

An Analytics Study of “Effects on Cashless Economy in India

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Abstract: *The research paper focuses on impact and importance of cashless policy in India. According to government of India the cashless policy will increase employment, reduce cash related robbery there by reducing risk of carrying cash, investors to invest in our country. The paper focuses on significance of the awareness among the society for the cashless transaction and reduce the cash transition for the data and information is collected from articles, magazines, internet websites.*

In many countries introduction of cashless economy can be seen as in the right direction countries introduction of cashless economy can be seen as steps in the right direction. For India cashless economy to succeed over time, these issues must be addressed consistently.

Keywords: Digital Payments, Cashless Payments System, Cashless Economy

I. INTRODUCTION

A Cashless economy is in which all the transaction is to be done through electronic mode such as debit card or credit card net electronic fund transfer (NEFT) and real time gross settlements(RTGS)etc.

The methods for the service system and commodities are through digital modes such as mobile wallets, net banking etc. According to the research around 0.2 percent of India’s GDP is alternately put a moderate growth of cashless transaction by 5 percent. There is a benefit seen in cashless transaction in India. India has moved towards digital payments modes which has transformed the small business, increased convenience and reduced the cost of sale. The digital payments market in India is expected to grow rapidly in India. India’s digital payments market is said to exceed 400 billion and grow at a CAGR of 50 %. A modest 5% yearly rise in cashless transaction will result in annual saving of about rs.500 crores, transaction in FY 2026-27, compared to FY2022-23’s 100 billion .91 billion digital payments transaction have been made this year, and India currently in the world in digital payments volume.

II. REVIEW OF LITERATURE

Many empirical studies have been conducted on the project of “ CASHLESS ECONOMY” in India and abroad. The major emphasis of research has been on various issues like frauds, security, usage patterns, new methods of e-payments.

1) Mandeep Kaur and Kamalpreet Kaur (2008)

In their article, “Development of Plastic Cards Market: Past, Present and Future Scenario in Indian Banks” conclude that Indian banking sector is accepting the challenge of information technology as all the groups of bankers have now recognized it as essential requirement for their survival and growth in future. Despite the strong advances in e-payments, an estimated 90 percent of personal consumption expenditure in India is still made with cash which indicates the tremendous growth potential of this business. So this can be considered as mere beginning which indicates the bright future prospects of cashless market in India.

2) Bansil Patel and Urvi Amin (2012), in their research paper “Plastic Money:

Roadmap Towards Cash Less Society” discusses the usage of cashless transactions through plastic cards which becomes inevitable part of the transaction. Cashless transactions enables the government to control the money laundry and effective utilization of financial system and also helpful for tax legislation. The study also highlights the role of

these cards as electronic payment tool to be used by customers and discusses the penetration of these cards in replacement of cash and paper money. The factors for adoption of plastic money in replacement of cash and paper money have been identified which shows the preference of the customers for plastic cards over the cash and paper money.

3) P. Manivannan (2013)

In his research paper “Plastic Money a way for cash Less Payment System” examined that plastic money i.e. usage of credit card was measured a luxury, and has become needed. These plastic money and electronic payments was and used by only higher income group. This facility extended not only to customers in urban areas or cities, but also to customers residing in rural area. However, today, with development of banking and trading activity, the fixed income group or salaried classes have also started using the plastic money and electronic payment systems particularly credit cards.

THE OBJECTIVE OF THIS STUDY IS TO:

- 1) Examine the government initiatives aimed at increasing the use of digital payments in India.
- 2) Analyze the impact of e-commerce and mobile technology on the transaction to a cashless economy in India.
- 3) Evaluate the benefits and challenges of the transaction to a cashless economy in India.

