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CLARA'S COLLEGE OF COMMERCE**

Established-1999 – NAAC Accredited “B” Grade (2016-2021)  
Yari Road, Versova, Mumbai-400061. Tel.: 26365385/ 26315377



**Organises**

**One Day International Multi-Disciplinary Conference on 16<sup>th</sup> March 2019**

**“WORLD ROAD TO CASHLESS ECONOMY”**

*In collaboration with*

***University of Mumbai & India Accounting Association [Thane Branch]***

**(PEER REVIEWED)**

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Children Welfare Centre Trust is the meticulous stride of the eminent citizens of the city, who felt the need of having advanced educational institutions in their vicinity. It was formally registered under the Public Trust Act, 1950. The institution is strategically located amidst the rapidly developing locale of Andheri with full-fledged operative Pre-Primary School, Primary School, High School, Junior College, Degree College, B.Ed. College and Law College at Malad (W). Clara's College of Commerce was established in the year 1999 in the memory of Late Smt. Clara Kaul – an eminent educationist. The college has the following programmes: Bachelor of Commerce (B. Com), Bachelor of Management Studies (BMS), Bachelor of Mass Media (BMM), Bachelor of Commerce (Accounting and Finance) (BAF), Master in Commerce (M.Com) (Accountancy). The aim of the college is to continuously enhance the teaching methods in order to provide students with an opportunity for their all-round development. It also strives for excellence in academics and makes an effort to create an aura that induces passion for learning along with the inspiration for decisive thinking and assessment; and thereby helping them to become the best professionals in the chosen careers.

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### **ABOUT INDIAN ACCOUNTING ASSOCIATION**

The association was founded by academicians and professionals in accounting on March 17, 1969, and was inaugurated on February 14, 1970 by the Accountant General of Uttar Pradesh. It is a member organization of International Association of Accounting Education and Research (IAAER). It is also held in high esteem by American Accounting Association (AAA). At present, IAA has a network of 50 branches in India with more than 5500 life members, and a Research Foundation as an affiliate at Kolkata. It also brings out a biannual research journal 'Indian Journal of Accounting' in the months of June & December to give wider publicity to research findings. The Association also gives IAA Young Research Award and IAA fellowship. The Association offers Life Membership and Annual Membership for Individuals and Institutions through its chapters across India. Past conference have attracted a large number of delegates from across the country and abroad and this year also wide participation is expected.

### **ABOUT INDIAN ACADEMICIANS RESEARCHERS ASSOCIATION**

Indian Academicians and Researchers Association (IARA) is an educational and scientific research organization of Academicians, Research Scholars and practitioners responsible for sharing information about research activities, projects, conferences to its members. IARA offers an excellent opportunity for networking with other members and exchange knowledge. It also takes immense pride in its services offerings to undergraduate and graduate students. Students are provided opportunities to develop and clarify their research interests and skills as part of their preparation to become faculty members and researcher. Visit our website [www.iaaedu.com](http://www.iaaedu.com) for more details.

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## **PREFACE**

“Faceless, Paperless, Cashless” is one of the professed roles of Digital India. The government of India has an ambitious mission to drive India towards cashless economy. Cashless economy is system where there is no physical cash in circulation; payments are made through electronic modes, i.e credit debit card, net banking or E- wallets.

Globally both developed and developing countries are making great paces in curtailing the usage of physical currency. Cashless system brings down the cost associated with printing, storing and transporting of cash. It also removes the problem of counterfeit currency, hoarding of cash, black money and tax evasion. All the transactions that are done can be monitored and traced back to a given individual, so it will be difficult to evade tax. However, one has to recognize the risks and benefits of different payment instruments, the risks associated with electronic payment instruments are far more diverse and severe.

Clara’s College of Commerce is delighted in presenting before you research papers on the theme “World Road to Cashless Economy” at the International Conference which is organized by Clara’s College of Commerce in collaboration with University of Mumbai and India Accounting Association, Thane Chapter on 16<sup>th</sup> March, 2019.

This conference proceeding is an outcome of the researchers, academicians and students who have harnessed their creativity and exchanged their ideas, in order to broaden the horizon and help the researcher to explore a new range of opportunities with reference to Cashless Economy in different areas. Students aiming for a career in research or in academia learn that success depends not only on getting academic credentials but also on the quality of their contributions to such events.

We take this opportunity to express our deep sense of gratitude to all the Members of Advisory Committee, Review Committee, Managing Trustee Hon. Shri Ajay Kaul, Activity Chairman Mr. Prashant Kashid, Principal Dr. Madhukar Gitte for providing us with strong support and encouragement for organizing this International Conference.

We, on behalf of Clara’s College of Commerce are obliged to all the authors of research papers for their overwhelming response for the conference.

**Mrs. Babita A. Kanojia (Convener)**  
**Dr. Nishikant Jha (Secretary, IAA-Thane Chapter)**



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### MESSAGE

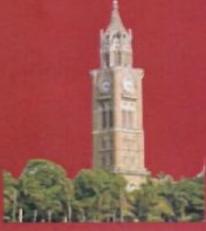
I am pleased to know that Clara's College of Commerce, Mumbai, in association with University of Mumbai and Indian Accounting Association – Thane Chapter, is organizing a One Day International Multi-Disciplinary Conference on "*World Road to Cashless Economy*" on 16<sup>th</sup> March, 2019.

I hope the Conference will provide an opportunity for participants and researchers to express their opinion and outlook on digitalization of India on way to cashless economy. Students will gain knowledge about the functions and working of tools used in cashless economy like credit card, debit card, net banking and E-wallet. The conference will create awareness about safety and security measures while using these tools. The research paper presenters will share their opinions and ideas about the topic. It is expected that the Conference will yield constructive results.

I extend my best wishes to the Organizers of the International Conference and the participants and wish the publication every success.

(Prof. D.P. Singh)

14<sup>th</sup> February, 2019



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Prof. Suhas Pednekar  
Vice Chancellor



### MESSAGE

*It gives me an immense pleasure to know that Clara's College of Commerce in association with Indian Accounting Association – Thane Chapter is organising a One-day International Multi Disciplinary Conference on "World Road to Cashless Economy" on 16<sup>th</sup> March, 2019.*

*It is certainly a positive step taken by the College. This Conference will enhance participants' knowledge about the cashless economy. It is an excellent platform for those who are enthusiastic in expressing their outlook on the present scenario regarding cashless economy and financial developments around the world. The Conference will definitely be an eye opener and fruitful for the participants.*

*I wish the delegates and the organizers of the conference all success in making this event a memorable and informative one.*

*16<sup>th</sup> March, 2019  
Mumbai*

*Prof. Suhas Pednekar  
Vice Chancellor*

## MESSAGE



**DR. SANJAY BHAYANI**  
*Dean, Professor and Head Treasurer IAA*

*I am glad to learn that Clara's College of Commerce, University of Mumbai & Indian Accounting Association- Thane Chapter is organising International conference on "World Road to Cashless Economy". I want to convey my best wishes to organizers and participants for grand success of this event and gratitude to all the contributors.*

A handwritten signature in black ink, appearing to read 'Sanjay Bhayani', with a horizontal line underneath.

**DR. SANJAY BHAYANI**  
**Dean, Professor and Head Treasurer IAA**

## MESSAGE FROM MANAGING TRUSTEE



*Clara's College of Commerce in association with University of Mumbai and Indian Accounting Association – Thane Chapter is going to organize a One Day International Multi Disciplinary Conference on “World Road to Cashless Economy” on 16<sup>th</sup> March, 2019. This conference is an excellent platform for those who are eager in knowing the present scenario regarding cashless economy and financial developments around the globe.*

*We on behalf of the Clara's college of Commerce welcome the participants, presenting the research papers for their overwhelming response for the conference. The college has always embattled holistic development for all its students and faculty. Our strong foresight helps us to adapt and make a mark of its own. The management continually focuses on arranging different workshops, seminars and conferences at state and national level on current topics around the world, with a keen eye for future expansion and advancement of knowledge.*

*The conference also aims to bridge the gap between the researchers working in academic world and other professionals through research paper presentations.*

*We express our best wishes for making this conference inspiring and fruitful.*

**Shri Ajay Kaul**  
General Secretary

## MESSAGE FROM PRINCIPAL



*On behalf of Clara's College of Commerce, I extend a very warm welcome to all the participants and delegates present for the International Multi-Disciplinary conference on "World Road to Cashless Economy" on 16<sup>th</sup> March 2019.*

*Currency has always been used as medium of exchange for all financial transactions taking place in the economy. However, worldwide high-tech progression ensuing in the overview of numerous non-cash payment alternatives such as plastic money, mobile wallets, etc has unlocked the paths to simplify payments without the use of physical currency.*

*Demonetization and digitalization has surfaced way for an enhanced and effective practice of the digital payment system. These measures will drive the expansion and transformation of the payment system already in place, making it more translucent and answerable thereby decreasing the generation of black money in the economy to a degree. The International Conference "World Road to Cashless Economy" aims at creating awareness about the ongoing cashless movement in the world, and brings forth the available non-cash payment methods.*

*The college has taken great steps in inculcating and evolving research culture in the institution by organizing various seminars and conferences. This International Conference provides a path to all the academicians, research scholars, and learners to express and share their views on the conference theme.*

*I would like to express my appreciation towards University of Mumbai and Indian Accounting Association – Thane Chapter. I am overwhelmed by the support and coordination from the members of advisory board, reviewers, and session chairpersons.*

*Last but not least, I would also like to express my sincere thanks Management, organizing committee, editorial board, presenters and participants for contributing to the grand success of this conference.*

**Prin. Dr. Madhukar Gitte**  
Clara's College of Commerce

## MESSAGE



**DR. ARVIND LUHAR**  
*Chairman, IAA Thane Chapter*

*It gives me immense pleasure to acknowledge and announce that Clara's College of Commerce, University of Mumbai & Indian Accounting Association [Thane Chapter] organising One Day International Multi-Disciplinary Conference on "World Road to Cashless Economy" which provides a platform to scholars, researchers & professionals of diverse disciplines like Accounting, Marketing, ICT & Education, Banking Finance & Insurance, Commerce and Management, and Legal Perspective to name a few, to discuss the various aspects of cashless economy.*

*Hearty congratulations to Clara's College of Commerce for this laudable effort and all the best wishes to all the research delegates. I am sure that there will be high level of deliberation and panel discussion on the theme and there will be learning for all who are part of this conference.*

*I extend my support and well wishes for the success of this conference which is ready to ignite the minds for a better tomorrow.*

A handwritten signature in blue ink, appearing to read 'Arvind L.' with a horizontal line underneath.

**Dr. Arvind Luhar**  
*Chairman, IAA Thane Chapter*

## MESSAGE



**DR. NISHIKANT JHA**  
*(Secretary, IAA Thane Chapter)*

*It is a matter of delight to start off a new year with enthusiasm, zeal and determination. I heartily welcome all the new entrants who are on board for their New Voyage of Knowledge at Clara's College of Commerce. The College is well known for its quality education, knowledge enhancement, learning procedures and excellent work culture. The purpose of this conference is to provide an International Forum for Academicians, Research Scholars, Industrial Delegates and Students to present their state-of-art research on "World Road to Cashless Economy" to exchange ideas and explore new avenues of collaborations.*

*It is very much heartening to see the immense response received for the conference from the research community for its very first edition. A good number of distinguished professors and researchers have also agreed to deliver keynote addresses/ invited talks in the conference. Young scholars participating in the conference will immensely benefit from these. I wish to express our sincere gratitude to all the authors who contributed significantly for the enrichment of this issue. I am thankful to all who have contributed towards the success of the conference.*

A handwritten signature in black ink, appearing to read 'Nishikant Jha'.

**(Dr. Nishikant Jha)**  
*Secretary, IAA Thane Chapter*

## MESSAGE



**Dr. Tazyn Rahman**  
**Editor In Chief - IJAIR**

On behalf of IARA I am honored and delighted to welcome you to the International Multidisciplinary Conference on “World Road to Cashless Economy”.

A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties.

This concept is being discussed widely, because the world is experiencing a rapid and increasing use of digital methods of recording, managing, and exchanging money in commerce, investment and daily life in many parts of the world, and transactions which would historically have been undertaken with cash are often now undertaken electronically’.

A common measure of how close to a "cashless society" a country is becoming is some measure of the number of cashless payments or person to person transactions are done in that country. For instance the Nordic countries conduct more cashless transactions than most Europeans. Levels of cash in circulation can widely differ among two countries with similar measure of cashless transactions. For example, Denmark has more than double the amount of cash in circulation as Sweden and a considerably higher percent in the largest denomination banknote, the 1000kr bill.

Government of India led by Prime Minister Narendra Modi is also trying to reduce dependency of Indian economy on cash and to bring hoards of stashed black money lying unused into the banking system. The country embarked upon this transition to a cashless economy when the government took the revolutionary step of demonetization of old currency notes of Rs 500 and Rs 1000 on November 08, 2016. The benefits of this move have now started trickling in with more and more people switching to digital modes of receiving and making payment. India is gradually transitioning from a cash-centric to cashless economy.

So, the Topic of the Conference “World Road to Cashless Economy” is very relevant in today’s time. I hope the Conference will be well appreciated by all the delegates, faculty members and scholars. We’re looking forward to a great exchange of ideas among research scholars from different parts of India and abroad.

**Dr. Tazyn Rahman**  
Editor In Chief  
IJAIR

## MESSAGE FROM THE CONVENER



*It is our immense pleasure to invite you for International Conference on “World Road to Cashless Economy”. I, on behalf of Clara’s College of Commerce, welcome all the participants of the conference. The major aim of organizing this conference is to create awareness about cashless economy. As everyone knows that the cashless transfer means transferring money by digital or online transactions. Nowadays online transactions are done with the help of Net banking, Credit card, Debit card and E-wallet.*

*It is a good platform for those who are eager in knowing the present scenario regarding cashless economy and financial developments around the world. Cashless transaction will record each and every transaction. Now people will stop hoarding cash, and will switch on to digital mode of payments. This will restrain the corruption and curb black money; which will in turn lead to economic development.*

*Furthermore, this conference will also facilitate the participant’s representation. The participants will be able to share views and fresh ideas. The conference also aims to bridge the gap between the researchers working in academic world and other professionals through research paper presentations. Participants will get ample scope to widen their knowledge and network.*

*Dear all, conference is the culmination of many individuals. Therefore I thank the Conference Committee for extending their valuable time in organizing the program and all the authors, reviewers, and other contributors for their painstaking and meticulous efforts and their belief in the excellence for International Conference on “World Road to Cashless Economy” organized by Clara’s College of Commerce.*

**Mrs. Babita A. Kanojia** (Convener)  
Clara’s College of Commerce

## MESSAGE



**Dr. Kuldeep Sharma**  
*(Treasurer, IAA Thane Chapter)*

*It is a matter of great pleasure to see the Institute organizing its Multi- Disciplinary Conference in the form of a One Day International Conference on “World Road to Cashless Economy”. I could see the amount of efforts put in by the young faculty in organizing this conference in this new Institute with minimal infrastructure of its own.*

*It is cheering to see the enormous response received for the first publication of the conference from the research community. A number of distinguished professors and researchers have agreed to deliver keynote addresses & talks at the conference. Young scholars participating in the conference will immensely benefit from their experiences.*

*My best wishes to the organizing committee and all the delegates. I also express my gratitude to all the researchers and the delegates across the globe for sending their research work and participating in this conference and making this conference a grand success*

A handwritten signature in black ink, consisting of a stylized 'K' followed by a horizontal line and a vertical stroke.

