2 two tailed significance value 0.944 the value is more than 0.05Null hypothesis is accepted hence it concludes that there is no significant difference between gender of

small traders and Cashless sales are better than the traditional sales.

Table-5

		<i>Found difficulty while purchasing the goods from whole seller</i>		Total
		Neutral	Agree	
Male		25	23	48
		(26.4%)	(21.6%)	(48.0%)
Female		30	22	52
		(28.6%)	(23.4%)	(52.0%)
Total		55	45	100
		(55.0%)	(45.0%)	(100.0%)

Table-5 depicts that gender of 100 respondents 48 were males and found difficulty while purchasing the goods from whole seller. Agree is 23 (21.6%), and neutral is 25(26.4%); Female out of 52 agree is 22(23.4%),and neutral is 30(28.6%)Hence it can be conclude that gender and found difficulty while purchasing the goods from whole seller were highest at 55(55.0%).

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.317	1	.573

The above table reveals that the result of gender and found difficulty while purchasing the goods from whole seller. Pearson chi-square value is 0.317 at degrees of freedom 1 two tailed significance value 0.573 the value is more than 0.05 Null hypothesis is accepted hence it concludes that there is no significant difference between gender of small traders and found difficulty while purchasing the goods from whole seller.

CONCLUSIONS

On challenges faced by small traders due to cashless economy, it was a good move which will increase transparency and have a large impact on India. It is an indication from the Centre that we need to move on and use technology more and more. However, the execution should have been better. The present study was focused on the gender wise awareness about the cashless economy in India. To know the opinion of small traders a structured questionnaire was used and tested the relationship with chi-square. The results are heard about the cashless economy is strongly agree by 55(55.0%), cashless economy should be introduced in India neutral by 55(55.0%). Find any changes in sales after introducing cashless economy is strongly agree by 64(64.0%). Cashless sales are better than traditional sales agree by 64(64.0%). Found difficulty while purchasing the goods from whole seller neutral by 55(55.0%).Almost all cross tabulation reveals that there is no relationship between gender of small traders and their awareness and opinion about the cashless economy. Hence it concludes that irrespective of the gender every small trader needs to develop the awareness about the cashless economy in India.

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