

# Review Paper on Effect of Demonetization

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**Abstract:** *The think tank carefully planned demonetisation, which was then unexpectedly announced, with the goal of reducing black money in the Indian economy. The cash limitation severely damaged the economy's machinery by creating unavoidable unemployment. The informal sector, which makes up 80% of all employment in India, was severely affected. They had to adhere to a one-meal-per-day schedule due to the labour force's backward movement. There have been job losses in the leather sector of about 2.5 lakh people, the diamond industry of 20,000 people, and the jewellery business of 15 to 20 percent of daily wage earners. The government itself reduced its prediction for the GDP for 2016–2017 from 7.6% to 7.1%. The International Monetary Fund (IMF) has lowered its 6.6% GDP forecast for the years 2016–17. The number of new investments decreased by 50% in the wake of the cash prohibition. On December 15, 2016, the value of the rupee decreased by 1.69 percent. Investor confidence in the stock market was initially damaged by the surgical attack on black money. Estimates place the cost of demonetisation at Rs. 4.3 trillion, not considering GDP losses. The administration saw the effect as passing, whereas economists saw it as cannonballs being fired at mosquitoes. To combat black money, demonetisation is a long-awaited strategy. All other necessary steps must also be taken right away by the government in order to guarantee the effectiveness of the cash ban.*

**Keywords:** corporate governance, cyber security, industrial lobbying, and demonetisation

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