**Dr. Kuldeep Sharma**  
*Treasurer, IAA Thane Chapter*

# International Journal of Advance and Innovative Research

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**TOURISM, HOSPITALITY AND EVENT MANAGEMENT****Kajal Desai<sup>1</sup> and Ghanshyam Waghela<sup>2</sup>**Assistant Professor<sup>1</sup> and Student<sup>2</sup>, Bal-Bharati's M J Pancholia College of Commerce**ABSTRACT**

*The tourism and event management industry of India is economically important and grows rapidly. The World Travel & Tourism Council calculated that tourism generated INR6.4 trillion or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism and event management industries over the next decade. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about 95 billion by 2015. This paper discusses how India is emerging as a popular tourist and event management destination in the world, driven by the focus on innovation and creating value for tourists. It also examines the impact of India's economic growth on tourism and event management, Contributors to economic growth, Role of Tourism and event management industry in India's GDP, Foreign versus Domestic Tourists. The paper also explores that there has been a tremendous growth in tourism in India because of the policies of the government and support from all levels. While gauging the positive economic effects of tourism and event management, we study its contribution to the generation of national income, expansion of employment opportunities, rising of tax revenue, generation of foreign exchange and transformation of regional economy*

*Keyword: Tourism And Event Management, Growth of Tourism And Event Management, Opportunities Created By Government*

**INTRODUCTION**

Throughout the world, tourism and event management brings money to cities and countries. Tourism and event management also provides jobs for the local residents, further benefiting the destination. India has realized the profits available from this sector. The growth in the tourism and *event management* industry is due to the rise in the arrival of more and more foreign tourists and the increase in the number of domestic tourists.

India is a country with diversified culture and traditions. The natural beauty of India, festivals, dresses, heritage sites of India are very popular among tourists. These things fascinate travelers to come here. The Government of India has established the Ministry of Tourism in order to boost Tourism in India. The Ministry of Tourism has undertaken many projects to showcase India as a perfect Tourist destination and create a visitor-friendly image of the country. The major steps taken by the Government were the "Atithi Devo Bhavah" Campaign which gave a widespread message of "honour your Guest as he is always equivalent to God" and the Incredible India Campaign which was incredibly successful in creating a colorful and a gorgeous image of our country as a perfect holiday destination.

The statement that tourism can lead to regional development has been well-documented by various researchers. Tourism has a multi-dimensional affection on the host destination. The direct and indirect benefits of tourism combine to create an extensive list of opportunities. Tourism is an economic sector able to offer a significant contribution to the economic growth of a region and to the labour market and produces occupation directly and indirectly through the supply of goods and the necessary services for tourist activities.

Tourism produces social benefits to the region (i.e. small and medium enterprises development, creation of new job, improvement of infrastructure etc.). On cultural plan, tourism is considered an element of community enrichment, thanks to the meeting of different cultures. Also, tourism can positively contribute to the maintenance of natural environment by protecting, creating or maintaining national parks or other protected areas. Especially, in less developed countries tourism afflicted by debilitating rural poverty, tourism is perceived to be one of the few feasible options for development.

**METHODOLOGY**

The present study is based on the secondary data published by various agencies and organizations. The present study makes use of data and information provided by, UNWTO, IBEF, Ministry of Tourism, Ministry of Statistics and Programme Implementation, Newspapers, Magazines, Books, Economic journals and Internet etc.

**OBJECTIVE**

- ✓ To understand the current and the future trends of tourism and event management in our country.
- ✓ To find the number of companies who took initiative to boost this sector.

- ✓ To study the GDP growth rate through tourism and event management sector.
- ✓ To study the various measures taken by the government.
- ✓ To find out the various method of tourism and event management.
- ✓ To understand the demand of tourism and event management in the coming decade.

**EVOLUTION OF THE INDIAN TOURISM,HOSPITALITY AND EVENT MANAGEMENT SECTOR 2000- 2005**

- A national policy on tourism was announced in 2002, focusing on developing a robust infrastructure.
- Online travel portals & low-cost carrier airlines gave a boost to domestic tourism .

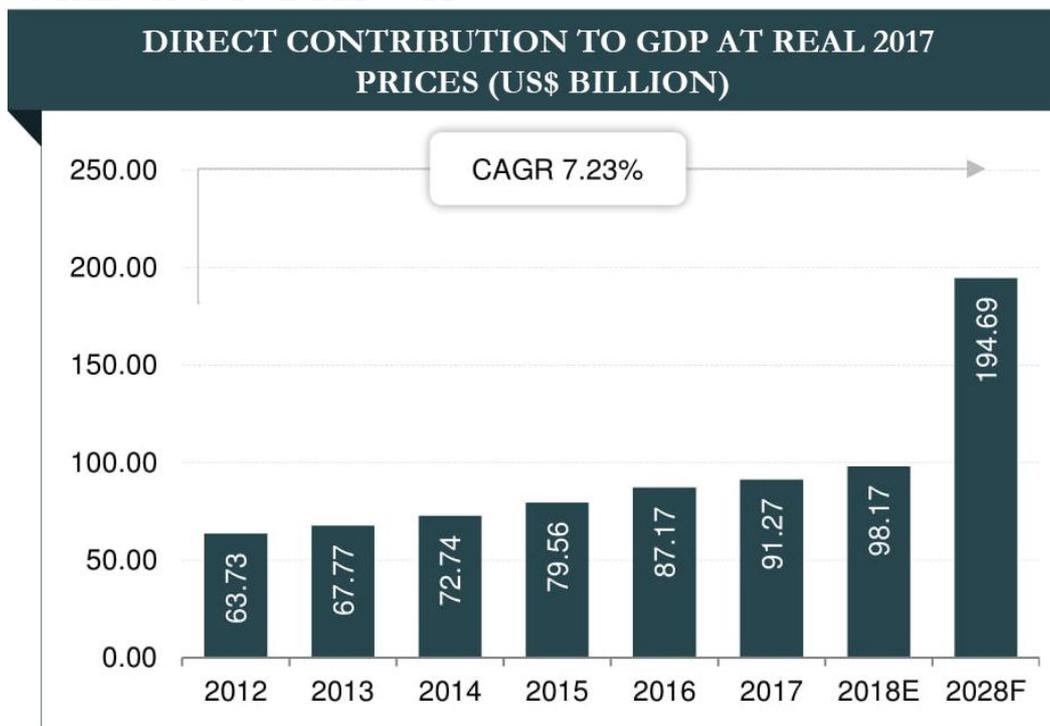
**2015 Onwards**

- The government has undertaken various marketing initiatives to attract tourists, hospitality and event management sector.
- E – tourist visa launched and 1.697 million tourists arrived in India in 2017 through this facility.
- Travel and Tourism sector accounted for 8 per cent of total employment opportunities in India in 2017.
- In November 2018, India attained third position in world tourism sector after China and US.

**EMERGING TOURISM,HOSPITALITY AND EVENT MANAGEMENT SEGMENTS**

- RURAL TOURISM
- ADVENTURE TOURISM
- MEDICAL TOURISM
- HERITAGE TOURISM
- LUXURY TOURISM
- ECO-TOURISM
- PILGRIMAGE TOURISM

**RISING CONTRIBUTION TO INDIA’S GDP**



- ✓ India ranked 8th in the world in 2017 in terms of absolute direct contribution of travel & tourism sector’s to its GDP.
- ✓ It is the 3rd largest foreign exchange earner for the country.

✓ The tourism, hospitality & event management sector’s direct contribution to GDP in 2017, was Rs 5.94 trillion (US\$ 91.27 billion). This is expected to reach Rs 12.68 trillion (US\$ 194.69 billion) in 2028, implying a CAGR of 7.23 per cent during 2012-28.

**IMPACTS OF EVENT TOURISM**

TYPE OF IMPACT	POSITIVE IMPACT	NEGATIVE IMPACT
Economic	<ul style="list-style-type: none"> <li>• Increased expenditures.</li> <li>• Creation of employment.</li> <li>• Increase in labour supply.</li> <li>• Increase in standard of Living.</li> </ul>	<ul style="list-style-type: none"> <li>• Price increases during Event.</li> <li>• Real estate speculation.</li> <li>• Failure to attract tourists.</li> <li>• Better alternative investments.                             <ul style="list-style-type: none"> <li>• Inadequate capital.</li> </ul> </li> <li>• Inadequate estimation of costs of event.</li> </ul>
Tourism/ Commercial	<ul style="list-style-type: none"> <li>• Increased awareness of the region as a travel/tourism destination</li> <li>• Increased knowledge, potential for investment.</li> <li>• Creation of new accommodation and tourist attractions.                             <ul style="list-style-type: none"> <li>• Accessibility.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate facilities.</li> <li>• Increasing competition.</li> </ul>
Physical/ environmental	<ul style="list-style-type: none"> <li>• Increase in permanent level of local interest and participation in types of activity associated with event.</li> <li>• Strengthening of regional values and traditions.</li> </ul>	<ul style="list-style-type: none"> <li>• Commercialization of activities.</li> <li>• Modification of nature of event or activity to accommodate tourism.                             <ul style="list-style-type: none"> <li>• Potential increase in crime.</li> </ul> </li> <li>• Changes in community structure.                             <ul style="list-style-type: none"> <li>• Social dislocation.</li> </ul> </li> </ul>
Psychological	<ul style="list-style-type: none"> <li>• Increased local pride and community spirit.</li> <li>• Increased awareness of non-local Perceptions.</li> </ul>	<ul style="list-style-type: none"> <li>• Culture shock.</li> <li>• Misunderstanding leading to varying degrees of host/visitor Hostility.</li> </ul>
Political/ Administrative	<ul style="list-style-type: none"> <li>• Enhanced international recognition of region and values.</li> <li>• Development of skills among Planners.</li> </ul>	<ul style="list-style-type: none"> <li>• Distortion of true nature of event to reflect elite values.                             <ul style="list-style-type: none"> <li>• Inability to achieve aims.</li> <li>• Increase in administrative Costs.</li> </ul> </li> </ul>

**MAJOR COMPANIES ACROSS SEGMENTS**



**NOTABLE TRENDS IN THE TOURISM INDUSTRY IN INDIA**

**ONLINE TRAVEL OPERATORS**

✓ Over 70% of air tickets are now being booked online in the country

- ✓ A number of online travel & tour operators, which provide better prices & options to consumers, have emerged in India

**WELLNESS TOURISM**

- ✓ The widespread practice of Ayurveda, yoga, siddha & naturopathy that is complemented by the nation's spiritual philosophy makes India a famous wellness destination.

**CRUISES**

- ✓ Government of India has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31. The government is planning to set up five cruise terminals in the country.

**ADVENTURE / CAMPING SITES**

- ✓ Adventure tourism is one of the most popular segments of tourism industry. Owing to India's enormous geo-physical diversity, it has progressed well over the years. Moreover, the government has recognised Adventure Tourism as a Niche Tourism product to attract tourists with specific interest.
- ✓ Promotion of camping sites has been encouraged with adequate acknowledgement of its adverse effects on environment

**STRATEGIES ADOPTED****ONE STOP SOLUTION**

Players are trying to ensure convenience for their customers by providing all services available on a single portal. For example, makemytrip.com & a host of other websites provide a comprehensive basket of offerings which include outbound & inbound travel for leisure & business trips, hotels & car booking, holiday packages within India or abroad, etc

**MULTIPLE CHANNELS**

Players are opting for many channels to maximise sales & ensure convenience for their customers. For example, Thomas Cook & Kuoni India launched their online portals to compete with others. On the other hand, makemytrip.com is planning to go for the offline channel to complement its existing portal & has already launched mobile apps for maximising sales.

**M-VISA**

Indian government has also released a fresh category of visa – the medical visa or M visa, to encourage medical tourism in India. Indian medical tourism is expected to reach USD8 billion by 2020.

**DATA ANALYTICS AND ARTIFICIAL INTELLIGENCE**

Companies have started using data analytics to create a 360 degree profile of their customers.

Makemytrip has also started using AI powered chatbots. 25% of its post-sales requests are now services by these chatbots.

**SPIRITUAL TOURISM**

India has been known as the seat of spiritualism & India's cosmopolitan nature is best reflected in its pilgrim centres

India has been recognised as a destination for spiritual tourism for domestic & international tourists

**GOVERNMENT INITIATIVES****SWADESH DARSHAN**

- ✓ Based on specific themes, government has identified 15 circuits which includes Krishna Circuit, Buddhist Circuit, Himalayan Circuit, North East Circuit, Coastal Circuit, wildlife circuit & tribal circuit.
- ✓ So far 73 projects have been sanctioned under the Swadesh Darshan Scheme since FY15. During 2018-19, a total of six projects worth Rs 304.3 crore (US\$ 42.18 million) were sanctioned under the Swadesh Darshan scheme.
- ✓ Under Budget 2018-19, the government allotted Rs 1,250 crore (US\$193.08 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).

**STATUE OF UNITY**

- ✓ Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre.

✓ It is expected to boost the tourism sector in the country and put India on the world tourism map.

**LEADING STATES IN TERMS OF TOURISM,HOSPITALITY AND EVENT MANAGEMENT**

<b>Maharashtra</b>	<ul style="list-style-type: none"> <li>✓ Attracted 124.27 million total tourists (7.40 per cent) in 2017</li> <li>    ✓ Domestic Tourists: 119.19 million</li> <li>    ✓ Foreign Tourists: 5.08 million</li> <li>✓ Major attractions – Ajanta &amp; Ellora Caves, Shirdi, Ashtavinayak &amp; Matheran</li> </ul>
<b>Uttar Pradesh</b>	<ul style="list-style-type: none"> <li>✓ Attracted 237.53 million total tourists (14.14 per cent) in 2017</li> <li>    ✓ Domestic Tourists: 233.98 million</li> <li>    ✓ Foreign Tourists: 3.56 million</li> <li>✓ Major attractions – Taj Mahal, Agra Fort, Fatehpur Sikri &amp; Sarnath</li> </ul>
<b>Karnataka</b>	<ul style="list-style-type: none"> <li>✓ Attracted 180.48 million total tourists (10.75 per cent) in 2017</li> <li>    ✓ Domestic Tourists: 179.98 million</li> <li>    ✓ Foreign Tourists: 0.50 million</li> <li>✓ Major attractions - Mysore Palace, Hampi, Coorg, Jog falls</li> </ul>
<b>Tamil Nadu</b>	<ul style="list-style-type: none"> <li>✓ Attracted 349.92 million total tourists (20.84 per cent) in 2017</li> <li>    ✓ Domestic Tourists: 345.06 million</li> <li>    ✓ Foreign Tourists: 4.86 million</li> <li>✓ Major attractions – Meenakshi Temple, Brihadeeswarar Temple, Yelagiri Hills, Hogenakkal Falls &amp; Vivekananda Memorial</li> </ul>
<b>Andhra Pradesh</b>	<ul style="list-style-type: none"> <li>✓ Attracted 165.71 million total tourists (9.87 per cent) in 2017</li> <li>    ✓ Domestic Tourists: 165.43 million</li> <li>    ✓ Foreign Tourists: 0.27 million</li> </ul>

**CONCLUSION**

In conclusion, the event industry has grown significantly over the last decades, increased government’s participation and support, rapid development of tourism, and the ability of events to create economic benefits explain this phenomenon. Economic benefits are a significant and increasing priority for government before its participation and support, and government needs to continue to play an import role in offering resource, and further explore chances to attract events. Tourism is a significant driver of events, and benefits in the tourism value of business events are strong. Economic benefits of events are among the most significant causes for organizing events, and the significant development of event industry gives a great push to the economic growth.

**RECOMMENDATION**

- ✓ Government should focus on building infrastructure of the country.
- ✓ Should focus on security of the tourists.
- ✓ Government can focus on more tourism policy reforms.