II. RESEARCH METHODOLOGY

The research study is based on to gather the information about India’s introduction on a cashless economy. According to the research the data analysis (primary data) it is found that people in city of Mumbai (India) responses to the survey from provided that people in city of Mumbai (India) responses to the survey from provided that around 83% people found the digital transaction in India economy is less 47.1%, more 23.5% and most is 17.6%. The people found that the transaction is affected to them while purchasing online. The acceptance of UPI is facilitated by its zero merchant discount rate (MDR) policy and ease of use card payment account for just 5% of digital transactions in the retail sector, with electronic financial transfers accounting for 95% of all transaction. Half of the nation still does know the use of the smart phone eg:- rural area, village etc. A lot of people don’t trust the cashless transaction because there is no law and security promises them security.

III. BENEFITS OF CASHLESS ECONOMY

1) DROP IN COST OF CASH:

Producing coins and notes will be less expensive in a cashless economy. The government has the option to save the money and use it to improve society.

2) SIMPLIFIED PAYMENTS

Simplifying the payments process leads to faster outcomes. The consumer’s daily life will be easier with cashless purchase. Transparency in the accounting system will increase

3) GROWTH IN E-COMMERCE

If the nation adopts cashless transaction, e-commerce will grow more rapidly. A variety of means of payments, including mobile payments, credit card payments, wallets, and aadhaar card based payments, would be made available to consumers.

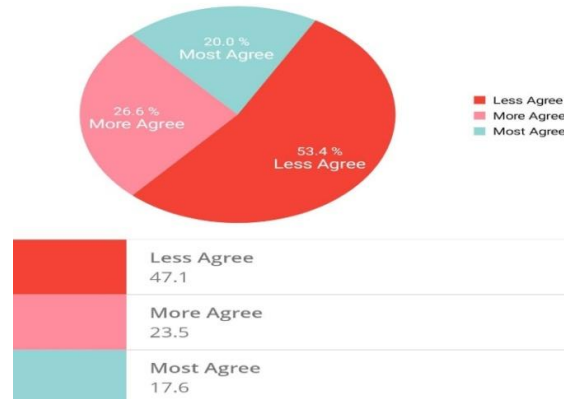
4) INCREASED SPENDING

Due to increasing spending it has resulted into the cashless payments for the growth of economy.

5) TRACKING SPENDING BEHAVIOUR:

The behavior of spending on every transaction becomes cashless. This behavior of consumer can be understood when the consumer can be understood when the consumer transaction all tracked.

IV. TRANSACTION MADE IN INDIA WITHOUT CASH



DATA ANALYSIS :-

RESPONSES FROM CONSUMER

REASONS FOR CONSUMER TO ADOPT CASHLESS TRANSACTION:-

The above diagram indicates that digital transaction in Indian economy without cash is less than 47.1% is less agree, 23.5% are to be more agree and most are 17.6%. Near to consumer locality the effects of cashless transaction they made is low by 26.9%, and high is 15.4%. Their beneficial rate is least 19.2%, most is 19.2%. Often use of digital payments is lesser than 23.1%, average is 26.9%. Digital security is 8% to 24%.

V. FINDINGS OF THE STUDY

- 1) The majority 30.4% are doing use of digital payments.
- 2) The majority 48% are aware of digital security.
- 3) The majority 53.8% are in support of cashless transaction.
- 4) The majority 30.8% are user of digital transaction
- 5) The majority 43% of responses prefer digital payments over cash payments.

VI. CONCLUSION

The transaction of funds get easier across the country. The transfer of money can be done with ease. It led to e-payment start-ups in India, every business, even street vendors, or any citizen, whether urban or rural, have started accepting e-payments, encouraging people to enjoy the advantages and benefits to effect of transaction. The cashless way is faster than earlier. Hence the posture of Indian citizen is shift which is preference an excellent begin up for cashless on based economy growing demand for speedier payments services, which in turn make financial transaction easier, is a result of the increasing acceptance of electronic payments, especially those that the e-power and e-commerce. Tax evaders will find it more difficult to conceal their income of there is a move away from cash.

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