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**TOURISM AND EVENT MANAGEMENT**

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**ABSTRACT**

*This paper is all about the tourism and event management . As tourism is one of the fastest growing industries today, thus within the tourism industry events are getting more and more important. People have become more interested in events of all kinds, and will travel far away to participate in events that they find interesting.*

*The purpose of this paper is to give a theoretical overview of the classical and contemporary business strategies that can be implemented in a more or less modified form by tourism companies in different countries and some information about event management.*

*Keyword: Tour agency, Event planning etc.*

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**INTRODUCTION**

Tourism is a major economic and social significant that has been recognized in both developed and developing countries. Tourism is the temporary movement of people to destinations outside their normal places of work and residence. The activities undertaken during their stay in these destinations by facilities are meant to cater the needs of the consumer. The act of traveling for pleasure is a luxury. Until recently only a restricted few had the time and money to travel. Increasing leisure, higher incomes and greatly enhanced mobility have combined to enable more people to part. People are motivated to travel behind the personal or interpersonal problems of their environment and to obtain personal or interpersonal rewards. There has probably never been a more exciting time for the study of tourism geography than the present. Both as an industry and as a social phenomenon, tourism is renowned for the speed and scale of Responsible tourism/travel is about making better places for people to live in and better places for people to visit. The Tourism Industry Tourism is regarded as one of the most efficient, organised and marketed commodities in the world.

**Event Management**, as defined by ITIL, is the process that monitors all events that occur through the IT infrastructure. It allows for normal operation and also detects and escalates exception conditions.

An **event** can be defined as any detectable or discernible occurrence that has significance for the management of the IT Infrastructure or the delivery of IT service and evaluation of the impact a deviation might cause to the services. Events are typically notifications created by an IT service, monitoring tool

**AIMS AND OBJECTIVES**

1. To encourage the use of tourism for both culture and economic exchange.
2. To distribute the economic benefits of tourism.
3. To know the benefits and costs of tourism.
4. To learn the basic elements of event management.

**HYPOTHESIS**

HO : there is significant relationship between tourism and event management.

H1 : there is no significant relationship between tourism and event management.

**RESEARCH METHODOLOGY**

- ❖ Type of research – Descriptive Research
- ❖ Sample Population – peoples between the age group of 18-25
- ❖ Sample size -15
- ❖ Data collection methods – Data can be classified into two types-:
  - Primary data : primary data has been collected by conducting physical survey.
  - Secondary data : secondary data has been collected through various websites.

**DATA INTERPRETATION**

1. Do you supports the cashless economy/system ?
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2. Do you think that cashless economy will help grow the tourism ?
3. Do you think that cashless economy will have any adverse effects on the tourism industry or sector?
4. Which of the following modes do you use to make payment for the package of a particular trip ?
5. Do you think that cashless economy affects the event management?

### TESTING OF HYPOTHESIS

Through the survey conducted we can say that our hypothesis H1 is accepted.

### TOURISM AND EVENT MANAGEMENT

#### TOURISM

- **Tourism** is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveller's country. The world tourism organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure and not less than 24 hours, business and other purposes".
- **Tourism in India** is important for the country's economy and is growing rapidly. The world tourism and tourism council calculated that tourism generated ₹ 15.24 lakh crores (US\$210 billion) or 9.4% of India's GDP in 2017 and supported 41.622 million jobs, 8% of its total employment.
- The sector is predicted to grow at an annual rate of 6.9% to ₹ 32.05 lakh crore (US\$450 billion) by 2028 (9.9% of GDP). In October 2015, India's medical tourism sector was estimated to be worth US\$3 billion, and it is projected to grow to US\$7–8 billion by 2020. In 2014, 184,298 foreign patients traveled to India to seek medical treatment.
- The Ministry of tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central agencies, state government, union territories and private sector representatives. Concerted efforts are being made to promote niche tourism products such as rural, cruise, medical and eco-tourism. The Ministry of Tourism maintains the Incredible India campaign focused on promoting the tourism in India.

#### EVENT MANAGEMENT

**Event Management**, as defined by ITIL, is the process that monitors all events that occur through the IT Infrastructure. It allows for normal operation and also detects and escalates exception conditions.

#### PURPOSE

- The purpose is the ability to detect events, investigate and determine the correct control action
- The events (warnings and exceptions) can be used to automate many routine activities
- Event Management can be applied to any aspects of service management that can be controlled and can be automated (Configuration Items)
- Provide mechanisms for early detection of incidents.
- Some types of automated activities can be monitored by exception, reducing downtime.

#### FINDINGS

- In total we collect 20 respondents responded to the survey. out of which,
- 95.4 % respondents strongly agree that cashless economy can have impacts on tourism and event management..
- 45% of the respondents follows online banking, cards, phone banking etc.
- 12.6% of the respondents are confused about cashless economy relating to tourism and event management sector.
- 34.6% of the respondents are not sure about the changes in tourism industry.

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**CONCLUSION**

- Today, Tourism and event management sectors are the foremost sectors of the world economy. It improves balance of payments as well as income creation and employment opportunities.. Due to this, both developed and developing countries give due attention for creating quality staff for quality tourism and event management industries to step on the sectors contribution for the country's development. Based on the review, tourism and event management industries have creating many job opportunities for millions of people in the world in different areas.
- factors benefit the events industry due to profit going in to the economy therefor more individuals will have disposable income justifying an increase in individuals participating in events,.

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**CASH LESS ECONOMY: CHALLENGES AND OPPORTUNITIES BEFORE INDIAN ECONOMY**

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**ABSTRACT**

Indian economy is one of the fastest growing economies in the world, but suffering from problems like black money, fake currency, inequality etc. have created hurdle for economic development. Hon'ble Prime Minister Narendra Modi continuously insisting to tackle these issues, economy should transform from cash base economy to cashless economy. Several economic reforms opened the gateway for cashless economy in the form of Credit and Debit cards, Net Banking, UPI, Mobile Wallet etc. Demonetisation of 500 and 1000 rupee notes in 2016 compelled the citizens to go for cash less transactions. It is seen cashless economy has both opportunities and challenges. The objective of this paper to find out important opportunities and challenges of cashless economy in India.

Keyword: cashless economy, credit card, credit card, digital payment.

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**INTRODUCTION**

Cashless economy is a system where payments are made through different digital modes like debit card, credit card, internet banking, mobile banking etc.. Cash less economy means less cash economy. Since several years due to unorganised payment mechanism and lack of RBI's control India has witnessed parallel economy in the form of black money which has caused social problems like poverty, low GDP growth rate, corruption etc. Demonetisation in 2016 has increased cashless transaction volume from, 523.33mn transactions worth Rs.93.9 lakhs cr. which was increased to 682.45mn amounting to 150.24 lakhs cr. During November, 2016 to March, 2017. Cashless movement seems to be failed because as per 01st June, 2018, RBI report currency in circulation was 17.9lakh cr. on November 2016 and by June 2018 amount reached to 19.3 lakhs cr. which is more than the amount in circulation before demonetisation.

**OBJECTIVES**

1. To understand the guidelines of the Central Government and the RBI to encourage digital payments in India in post demonetisation period.
2. To study the opportunities and challenges of digital payment in India.

**RESEARCH METHODOLOGY**

This paper is based on primary and secondary data. Primary data has been collected from different age groups by questionnaire method. The sample size for the study is 114 respondents.

Secondary data has been collected through books, journals, government publications, reports of research agencies, newspaper, websites etc.

The research is mainly exploratory in nature and analysis is on the basis of observations.

**HYPOTHESES**

1. H<sub>0</sub> - There is no specific guidelines for digital payments.  
H<sub>1</sub> - There is specific guideline for digital payment
2. H<sub>0</sub> - India has low opportunities and high challenges in digital payment.  
H<sub>1</sub> - India has vast opportunities and limited challenges in digital payment.

**GOVERNMENT INITIATIVES FOR PROMOTING DIGITAL PAYMENT AFTER DEMONETISATION**

1. 0.75% discount on purchase of petrol or diesel for payment through digital modes.
  2. The Central Government through NABARD shall provide financial help to eligible banks to install 2 POS devices in 100000 villages with less than 10000 population. This covers 75% population to perform agriculture transactions.
  3. Issue of "Rupay Kisan Cards" to 4.32 core Kisan Credit Card holders to facilitate them to make digital transactions at POS machines/Micro ATMs/ATMs.
  4. From 1<sup>st</sup> January, 2017, Railway has started giving 0.5% discount on seasonal ticket and monthly tickets if payment is made through digital modes. And accidental insurance up to 10 laths
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5. Public insurance companies like LIC and GIC started offering 8% and 10% discount respectively on new insurance policies taken through digital means.
6. Public sector banks are advised that merchant should not pay more than 100 per month for POS terminals, Micro ATMs.
7. No service tax for digital transactions up to Rs.2000/- per transaction.
8. For the payment of toll at Toll Plazas on National Highways using RFID card/Fast Tags, a discount of 10% will be available to users in the year 2016-17.
9. The Central Government has introduced its own payment mobile app called as ‘BHIM’ to facilitate digital payments.

**MODES OF CASHLESS PAYMENTS AND TRENDS**

1. **Cheque and Demand Draft :-** it is a negotiable instrument use for small and big amount transactions.
2. **NEFT and RTGS :-** It facilitates quick transfer of funds and fast processing of cheque between banks.
3. **Internet Banking :-** in this mode people can perform several online financial transactions through bank web sites such as payment of tax, bills, fund transfer, investment in shares, etc.
4. **Electronic Clearing Service (ECS):-** in this mode large volume and amount of transactions can be processed. E.g. payment of salary,
5. **Credit and Debit cards :-** these cards are called as ‘Plastic Money’ and alternative to cash. These cards provide lot of convenience in payments..
6. **Unifies Payment Interface (UPI) :-** this system facilitates immediate transfer of funds between different banks through Smart mobile phones. It allows send and receive of money without disclosing bank information.. Eg.BHIM
7. **Mobile wallet :-** It allows user to load money in the wallet via Immediate Payment Service . It requires linking of bank account with mobile wallet. Banks and even private companies have developed mobile apps to facilitate payments. Eg. Pay tm,.
8. **Point of Sales:-** it is a machine which facilitates payment transactions only . Payments can be done by swiping debit or credit card. It is mainly used at shopping places like petrol pump, hotels, etc.
9. **Mobile Banking:-** several banks do have their mobile app to provide banking services like checking balance, NEFT, RTGS etc. It is different form mobile wallet.
10. **Immediate Payment Service (IMPS) :-** it is an instant payment interbank electronic fund transfer in India. This service is available on mobile phones across India. It is
11. developed by NPCI with objective. This service is available round the clock and through the year even on bank holidays.

	Values in Billion Rupees		
	2015-16	2016-17	2017-18
<b>CTS</b>	69,889	74,035	79,451
<b>RTGS</b>	8,24,578	9,81,904	11,67,125
<b>NEFT</b>	83,273	1,20,040	1,72,229
<b>ECS DR.</b>	1,652	39	10
<b>ECS CR</b>	1059	144	115
<b>CREDIT CARDS</b>	2,407	3,284	4,590
<b>DEBIT CARDS</b>	1,589	3,299	4,601
<b>UPI</b>	---	<b>69</b>	<b>1098</b>
<b>IMPS</b>	1,622	4,116	8,925

Source: RBI Annual Report 29<sup>th</sup> August 2018

**STATISTICAL ANALYSIS OF OPPORTUNITIES AND CHALLENGES IN CASHLESS TRANSACTIONS IN INDIA :-**

1. Gender

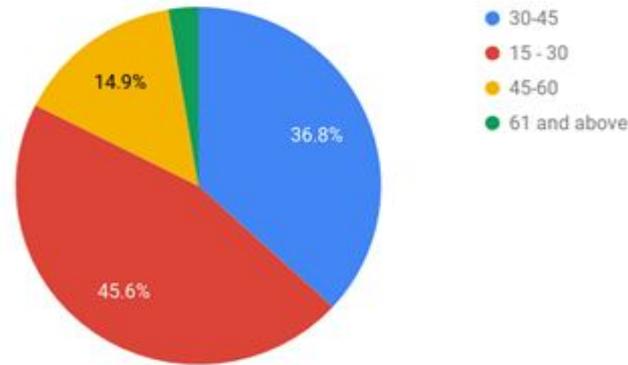
Males	Femaels
69.6%	30.4%

4. Cashless Transactions

2. Occupational status

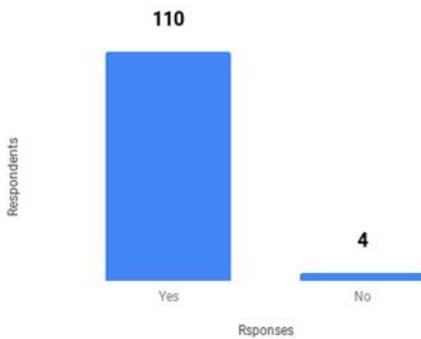
Salaried	51.8%
Unemployed	28.1%
Professional	16.7%
Business	3.4%

Age

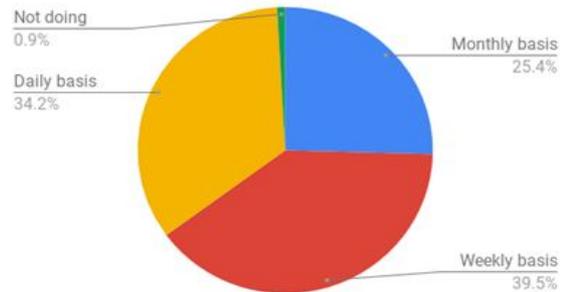


5. Frequency of cashless Transactions

Are you doing cashless transactions



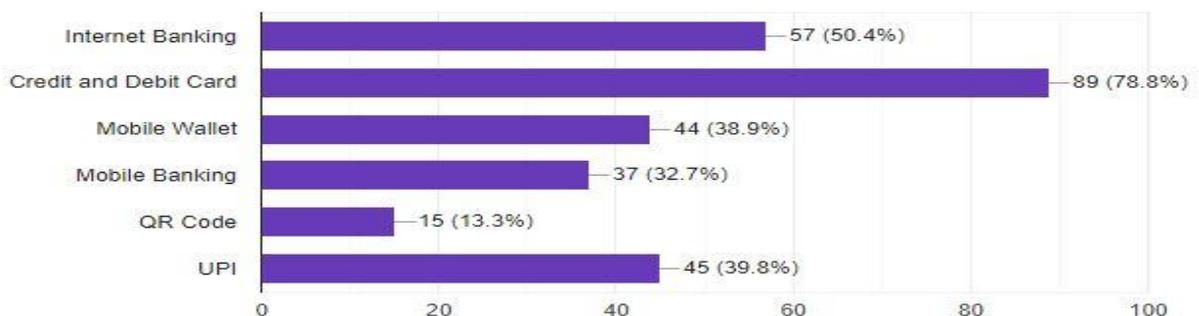
Frequency of Cashless Transactions



6. Modes of Digital Payments

Which of the following Digital Mode of payment do you prefer for payment ?

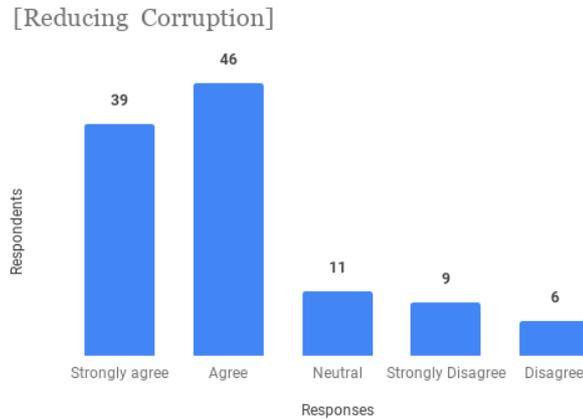
113 responses



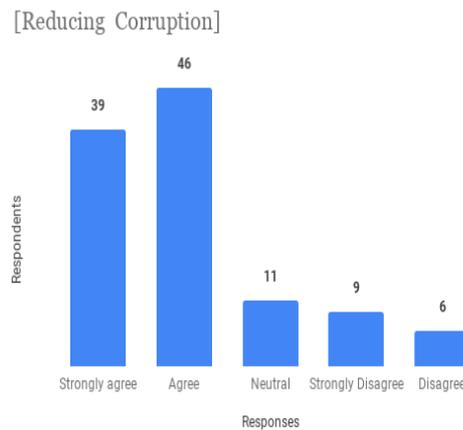
**OPPORTUNITIES FOR CASH LESS TRANSACTIONS IN INDIA**

**1. Reducing corruption:-**

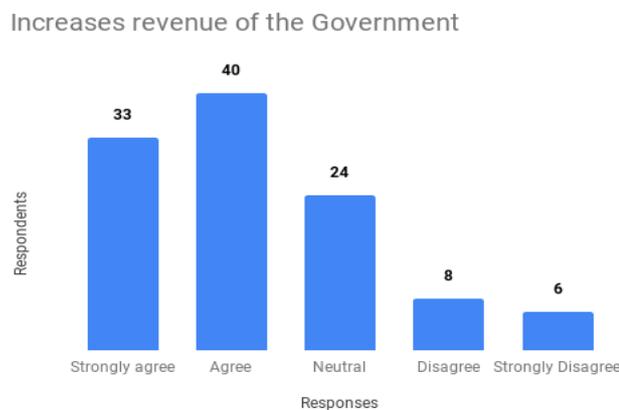
Cashless transactions will reduce some amount of corruption because of faires of transactions. Out of 114 respondents around 70% agreed that digital transactions will reduce corruption



**2. Control of fake currency :-** Indian currency has been suffering from fake currency notes due to which it own value diminished..Out 114 respondents 85 of them have expressed positive opinion that India can overcome counterfeit problem through cashless transactions



**3. Increases in Government Revenue:-**

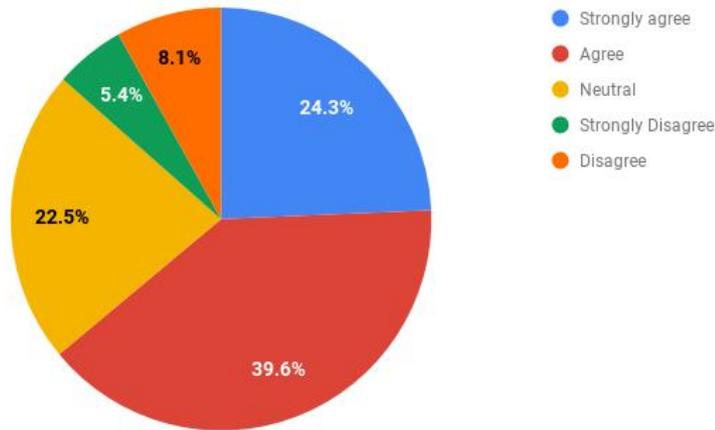


73 out of 114 respondents expressed that cashless movement will increase revenue of the government in form of tax, penalty and so on. After demonetisation in 2016, it

has been seen that number of tax payers have increased tremendously which is highest in last 10 years.

4. Better Economic Growth :-

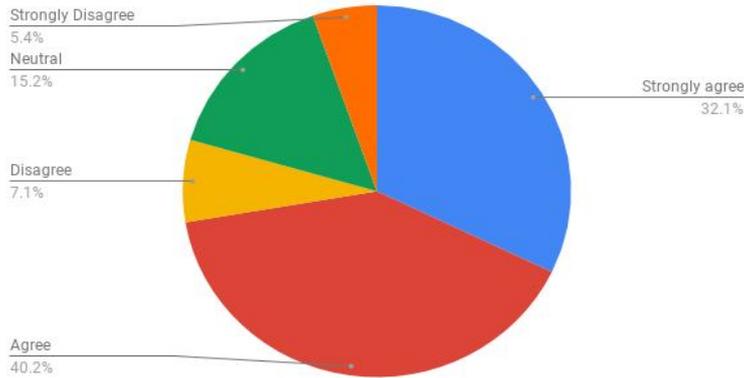
Better Economic Growth



Since 2016, GDP has increased from 7.1% to 8% growth rate in Q1,2018. 64% respondents are of the opinion that digital mode of payments will accelerate economic growth in coming financial years.

5. Control Over Tax Evasion:

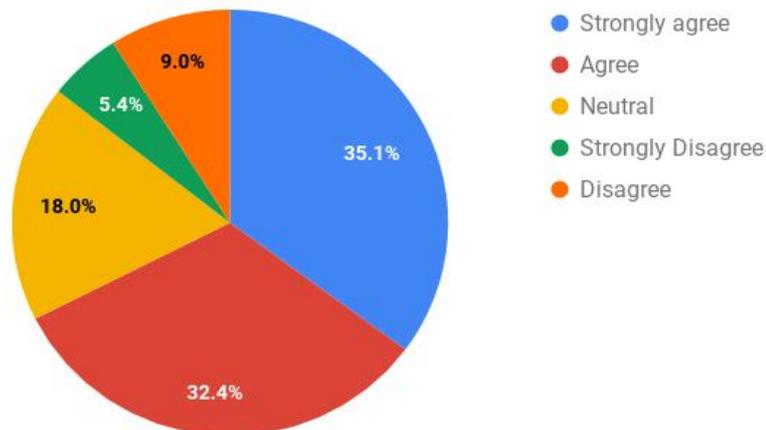
Control of Tax Evasion



73% population is of the opinion that due to digital cash transaction tax evasion can be reduced which will lead to increase government revenue and transparency in business.

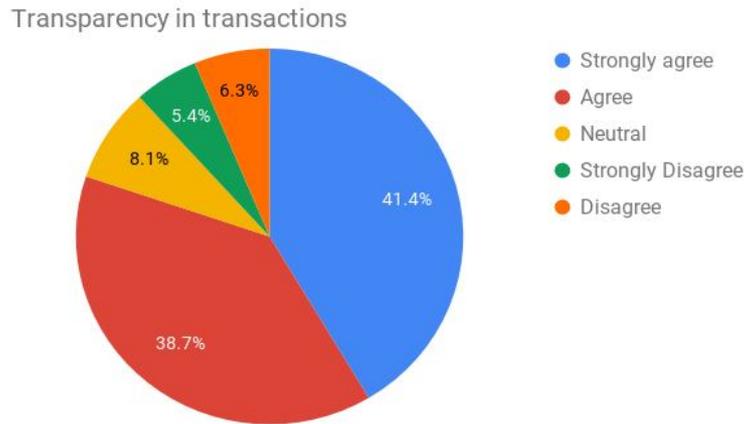
6. Control of Black Money :- Black money is a major hurdle in economic growth of the country results in to several social problems like poverty, inequality, etc.

Control of Black Money



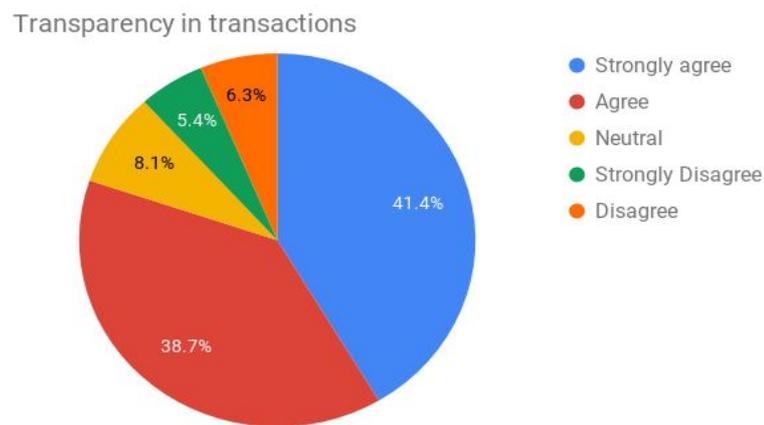
Around 67% people are of the opinion that black money can be controlled through digital transactions because it reduces use of cash and also impel people to record transactions. This will gradually reduce volume of black money in the economy.

7. Trasnperancy in Transactions :-



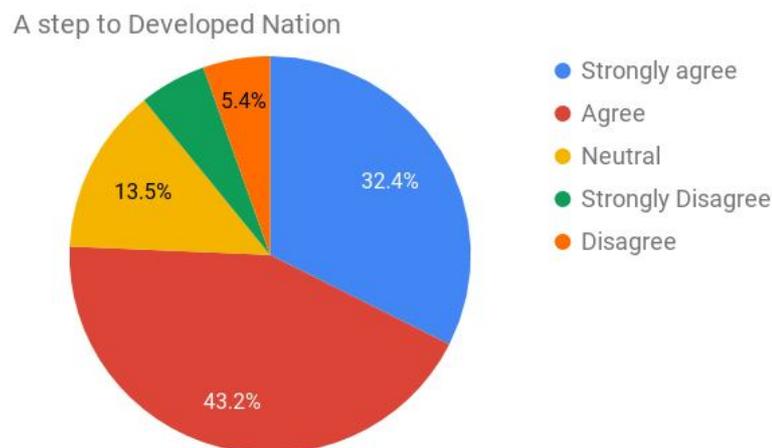
80% population in the respondents are saying that use of digital mode of payments will bring transparency in business because book records are created, this will do away with creation of black money and evasion of taxes.

8. Reduction in crime :-



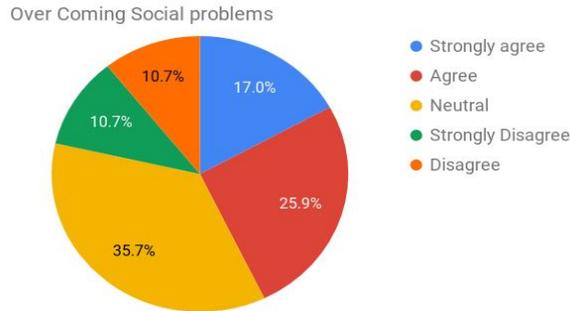
Around less than 50% believe people feel that rate of crime can be controlled because of cashless transactions. But, at same time 30% population are neutral and cannot decide whether crime can be controlled or not. And remaining 20% are disagreed about reduction in crime.

9. A step to develop naiton :-



75% population is of the opinion that cashless economy is a step towards developed nation. India being developing country it is keenly needed to introduce cashless transactions. This will automatically curb social problems.

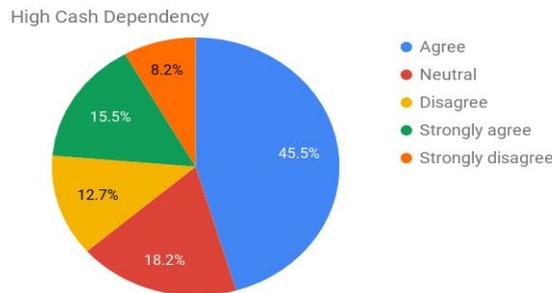
10. Overcoming social problems :-



More that 60% population is of the opinion that promotion of cashless economy will overcome social problems in the time to come by avoiding leakages in the economy.

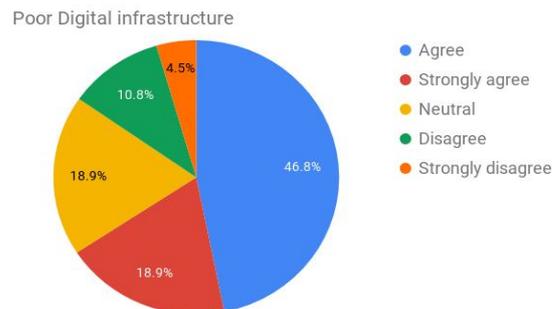
CHALLENGES FOR CASH LESS TRANSACTIONS IN INDIA :-

1. High cash dependency :-



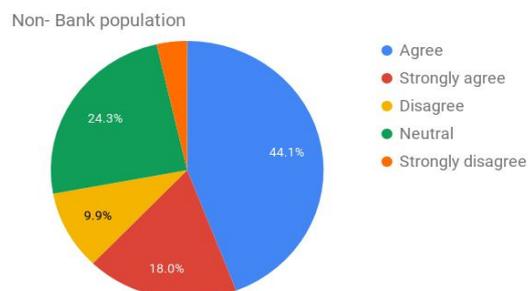
Indian people are very much habitual of using cash for large and small transactions. More than 63% respondents feel that use of excess cash in the economy is a majore challenge in cashless economy.

2. Poor Digital Infrastructure :-



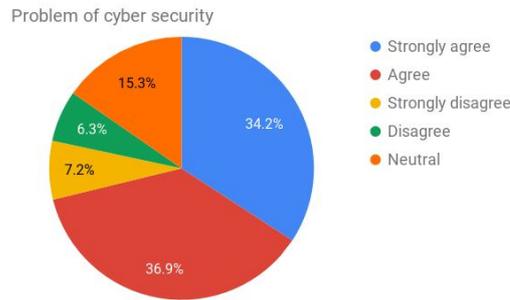
More than 63% respondents are of the feelings that poor digital infrastructure is the main challenge in making cashless economy. Poor infrastructure refers to low connectivity, limited covered etc.

3. Non Bank Population :-



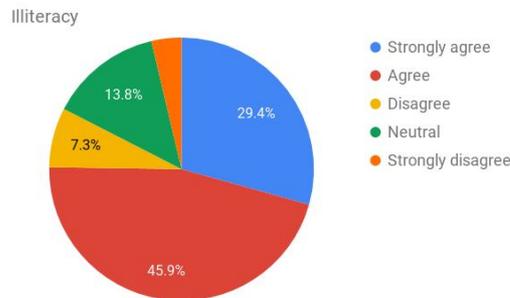
62% population feels that people not having bank account is the major challenge of cashless economy. Bank account is the basic requirement of digital transactions.

4. Problem Cyber security:-



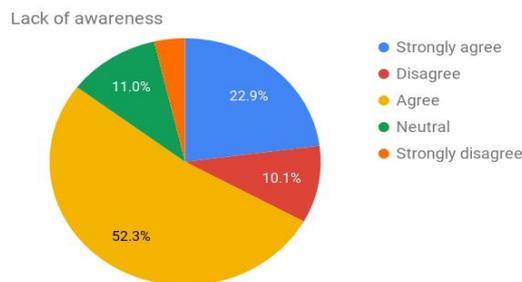
More than 70% respondents are of the opinion that they fear to perform cash less transactions because of low cyber security. Some people do not have knowledge about security which can be victims of cyber crimes.

5. Illiteracy:-



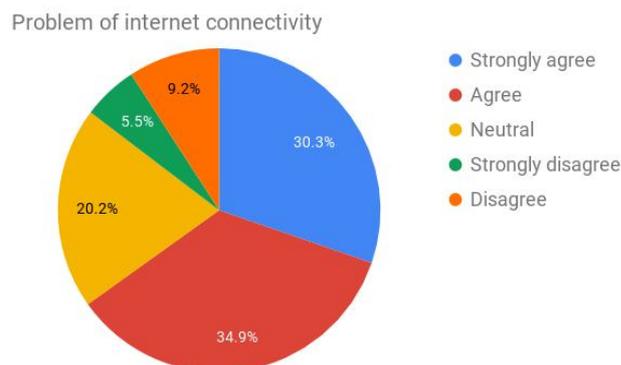
73% population said that illiteracy is a challenge in cashless movement. Even 8% people are not possible to decide whether illiteracy is a problem or not.

6. Lack of awareness :-



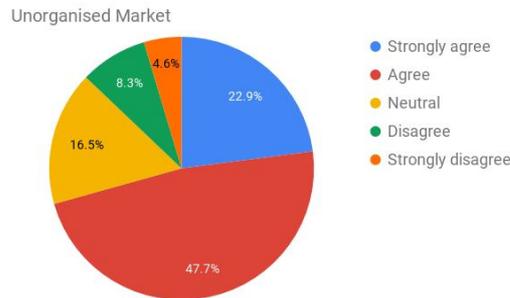
More than 80% people are of the expression that lack of awareness is a challenge to cashless transactions in India.

7. Problem of internet connectivity :-



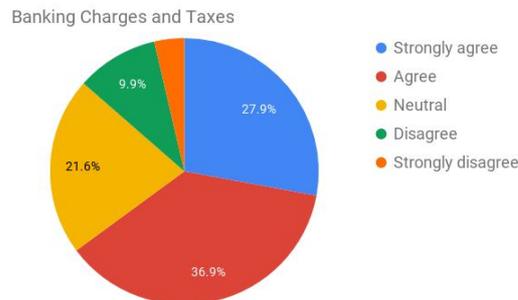
Around 65% respondents in the view that internet connectivity is not sufficient in different parts of the country which is utmost need for cash less transaction. This reduces willing to perform cashless transactions.

8. Unorganised Market:-



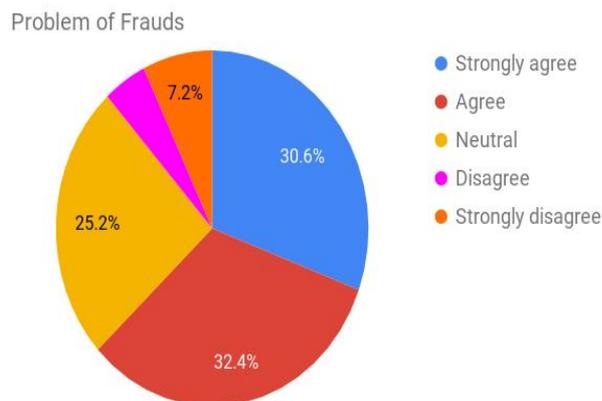
Indian markets are highly unorganised and as a result people tend to perform cash transactions rather than cash less transactions. 65% interviewees feel that unorganised market is hampering cashless movement.

9. Banking Charges and Taxes :-



Around 70% respondents are of the feelings that transactions through Credit card, NEFT, Debit card, Net Banking etc. attract banking charges and taxes also. These charges create unwillingness among the people to perform cashless transactions.

10. Problems of Fraud:-



62% respondents are agreed that cashless transactions will give rise to frauds in the form of hacking, cloning of cards etc.

**HYPOTHESIS TESTING**

Hypotheses are tested on the basis of percentage method.

1. H0- null hypothesis is rejected because government has done specific guidelines for promoting cashless economy.
2. H0- null hypothesis is rejected because India has lot opportunities and less challenges in case of cashless economy.

**FINDINGS**

1. People making payments through Credit and Debit cards are approx.79% followed by internet banking 50%. However, users of other modes of cashless transactions like UPI,Mobile Wallet, Mobile Banking, QR code etc are less than 40 % . .
2. Indian people are dependent on cash , This may be due to poor digital infrastructure, and lack of awareness.
3. Digital infrastructure which includes internet connectivity, speed, mobile connectivity etc.very poor especially in rural areas.
4. Bank account is an essential pre requisite for digital payments. Many Indian citizens do not have bank accounts. This is the big hurdle in cash less economy.
5. Many people are illiterate who cannot read and understand complexity of digital payments.
6. Still majority of the population does not know how to use credit card, debit card, internet bank etc. This seems that people are lacking in awareness of cashless economy and it benefits.
7. Indian markets are mainly unorganised in nature where most of the transactions are performed on cash basis rather than through digital mode.
8. It seems that due to bank charges for ATM, Debit and Credit Cards, POS machines etc. people are reluctant to do cashless transactions.
9. People feel that online transactions should be taxed.

**RECOMMENDATIONS**

1. The Government should encourage opening of more bank accounts with Zero balance.
2. Banking Charges should be waived off for Debit Card, Credit card , NEFT and so on this will motivate people to use cashless transactions.
3. More focus should be given by the Internet Service Provider to improve connectivity and speed of the internet.
4. All transactions beyond Rs. 10000/- should be made compulsorily cashless to avoid creation of black money.
5. People should be educated through TV, Newspapers, Workshops and so on regarding use of Digital Payment modes.
6. Use of UPI, QR code, POS transactions must be facilitated to convert unorganised market into organised market.
7. Online transactions up to Rs. 10000/ should not be made liable for taxes.
8. Cyber security needs to be strengthening to avoid cyber frauds and develop the confidence of the people towards online transactions.
9. There should be insurance coverage for higher amount of transactions to protect against likely frauds.
10. Incentives must be given to regular users of digital payment modes.
11. Make payments BioMetric which will enable people do not remember passwords.

**CONCLUSION**

After demonetisation Indian economy has gone through major changes in respect of cashless economy. It is seen by new UPI app, Mobile wallets , IMPS transactions and so on. Young population is techno savvy that can play a major role in making Indian economy cashless. India, through cashless transactions can tackle two major problems like black money and fake currency. Though there are several opportunities for cashless economy, but main challenge is high dependency on cash and persuade human minds for cashless transactions.

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**DECLARATION**

- I, Shri Subodh S. Barve the Author of the research paper titled as "**Cash less economy: Challenges and Opportunities before Indian Economy**" informing that the research work is original work and the same paper has not been submitted anywhere.

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**DYNAMISM AND OPTIMISM OF CASHLESS ECONOMY IN INDIA: THE WAY AHEAD (A STUDY OF THANE AND MUMBAI REGION)****CMA Dr. Rashmi Agnihotri**Head of the Department of Commerce, V. P. M's Joshi Bedekar College, Thane

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**INTRODUCTION**

A cashless economy is one where all transactions are through digital means and physical currency circulation is minimal or zero. Digital means such as NEFT (National Electronic Fund Transfer), RTGS (Real Time Gross Settlement), IMPS (Immediate Payment Service), use of direct debit, debit and credit cards and electronic payment systems are used for transactions instead of physical cash. Such digital transactions help not only in reducing the transaction cost but also reducing tax evasion, corruption, maintenance cost of hard cash but also assist hassle – freetransfers. A cashless digital economy will create a better opportunity for foreign investment and economic growth in India. Therefore, the introduction of cashless economy in India can be seen as a step in the right direction. It is expected that its impact will be felt in modernization of India's payment system, reduction in the cost of banking services, reduction in high security and safety risks and also curbing banking related corruptions. Although cashless transactions have gone up in recent times, the Indian Economy still continues to rely on hard cash where less than 5% of all payments happen electronically and the ratio of cash to gross domestic product is around 12%, which is very high as compared to that of some of the developed nations. In India cash is always preferred over and above the electronic transactions because various reasons such as:

- a. Lack of access to banking system to most of Indians
- b. No extra cost in cash payment for consumers
- c. Electronic transactions are not suitable for small transactions
- d. Large number of unorganised sector in India always prefer cash transactions
- e. Lack of education and awareness among consumers about use of digital transactions and so on.

Thus, there is an urgent need to study this area where cashless economy is popular but has not picked up the required pace of growth in India.

**OBJECTIVES OF THE STUDY**

1. To study the various Modes of Cashless Transactions
2. To analyse the benefits of Cashless Economy
3. To Study the hurdles in Cashless Economy

**PROBLEM STATEMENT**

The various methods, challenges and benefits of cashless economy explain its dynamism and optimism.

**RESEARCH METHODOLOGY**

The paper uses Primary data as well as Secondary data analysis for the study. The secondary data sources are from Government websites, books, journals and online sources. For Primary data collection, questionnaire has been prepared covering the areas of importance of Cashless Economy and Challenges faced by it. The data has been collected from 145 respondents from Thane and Mumbai region, using convenience sampling with the help of goggle forms. This data has been analysed through simple statistical tools such as mean value and percentage. After analysis the conclusions has been drawn from the analysis of primary and secondary data.

**RATIONALE**

Various economies throughout world are reaping the benefits of cashless economies. They have been able to provide safe and efficient ways of transacting to their citizens. In India, the credit and debit cards were the most common modes of cashless transactions, but after the historical decision of demonetization, other methods of cashless transaction also surfaced. The shifting paradigm gave a new height to the cashless transactions in the country and also influenced consumers and their perception towards these methods of transaction. However, it is difficult to implement cent percent cashless economy in India due to various valid reasons and one of it being the massive size and diversity of the financial needs in this country. There is an urgent need to cater to the gap between the importance of cashless economy on one hand and arising challenges on the other hand. Research and development go hand in hand. More innovative ways and its development depend upon the intensity of research in this area.

**LITERATURE REVIEW**

The concept of Cashless economy, does seems to be a recent concept, but it was way back in 1966 when John T. Diebold said, “the ‘cashless society’ is no longer an option but a necessity” (Diebold, Nov - Dec, 1967). Though he was not specific about ATMs and cards, he said, “some system must and will develop in which money (and credit) moves quickly and safely” around the world. Since then it has been witnessed that the transition from traditional cash transactions to cashless transactions have been very slow. Studies have pointed out that along with various other factors, financial and technical literacy is the need of the hour to achieve cashless transactions, cordless governance and financial transparency (Satya Sekhar, G.V., July 2018). Financial institutions and Governments, worldwide, are trying to make payments easier and more convenient so as to promote cashless transactions. Here, in India, the expansion of telecom and smart phones has provided a digital shift to the economy in the recent past and is expected to continue in future. The private sector will be the driver of this change. Government of India is also mulling to provide incentives for electronic payments for example waiver of tax when electronic settlements are used. The Government is working at various levels to reduce the dependence on cash. “Faceless, Paperless and Cashless is one of professed role of digital India” (Ministry of Electronics and Information Technology, Government of India 2017). Demonetisation has definitely impacted cash economy and has pushed the digitisation and cashless economy which will reap its benefits in long run (Jain, 2017).

**A. Modes of Cashless Transactions:** Government of India has enabled large number of alternatives for digital transactions so as to make India a successful cashless economy. Some of these are as follows:

**1. Banking Cards:**

Variety of cards such as debit card, credit cards, forex card and so on. They provide convenience, security, flexibility and control over payments. RuPay, Visa, MasterCard are some of the popular banking cards in India. (Banking Cards 2017)

**2. USSD (Unstructured Supplementary Service Data):**

The innovative payment service \*99# works on Unstructured Supplementary Service Data (USSD) channel. This service allows mobile banking transactions using basic feature mobile phone, there is no need to have mobile internet data facility for using USSD based mobile banking. It is envisioned to provide financial deepening and inclusion of underbanked society in the mainstream banking services.( USSD 2017)

**3. AEPS (Aadhaar Enabled Payment System):**

AEPS is a bank led model which allows online interoperable financial transaction at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank using the Aadhaar authentication. It is essential to provide KYC (Know Your Customer) information to open a new account and Aadhaar Number

should be linked with bank a/c. If there are more than one accounts being linked with Aadhaar Card, then the account used for LPG subsidy will be considered. (AEPS 2017)

#### 4. UPI (Unified Payments Interface):



UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience. Each Bank provides its own UPI App for Android, Windows and iOS mobile platform(s). (UPI 2017)

#### 5. Mobile Wallet:



A mobile wallet is a way to carry cash in digital format. You can link your credit card or debit card information in mobile device to mobile wallet application or you can transfer money online to mobile wallet. Instead of using your physical plastic card to make purchases, you can pay with your smartphone, tablet, or smart watch. An individual's account is required to be linked to the digital wallet to load money in it. Most banks have their e-wallets and some private companies. e.g. Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay etc. (Mobile Wallets, 2017)

#### 6. Point of Sale :



A point of sale (PoS) is the place where sales are made. On a macro level, a PoS may be a mall, a market or a city. On a micro level, retailers consider a PoS to be the area where a customer completes a transaction, such as a checkout counter. It is also known as a point of purchase. There are three types of Pos – Physical Pos, Mobile PoS and Virtual PoS on the basis of their requirements.( Point of Sale 2017)

#### 7. Internet Banking:



Internet banking, also known as online banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. (Internet Banking 2017)

**7.1 National Electronic Fund Transfer (NEFT)**

National Electronic Funds Transfer (NEFT) is a nation-wide payment system facilitating one-to-one funds transfer. Under this Scheme, individuals, firms and corporates can electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the Scheme. Individuals, firms or corporates maintaining accounts with a bank branch can transfer funds using NEFT. Even such individuals who do not have a bank account (walk-in customers) can also deposit cash at the NEFT-enabled branches with instructions to transfer funds using NEFT. However, such cash remittances will be restricted to a maximum of Rs.50,000/- per transaction. NEFT, thus, facilitates originators or remitters to initiate funds transfer transactions even without having a bank account. Presently, NEFT operates in hourly batches - there are twelve settlements from 8 am to 7 pm on week days (Monday through Friday) and six settlements from 8 am to 1 pm on Saturdays. (Internet Banking 2017)

**7.2 Real Time Gross Settlement (RTGS)**

RTGS is defined as the continuous (real-time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time; 'Gross Settlement' means the settlement of funds transfer instructions occurs individually (on an instruction by instruction basis). Considering that the funds settlement takes place in the books of the Reserve Bank of India, the payments are final and irrevocable. The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is 2 lakh. There is no upper ceiling for RTGS transactions. The RTGS service for customer's transactions is available to banks from 9.00 hours to 16.30 hours on week days and from 9.00 hours to 14:00 hours on Saturdays for settlement at the RBI end. However, the timings that the banks follow may vary depending on the customer timings of the bank branches. (Internet Banking 2017)

**7.3 Electronic Clearing System (ECS)**

ECS is an alternative method for effecting payment transactions in respect of the utility-bill-payments such as telephone bills, electricity bills, insurance premia, card payments and loan repayments, etc., which would obviate the need for issuing and handling paper instruments and thereby facilitate improved customer service by banks / companies / corporations / government departments, etc., collecting / receiving the payments. (Internet Banking 2017)

**7.4 Immediate Payment Service (IMPS)**

IMPS offers an instant, 24X7, interbank electronic fund transfer service through mobile phones. IMPS is an emphatic tool to transfer money instantly within banks across India through mobile, internet and ATM which is not only safe but also economical both in financial and non-financial perspectives. (Internet Banking 2017)

**8. Mobile Banking:**

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct different types of financial transactions remotely using a mobile device such as a mobile phone or tablet. It uses software, usually called an app, provided by the banks or financial institution for the purpose. Each Bank provides its own mobile banking App for Android, Windows and iOS mobile platform(s). (Mobile Banking 2017)

**9. Micro ATM :**

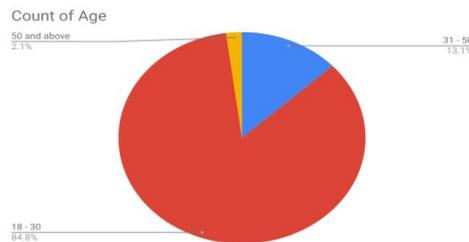
Micro ATMs meant to be a device that is used by a million Business Correspondents (BC) to deliver basic banking services. The platform will enable Business Correspondents (who could be a local kirana shop owner and will act as ‘micro ATM’) to conduct instant transactions.

The micro platform will enable function through low cost devices (micro ATMs) that will be connected to banks across the country. This would enable a person to instantly deposit or withdraw funds regardless of the bank associated with a particular BC. This device will be based on a mobile phone connection and would be made available at every BC. Customers would just have to get their identity authenticated and withdraw or put money into their bank accounts. This money will come from the cash drawer of the BC. Essentially, BCs will act as bank for the customers and all they need to do is verify the authenticity of customer using customers’ UID. The basic transaction types, to be supported by micro ATM, are Deposit, Withdrawal, Fund transfer and Balance enquiry. (Micro ATMs 2017)

10. Bank Pre-paid Cards: A prepaid credit card is a secured card issued by a financial institution that has been secured with a pre- payment. They can be compared to prepaid debit cards which use pre- loaded funds for transactions. (Bank Prepaid cards, 2017)

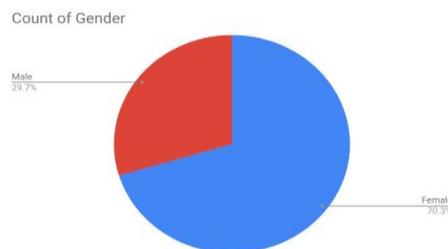
**B. Benefits of Cashless Economy:** Here, the primary data collected from 145 respondents has been analysed. The questionnaire had two categories of benefits or importance of cashless economy – one for the country and another for the individuals and institutions. The views of respondents on the level of benefit (form 1 to 5, 1 being lowest and 5 being highest) for each type of benefit has been analysed. Simple statistical tools such as mean values and percentages have been considered for analysis. Along with Demographical data the respondents have rated each benefit and also challenges of Cashless Economy.

➤ **Age of the respondents:**



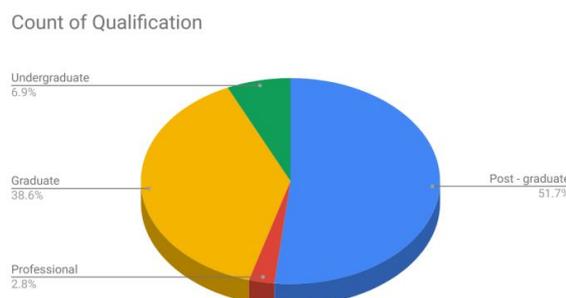
Nearly 85% of the respondents are from age group of 18 years – 30years, 13% are from age group of 30 to 50 and only 2% are above 50 years of age. This indicates that maximum young population is currently in use of smart phones and internet and are the respondents.

➤ **Gender :**



Almost 70 % respondents are female and 30 % are male.

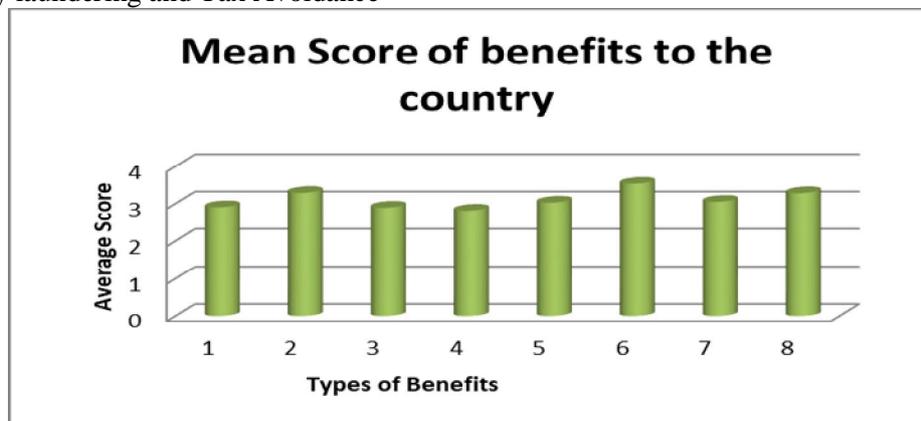
➤ **Qualification:**



As almost 90% of the respondents are graduates and post graduates, it can be considered as , the data collection on cashless economy is reasonably just and fair. The respondents have given their responses with good reasoning.

➤ **Benefits to the Country:** The responses were collected on the following eight benefits of cashless economy

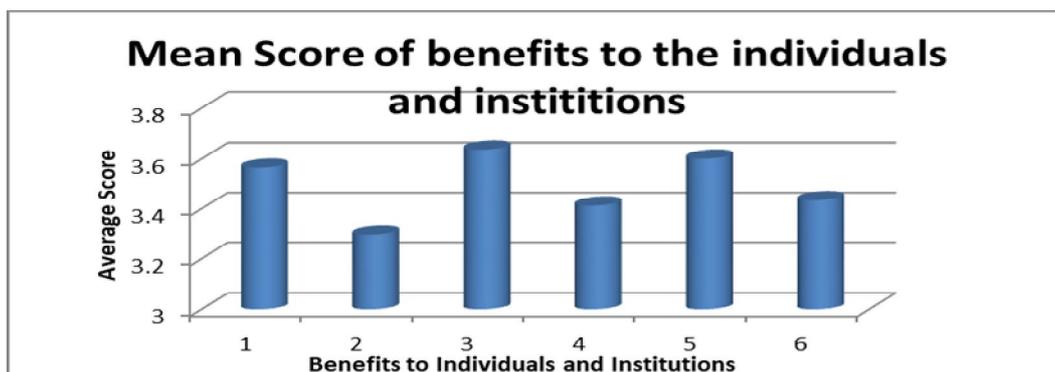
1. Fall in interest rates
2. Reduction in black money
3. Controlling real estate prices
4. Affordable Housing
5. Reduce red -tapism and bureaucracy
6. positive effect on economic growth
7. Crime control
8. Anti- Money laundering and Tax Avoidance



It is very clear from the above chart that the mean value is considered for finding out the rating of all the benefits. The most preferred benefit of the respondents is the positive effect on the economic growth. They very strongly feel that cashless economy will lead to overall growth and development of the economy (mean score of 3.53). It is followed by reduction in black money (mean score of 3.29) and money laundering and tax – avoidance (mean score of 3.28). Since all the benefits have a mean value more than 2.5 it can be concluded that all benefits have been considered important by the respondents.

➤ **Benefits to the Individuals and Institutions:** The following benefits of cashless transactions in the economy were asked to be rated by the respondents.

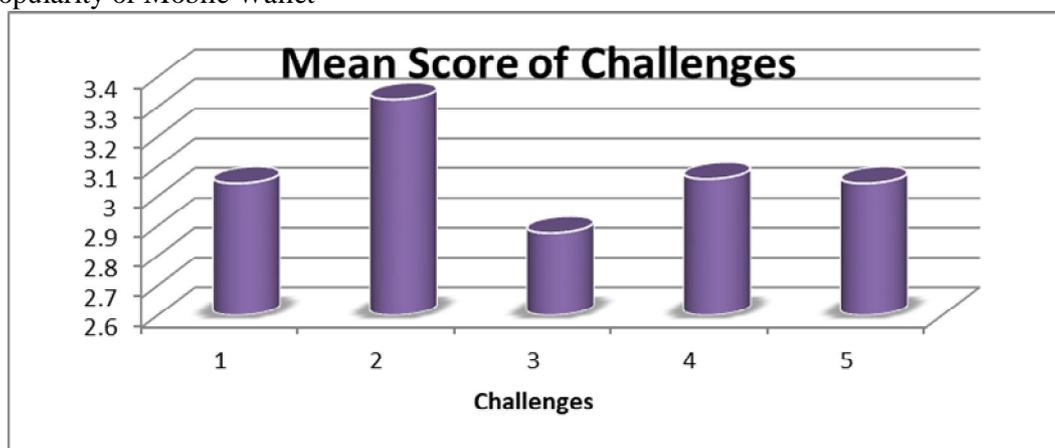
1. Ease of transacting
2. No fear of burglary or theft
3. Track on spending and receipts
4. Consumer discounts and waivers
5. Reduce queuing time
6. Less Accounting



The analysis of mean value shows that all the benefits have been rated high on the level from 1 to 5. All benefits have mean score above 3. Respondents feel that cashless transactions will be of immense importance to institutions and individuals. Out of all six types, respondents feel that cashless economy will be of maximum help in tracking spending and receipts (mean score of 3.64). Queuing time i.e. the time spend on queue, will also reduce to a great extent. Ease of transacting has also received higher rating (mean score of 3.56) as cashless transactions will minimise most of the problems of cash handling.

➤ **Challenges related to cashless economy in India:** Implementing cashless economy in India has not been an easy task. There are a lot of challenges and hurdles been faced in this process. Therefore, in order to study the complete dynamics of cashless economy, it is important to study these challenges. For this purpose the respondents were asked to give their views on the following challenges.

1. Lack of digital Infrastructure
2. Online Fraud
3. High Merchant Discount Rates
4. High Cash Dependency
5. Less popularity of Mobile Wallet



All the above challenges have mean score of more than 2.5. This indicates that all these challenges have been rated as very important challenges in cashless economy. Out of these five challenges, online frauds have been considered as biggest challenge (mean score of 3.326). Respondents feel that it has always been a great challenge because of lack of awareness about onlinetransactions and lack of robust system for safe and secure cashless transactions. The grievance redressal process is tedious and respondents lack confidence in it. In Indian conditions, lack of digital infrastructure is also one of the important challenges of cashless economy (mean score of 3.04). Next two challenges having same mean score are high dependency on cash for various transactions (mean score of 3.05) and less popularity of digital wallets (mean score of 3.04) among Indians.

➤ **Limitations and further scope of research:**

This study is limited to certain benefits, challenges and different types of cashless transaction. Because of lack of time and other resources the responses are analysed only with simple statistical tools. Therefore, a lot of scope for further research can be seen in the areas of innovations in cashless transactions.

## CONCLUSION AND SUGGESTIONS

According to Digital Payment India, 2018 total transaction value in digital payments is expected to grow at 21% (CAGR 2018 – 2022) resulting in the total amount of US \$ 108,007m by 2022. Thus, India is well set to grow towards cashless economy. This growth however, will depend on various factors such as availability of quality telecom services, government's incentives for cashless transactions, upgradation of technology, robust IT security, increased awareness about e- cash. Apart from all these, user interface designs of internet banking and payment apps should be simpler and should be available in local languages. Regulators and Government have to make digital payments mandatory for high value transactions and for essentials (such as at fuel refilling outlets). Government receipts or payments should be compulsorily be made in digital form. Finally, cashless transactions should be incentivised such by lowering tax rates failing which people would continue to prefer accepting cash mode. The Government has to provide incentives for promoting electronic and technology industries which are giving their contributions in making cashless transactions more safe and secure. It is very apparent that the optimism about cashless economy can be reaped only if the challenges are efficiently handled. Thus, all-

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roundsupport and initiations are necessary for a successful cashless economy. Therefore, to conclude, it is rightly said that “*Coming together is a beginning; keeping together is progress; Working together is success*”.

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**ANALYSING WASTE DISPOSAL METHODS IN SELECT AREAS OF SOUTH GOA**

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**ABSTRACT**

*In select areas of rural south Goa, the characteristics of domestic waste, people's environmental awareness, people's willingness to pay and their influence factors were firstly studied by questionnaires. A survey was conducted covering 200 respondents in Salcetaluka, the places selected were Fartoda, Colva, Navelim, Cuncolim and Chinchinim, to analysis whether the respondents responsibly take care of waste generated at their homes. Utilizing a qualitative approach, we tried to understand past and present waste disposal practices. One to one interviews and sharing circles were conducted to share their perspectives on past and present waste disposal practices and comment on possible impacts of practices may have on the environment and health of the Goans. Waste disposal practices were similar and the homeowner generated small volumes of waste, which was exclusively responsible for disposal and utilized a backyard pit. Dump site locations and open trash burning were identified as significant health issues related to waste disposal practices in these communities. This research raises issues of inequity in the management of waste yard trimmings, paper/ cardboard, plastics, metal, glass, textile, and wood. The data was analysed using Anova and percentage method and the significant difference was duly noted.*

*Keywords: waste disposal, Yard trimmings, Paper/ cardboard, Plastics, Metal, Glass, Textile, and Wood.*

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**INTRODUCTION**

The most challenging job for governments all around the globe is managing waste [1]. India generates around 60 million tonnes of garbage every day and, 75%, of garbage is dumped untreated in landfills. Together Delhi and Mumbai generate about 10 million tonnes of garbage every day. If we do not reduce waste and generate it at current rate, to dump country's waste, India will need 1,240 hectares of land, which is the size of a metropolitan city like Bengaluru. [2]. Waste disposal is essential for the sanitation of a city and health of the citizens [3]. Incineration is a fancy way to describe burning waste as a disposal method. [4]. Waste management is collection, garbage disposal, transportation of waste products [5]. It is waste material produced through activity of humans [6]. Waste materials can be gaseous, liquids, radioactive matter, and solid forms [7]. An objective today is to protect public and environment from potentially harmful effects of waste. For instance 1 gal (3.75 l) of used motor oil can contaminate drinking water up to one million gal (3,790,000 l) [8]. Domestic waste disposal is an issue that is important to the management of any urban area. [9].

**THEORETICAL PERSPECTIVE**

The actual cost of such waste which is unnecessary energy and water use, faulty products, waste disposal of by-products, waste treatment and wasted labour for UK companies is typically 4 - 5% of turnover, and can be as high as 10% [10]. Household wastes represent about 9 per cent of total waste produced in the UK [11]. Preventing its initial production then reintroducing it into the product cycle by recycling is the best solution to rising waste [12]. Wastes are 'those substances or objects which fall out of the commercial cycle or chain of utility' [13]. Glass bottles that are returned or reused in their original form are not waste [14]. Fluorescent tubes or cathode ray tubes in televisions are also classed as hazardous may cause long term damage over a period of time [15]. Reverse logistics examples include the take back of Kodak's disposable camera; Xerox's photocopy machines and Canon's toner cartridges [16]. Eco-efficiency are a necessary requirement in achieving 'sustainable consumption' [17]. The European Waste Catalogue (EWC) classifies waste materials and categorises them according to how they were produced and what they are [18]. Waste must be treated before it reaches the landfills and applies to non hazardous waste [19]. Marketing activities in some developed countries the centralized treatment of waste has been extremely successful, such as rural waste management in Aragon, Spain [20]. In most developing countries domestic waste treatment is still primitive. Similar to Fiji [21] and India [22] burying, burning, and dumping of wastes are the most common disposal methods. Solid waste management should be used by each and every household including the owners of business around the world [23].

**REVIEW OF LITERATURE**

Household waste is generally defined as waste generated by normal household activities. [24]. In Germany and the Netherlands, comprehensive benchmarking systems for household waste collection with performance indicators are used [25, 26]. Developed countries have different technologies available for waste *treatment* and *recycling* (Hadker, 1995). In many parts of Africa, solid waste is still dumped in the open, in the ocean, or by burning it (Cointreau, et al., 1984). Such disposal methods are employed in an estimated 175 sovereign nations

and territories (Shah, 1997). To solve the problem of inappropriate disposal, certain methods of waste disposal are considered preferable to others under different conditions (Cointreau, 1987). Success in waste management and disposal directly relate to the success of environmental with many factors at various levels at individual, groups, community, and society. (Garner, 2001: 43-44; Balantyne and Oelofse (1989: 25-32).

**OBJECTIVE OF THE STUDY**

To analyse the waste disposal practices management of waste of yard trimmings, paper/ cardboard, plastics, metal, glass, textile, and wood.

**Statement of the problem** waste is increasing as a result of growing human populations and can have significant influence on sustainability are campaigns like ‘Swachh Bharath’ that intend to clean up the country from this stench, how many times have we been disturbed by heaps of trash around the corner? Solid waste management is a major problem resident of almost every city in India, existing landfills are now filled to the brim with garbage, and cities struggle to find more land.

**Limitations of the study**

There was difficulty of accessibility of the household members. The survey did not obtain the determined sample size, due to the fact that some urban dwellers refused to participate in the survey.

**Research method**

Data analysis unlike qualitative research, quantitative research involves the collection, analysis and interpretation of numeric data, collected through experiments or surveys, or through interviews using structured or unstructured questionnaires (Leedy, 1993). For the purpose of this study, this definition is adopted as a working definition; that is, the collection, analysis and interpretation of quantitative data using structured household questionnaires.

**SURVEY DESIGN**

A survey was conducted covering 200 respondents in Salcetaluka, the places selected were Fartoda, Colva, Navelim, Cuncolim and Chinchinim, to analysis whether the respondents responsibly take care of waste generated at their homes.

**Table 1: Methods of disposing waste**

	burn	bury	dump in yard	roads dump	public garbage bins	recycle	reuse	compost	sell	not applicable
<b>Yard trimmings</b>	61	10	12	0	25	0	0	6	0	86
<b>Paper/ cardboard</b>	76	0	4	0	76	8	10	0	18	8
<b>Plastics</b>	36	0	0	0	102	6	10	0	34	12
<b>Metal</b>	0	0	0	0	42	12	0	0	110	36
<b>Glass</b>	2	0	10	0	90	2	2	0	54	40
<b>Textile</b>	28	0	0	0	44	0	36	0	64	28
<b>Wood</b>	90	2	0	0	32	0	0	0	14	62
<b>Total</b>	293	12	26	0	411	28	58	6	294	272

**ANOVA**

Source of Variation	SS	df	MS	F	F crit
Between Groups	30876.17342	9	3430.7	7.178	2.049
Within Groups	27244.09524	57	477.97		
Total	58120.26866	66			

Using Annova, if  $F < F_c$  there is no significant difference i.e.  $H_0$  and if  $F > F_c$  there is a significant difference i.e.  $H_1$ . In the table,  $F=7.178$  and  $F_c=2.049$  hence, there is a significant difference in the methods of waste disposal.

**LSD**

column	column	Mean Difference (I-J)	P-value	remark
Burn	Bury	32.16667	0.011	there is significant difference
	Dump in yard	29.5	0.019	there is significant difference
	Road dump	33.83333	0.008	there is significant difference

	public garbage bins	-29.33333	0.019	there is significant difference
	Recycle	29.16667	0.02	there is significant difference
	reuse	24.16667	0.052	there is no significant difference
	Compost	32.83333	0.009	there is significant difference
	Sell	-12.83333	0.296	there is no significant difference
	Not applicable	-1.16667	0.924	there is no significant difference
Bury	Dump in yard	-2.66667	0.827	there is no significant difference
	Road dump	1.66667	0.891	there is no significant difference
	public garbage bins	-61.5	0	there is significant difference
	Recycle	-3	0.806	there is no significant difference
	reuse	-8	0.513	there is no significant difference
	Compost	0.66667	0.956	there is no significant difference
	Sell	-45	0.001	there is significant difference
	Not applicable	-33.33333	0.008	there is significant difference
Dump in yard	Road dump	4.33333	0.723	there is no significant difference
	public garbage bins	-58.83333	0	there is significant difference
	Recycle	-0.33333	0.978	there is no significant difference
	reuse	-5.33333	0.663	there is no significant difference
	Compost	3.33333	0.785	there is no significant difference
	Sell	-42.33333	0.001	there is significant difference
	Not applicable	-30.66667	0.015	there is significant difference
Road dump	public garbage bins	-63.16667	0	there is significant difference
	Recycle	-4.66667	0.703	there is no significant difference
	reuse	-9.66667	0.43	there is no significant difference
	Compost	-1	0.935	there is no significant difference
	Sell	-46.66667	0	there is significant difference
	Not applicable	-35	0.006	there is significant difference
public garbage bins	Recycle	58.5	0	there is significant difference
	reuse	53.5	0	there is significant difference
	Compost	62.16667	0	there is significant difference
	Sell	16.5	0.181	there is no significant difference
	Not applicable	28.16667	0.025	there is significant difference
Recycle	reuse	-5	0.683	there is no significant difference
	Compost	3.66667	0.764	there is no significant difference
	Sell	-42	0.001	there is significant difference
	Not applicable	-30.33333	0.016	there is significant difference
reuse	Compost	8.66667	0.479	there is no significant difference
	Sell	-37	0.004	there is significant difference
	Not applicable	-25.33333	0.042	there is significant difference
Compost	Sell	-45.66667	0	there is significant difference
	Not applicable	-34	0.007	there is significant difference
Sell	Not applicable	11.66667	0.342	there is no significant difference

\* The mean difference is significant at the 0.05 level.

H1: there is significant difference in the disposal method of waste

The respondents of Fatorda, Colva, Navelim, Cuncolim and Chinchinim were asked how they dispose of their waste. When it came to yard trimmings, 31% of all respondents burn it, 5% bury it, 6% dump in the yard, 11% put it public garbage, 4% compost, and 43% said it is not applicable to them, when they were asked about papers and cardboard 37% burn it, 2% dump in the yard, 39% throw it in the public garbage, 4% recycle it, 5% reuse it, 8% sell it and 5% said it is not applicable, when it came to plastic 17% burn it, 52% put it in the public garbage bins, 3% recycle it, 5% reuse it, 17% sell it, 6% say not applicable, when they were asked about how they dispose of metal they response were 21% throw it in public garbage, 5% recycle it, 55% sell it, 19% said it was not applicable, when it came to glass 5% dump in the yard, 48% throw it in the public garbage bins, 1% reuse it, 24% sell it, and 20% said it is not applicable, when it came to textile 15% burn it, 22% throw it in the

public garbage bins, 1% recycle it, 18% reuse it, 34% sell it and 10% said not applicable, and when it came to disposal of wood 44% burn it, 16% put in public garbage bins, 7% sell it and 33% said not applicable. In an overview 21% burn their waste, 1% bury it, 2% dump in the yard, 30% dispose it in the public garbage bins, 2% recycle their waste, 4% reuse their waste, 21% sell their waste and 19% said that it is not applicable.

### CONCLUSION

Due to the rapid strides in technology, many countries have been successfully able to manage waste materials, however, developing countries have a dismal record in this regard. First step is to reduce the waste being generated at individual level. As long as people have been living in residential areas, garbage or solid waste has been an issue. Waste management is about waste that can be changed and used as a valuable resource. It highlights the need for long-term sustainable waste disposal and management strategies and the development educational programs to encourage the adoption and implementation of waste reduction, reutilization and recycling activities in South Goa.

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## ORGANIC FARMING IN INDIA: OPPORTUNITIES AND SOLUTIONS FOR ORGANIC MARKET GROWTH

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### ABSTRACT

India's progress in the organic sector has been remarkable. In the 1990s, the sector was limited to the export of tea to European markets. Currently, India is emerging as a key player in the global arena, exporting over 300 products in 20 different categories to over 20 countries. Additionally, India is the largest exporter of organic cotton and houses the largest number of organic producers in the world. Alongside the developments pertaining to the global markets, the domestic markets are growing at a rate higher than the global average and are expected to keep growing at a 25% CAGR through 2020.

The paper aims on analysing the potential of organic farming in India. It identifies the opportunities and challenges for organic food market and explores the solutions for the growth of organic market. The study is based on the secondary data. The information has been collected from government report, consultancy report and different article.

JEL Classification: Q10, Q17

Keywords: Organic farming, Organic food, Organic market

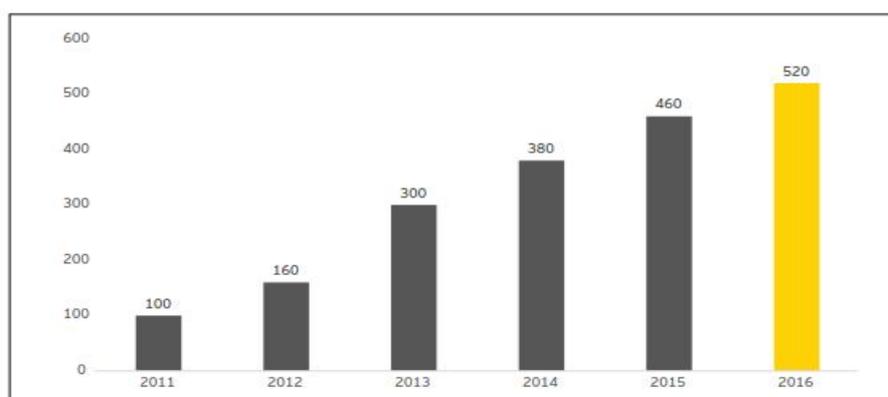
### 1.0 INTRODUCTION

The Green Revolution and the context in which it took place assured and enabled farmers to increase their production of wheat and paddy among other crops. Along with its positives, it had its own trade-offs. Today's consumer however, is not living in an economy burdened by shortages anymore. The consumer can afford to choose products based on variety, quality, safety and convenience. Inspection of consumer goods through all these lenses places organic products in an advantageous position. The transition from a "production-driven supply chain" to a "demand-driven value chain" has been phenomenal, especially in the last five years with the organic market growing significantly. In the organic food and beverages segment alone, India has witnessed a market growth of INR40,000 million in 2016-17 from INR675 crore in 2009-10, with an annual growth rate of 25%. While the growth rate for conventional food processing industries is 10-15%, 97% of the companies surveyed by ICRIER in 2017 reported 10%-40% higher profit margins on organic products.

#### 1.1. Organic food market

Organic packaged food and beverages is an emerging niche market in India and its primary consumers are high-income urbanites. According to the study carried out by Assocham-EY, the total market size for organic packaged food in India in 2016 was INR533 million, growing at 17% over 2015, and is expected to reach INR871 million by 2021

Figure 1: Market size of packed organic food and beverages (in INR million)

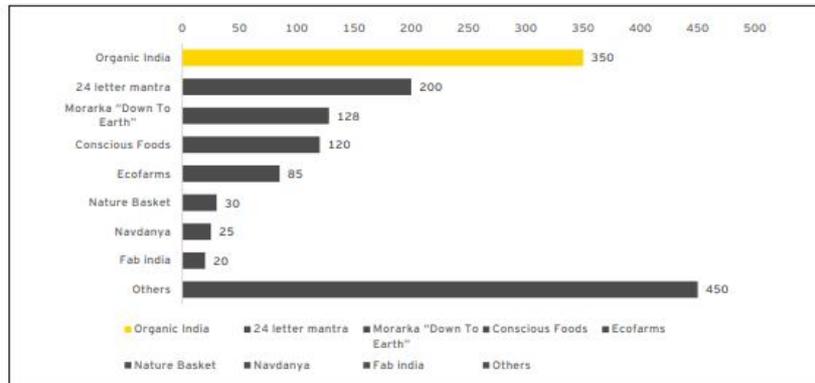


Source: The World of Organic Agriculture Statistics and Emerging Trend 2018, FiBL and IFOAM – Organics International, Adopted from Ernst & Young LLP, ASSOCHAM Report

India's exports of organic products increased by 17% between 2015-16 and 2016-17.<sup>3</sup> In India, the majority of

the demand comes from tier 1 cities<sup>16</sup>. Companies are witnessing notable growth as demand from metro cities increase with the entry of several new players in the organic food market such as Conscious Foods, Sresta, Eco Farms, Organic India, Navdanya and Morarka Organic Foods to name a few.

Figure 2: Turnover of top organic companies (in INR crore)



Source: Yes Bank Survey, 2012 with updates from internet research<sup>15</sup>

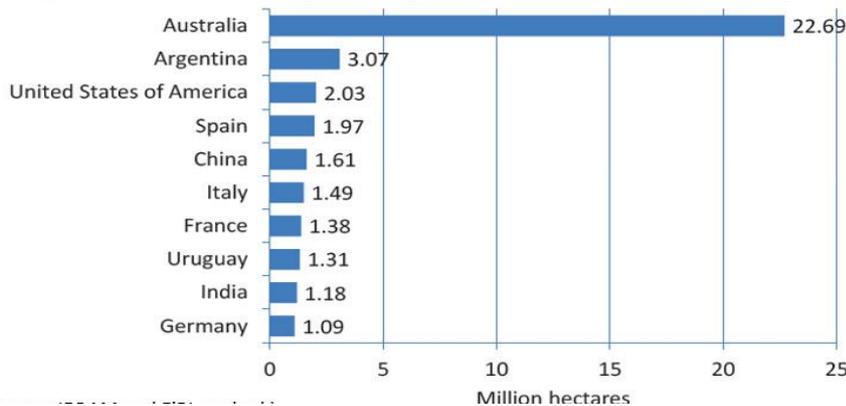
**ADOPTED FROM ERNST & YOUNG LLP, ASSOCHAM REPORT**

**1.2 Global ranking Organic Farming:**

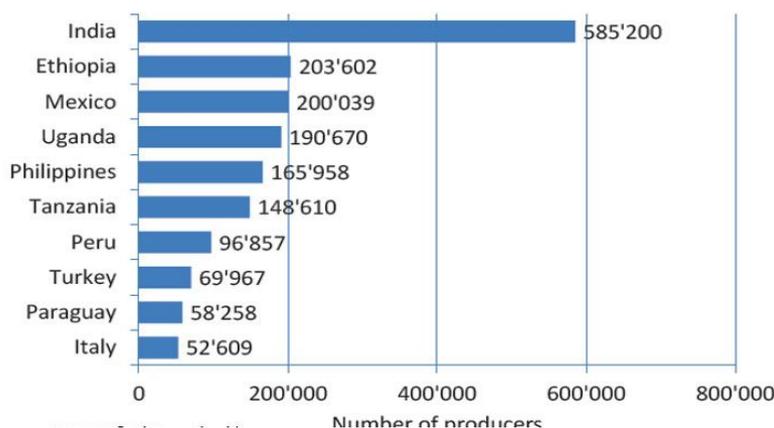
India by the year 2015 was using merely 1.2 hectares of the total land used for farming of both conventional and organic classifications. The share of nations involved in organic farming, according to International Federation of Organic Agriculture Movement (IFOAM), leaves India at ninth rank with Australia on top with 22.7 million hectares of land used for organic farming. Bhutan has an interesting vision of becoming a fully organic nation by 2020. The country has already pioneered in organic farming and its neighbouring state Sikkim had been declared by government as the only Indian state with 100 per cent organic farming.

**1.3 Land under Organic Farming by Countries**

Land under organic farming as data suggested by IFOAM and Research Institute of Organic Agriculture (FiBL), can be termed as mere god gifted to the nations with higher land mass and lower population. Falkland Islands, between UK and Argentina, is a rare example of higher farm land sizes used for organic farming.



Source: IFCAM and FiBL Outlook



Source: IFCAM and FiBL Outlook

## 2.0 KEY GROWTH DRIVERS OF ORGANIC MARKETS IN INDIA

**Increasing health awareness:** In recent years, there has been an increase in health concerns among Indian consumers. They have started giving importance to the nutrient content and the quality of the food they eat, thereby resulting in an increase in the consumption of organic food.

**Rising disposable income:** Rising income and education levels are leading to an increase in the expenditure of people on healthcare products. The per capita income of Indians at current prices increased by 10.4% to INR103,007 in 2016-17, as against INR93,293 during 2015-16. Average household incomes are expected to triple in the next two decades, making India the world's third-largest consumer economy by 2025, up from the current seventh position.

**Urbanization and working population:** Increase in urban population implies growth in per capita purchasing power as well as a change in lifestyle and food habits. Urbanization is growing rapidly and 45% of the Indian population will be residing in urban areas by 2030. About 70% of the consumption growth in India in the next 15 years is expected to come from the working population (people aged 15-59 years). The urban consumers are open to paying increased prices for organic food products.

**Increasing support from Government of India:** The Government of India is promoting organic farming and the consumption of organic food in the country. Financial assistance is provided to farmers who are adopting organic farming under various central sector schemes such as National Mission for Sustainable Agriculture (NMSA), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY). In the Union Budget of 2016, the GoI proposed to allocate 500,000 ha in the country under organic farming and develop value chains in the North-eastern Region (NER).

**Technological developments:** Innovative technological solutions using artificial intelligence, imaging and renewable energy among others are being developed by private companies for the organic food industry. Ecozen Solutions, a Pune-based start-up, has developed solar-powered cold storage for fresh farm produce which can operate in remote areas with irregular power supply. Hyperspectral cameras are being promoted that use infrared rays to gauge the quality and shelf life of the product.

## 3.0 CHALLENGES OF ORGANIC FOOD MARKET IN INDIA

**Lack of awareness about organic products:** The organic food industry is a fledgling industry where its consumers mostly belong to the "fad diet" category, with a great lacking in awareness. Working on a word by mouth principle, core awareness for the category is negligible, with many people opting for these options as they seem fancy.

**Consumer preference for low price product:** India is a price sensitive nation, with great disparity in the earning power. Organic food, due to various factors is steeper on price. Unaware consumers are wary of spending that much on Organic food.

**Convince the farmer:** Farmers have got so used to the chemical fertilisers and pesticides etc that they hold a deeply entrenched fear in converting to organic. The fear is for the loss of the crop, which might set back the whole years earning. A great deal of sensitization and education is needed to address the fear.

**Pay extra percentage to the retailer:** Retailers prefer conventional over the organic for the quick movement from the shelf and hence for bringing in a greater margin per sq. inch of the shelf space., because organic material replenishment cycle is much more as compared to the conventional product. Retailers demand a good premium in order to create a shelf space to showcase the organic product.

**Expensive storage method:** Apart from pricing, a hike of expenses is noted in terms of storage and preservation. Very expensive storage method is being used as chemical input is not utilized to store these products for long-term. Conventional farmers enlist the use of chemicals to reduce their loss of crops, while organic farmers have to remain restricted to limited natural methods.

**Supply-demand disparity:** The basket of the organic production is not balanced. What is in more demand is lacking in supply e.g. fresh fruits and vegetables while the supply of some of the grains outgrows the demand. Hence there is the disparity in terms of what is needed by the consumers versus what is provided by the producers. This gap needs to be filled by local production in clusters.

**Need for the Government support:** Government is the most crucial stakeholder. There are certain aspects that can only be taken care of by the government. Like provision of organic inputs, those are far more costly than the subsidised chemicals provided by the government bodies. The education of the farmer and compensation initially for the loss of the crop are other important aspects where the government can support.

#### **4.0 OPPORTUNITIES AND SOLUTIONS FOR ORGANIC MARKET GROWTH**

Opportunities and solutions for organic market growth are several challenges that remain and are mostly related to value addition and marketing of organic products. The companies need to bear the cost of aggregating produce from small farmers and transportation and handling costs; bear losses on account of perishability, quality and rejections; and maintain a buffer margin for quality variations and disaggregation to reach out to retail points. The warehousing protocols and product manufacturing protocols are even stringent in terms of fumigation during storage, use of preservatives and added ingredients while manufacturing. The packaging requirement for organic is also stringent, wherein natural packing materials are to be used, which increases the cost of packaging.

All of the aforementioned factors contribute to high operating costs compared to conventional products and lead to high price mark-ups. In addition, most of the high incremental pricing is made up of taxes as it is considered a rich man's purchase and therefore taxed heavily. The higher price acts as a barrier and refrains many consumers to choose organic products; therefore, the bulk of sale is restricted to metro cities and supermarkets. The value chain also remains fragmented because the essential commodity act could be invoked any time in any commodity rendering large-scale investments in storage and infrastructure which otherwise is unavailable. Therefore, innovative solutions to optimize scale and maintain profitability for organic products are required. Some solutions for value chain development, supply chain management and improving certification processes are provided below.

E-commerce platforms are new drivers of growth in the organic market and can be explored more aggressively. Although the Government has been encouraging organic cultivation through various policies, there is a need to have state-level organic policies and organic cells to monitor organic production. At the same time, the Government needs to step up its efforts to discourage the use of fertilizers and pesticide by incentivizing and promoting the use of biofertilizers and biopesticides to decrease the cost of cultivation.

#### **5.0 CONCLUSION**

India has substantial potential for expansion of organic agriculture owing to many factors, including favourable agro-climatic conditions. Hilly and rain-fed areas of the country such as the North Eastern Region and Deccan Plateau traditionally practice low input agriculture and are therefore more amenable to the switch to organic agriculture. In addition to that, areas that have been subject to intensive agriculture and excessive use of chemical substances present a scope for expansion of organic agriculture. This would help improve and preserve the soil quality and thereby increase production in the long run. The rise in per capita purchasing power, accompanied by the increase in awareness regarding the social, environmental and health benefits of organic products. It was observed that the organic market is growing steadily far from becoming a mass product. The key challenge the sector faces is in higher cost of cultivation and its subsequent value chains, leading to high price mark-ups. The market segmentation focus is also on affluent consumers. Hence, there is a clear need to put special efforts in bridging the gap between production and supply chain to reach to the masses.

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**PLASTIC MONEY: CHALLENGES AND FUTURE PROSPECTS**

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**ABSTRACT**

*Today it is impossible to imagine modern bank operations, commercial transactions and other payments without using the plastic cards. Plastic currency is now gradually becoming the norm across the globe as more and more developed countries are opting for plastic compared to paper as there are several inherent advantages. The growing incursion of smart phones has made technology applications much more accessible to users. The Government's also move forward for a "Digital India" and its focus on growing electronic payments is significant drivers of growth in replacing physical payments with technology-backed solutions. This paper focus on the challenges and future prospects of plastic money in India.*

*Keywords: Credit Card, Debit Card, Future prospects, Plastic money.*

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**INTRODUCTION**

India is one of the world's fastest emergent economies, the electronic transactions have also become more secure, more convenient, authentication and made ecommerce safer. The forthcoming next five years will be a very exciting period in the payments space in India. It is expected more development, innovation and infrastructure building coupled with adoption of more dynamic technological innovations.

The growth of plastic money can be divided into two main perspectives, infrastructure and consumer perspective. Making a strong pitch for promotion of electronic payments in the country and making India a cashless economy.

**PLASTIC MONEY SYSTEM**

The evolution of plastic money industry was quite obvious as people are getting more dependent on technology and plastic business is just the best outcome of technology in banking business.

The banking system of India should not only be hassle free but it should be able to meet new challenges posted by the technology and any other external and internal factors. However, mere technology up gradation or introduction of innovative products cannot improve the state of affairs until customers don't respond to it positively.

**The role of various parties involved in plastic cards payment**

1. Customers or Cardholder: The authorized person holding the card and can use it for purchase of goods and services also.
2. Card issuing bank: The bank or institution which issues the card to its eligible customers.
3. Merchants: Entities which sell the goods and services to the cardholder and duly agree to accept the card for payment.
4. Bank Card Association: The associations (VISA, Master Card, and American Express)

**PRESENT SCENARIO OF PLASTIC CARDS**

Now a days a modern customers and client cannot think of banking without the facility of plastic cards. Today credit and debit cards have largely replaced cheques as alternatives to cash. Both are reasonably secured compared to cash and are widely accepted.

**▪ Credit cards usage for travel bookings**

Consumers started to make their bookings using cards and it has become a lifestyle choice for most urban consumers.

**▪ Electronic transactions grew strongly with the help of Reserve Bank of India (RBI)**

The consumers who were using online shopping for a long period switched to net banking facilities over cash on delivery as this was more convenient and fast.

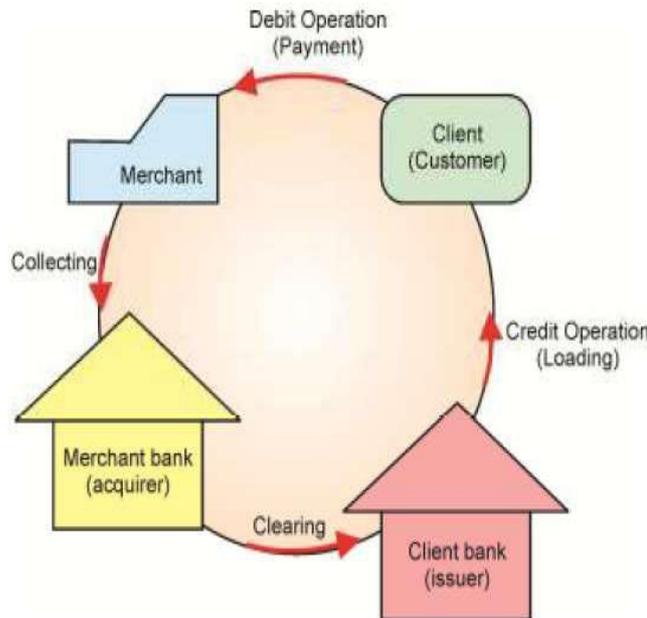
**▪ Security: Lost cash can be used by anyone. If you lose a credit or debit card, you can call**

24.7 helpline number and report to the bank and thus get protected from unauthorized use of your card.

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- **Emergency Protection:** A credit card will get you through almost any emergency you can think of.
- **Simplified Record Keeping:** Credit and debit cards give you a record of all your transactions for the month, so keeping track of where your money goes is easier.

**GENERAL STRUCTURE OF ELECTRONIC PAYMENT SYSTEM IN PLASTIC MONEY**



**CHALLENGES FACED**

21st Century banking has become wholly customer-driven & technology driven by challenges of competition, rising customer expectations & shrinking margins, banks have been using technology to reduce cost & enhance efficiency, productivity & customer convenience. Technology intensive delivery channels like net banking, mobile banking, etc have created a win-win situation by extending great convenience & multiple options for customer.

**GROWTH PROSPECTS OF PLASTIC MONEY**

Growing popularity of online shopping made increase usage of plastic cards more than previous years. It was primarily driven by the urban population and by the increased acceptance of cards by organised retailers. There was a strong usage in both grocery and non-grocery retailing.

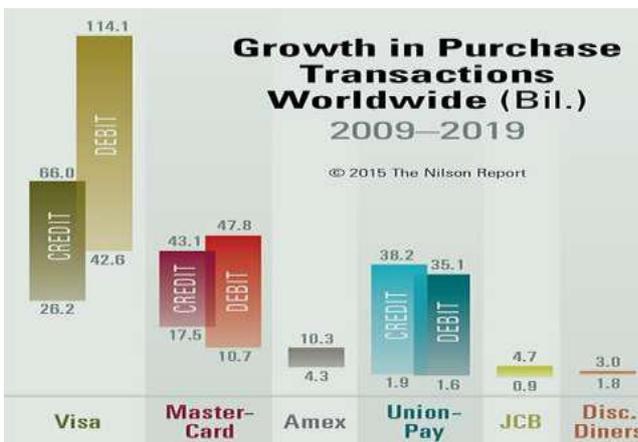


Fig. 1: Growth in Purchase Transaction

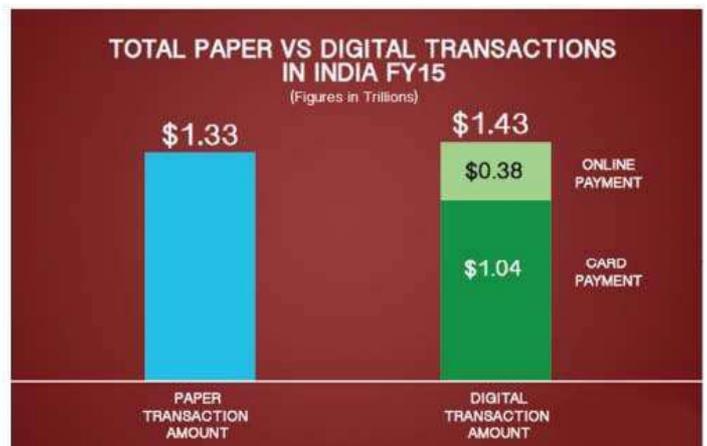


Fig. 2: Digital Transaction in India Source: DazeInfo

**FUTURE PROSPECTS**

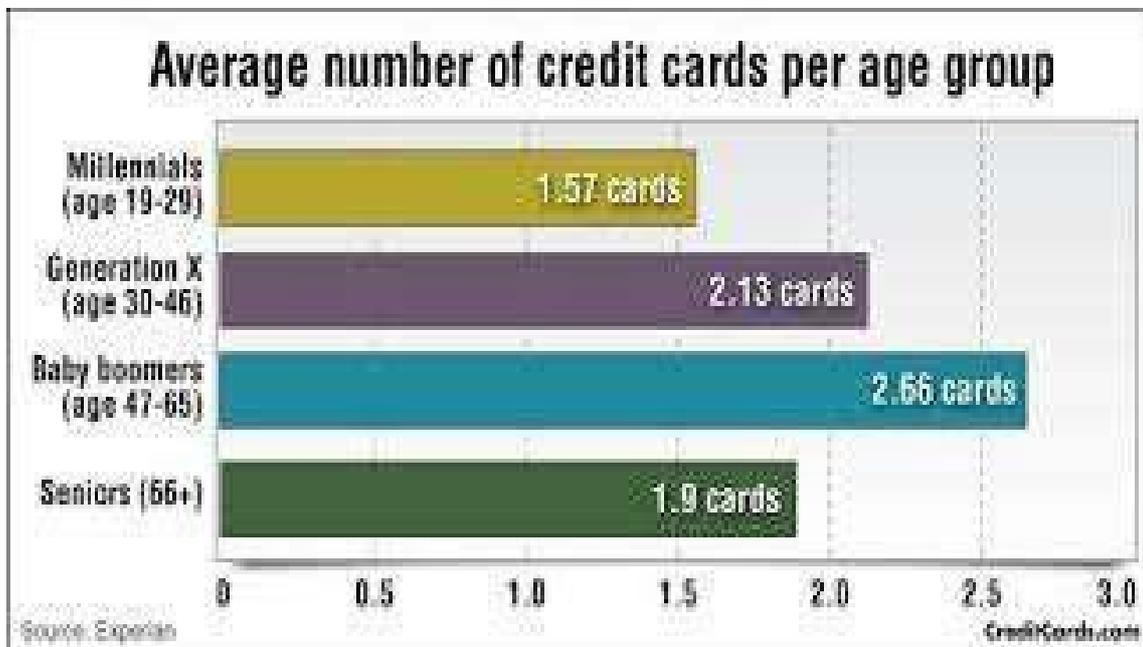
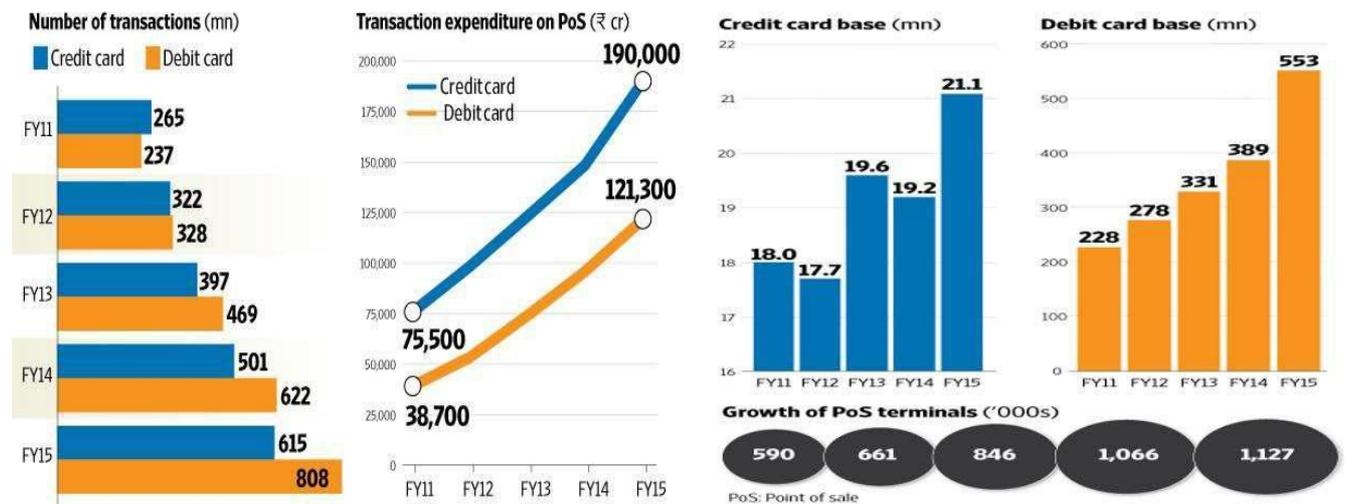
Smooth, simple and secure payment processes will help bring about behavioural changes and faster adoption of digital payments and banking among un-banked segments, When new players enter the market, each with a slightly different take on the market and with differing business models, the increased competition will help the environment and offer more options for consumers to choose from.

Indian consumption is still dominated by cash, with cards contributing only 5 per cent of the personal consumption expenditure. In developed countries, 30-50 per cent of spends happen through cards. So there is huge growth opportunity.

Intense competition and strategic collaboration among existing and new market participants like the payments and small banks and wallets will help scale up acceptance and foster more creativity, innovation and consumer choice. According to him, the future holds exciting times for the payments industry in India, as all stakeholders and regulatory authorities come together to achieve a “less-cash dependent” and eventually “cashless” society.

**NUMBER OF TRANSACTIONS**

Debit card transactions have grown by 36.5% CAGR (compounded annual growth rate) over the past five years, while credit card transactions have grown 21%. Debit cards have seen a 30% growth y-o-y, and credit cards 23%. Debit card transactions account for 57% of total card transactions at PoS terminals.



**CONCLUSION**

The modern day, Indian customers find it easier to make physical payment (credit card or debit card payments) rather than carrying too much cash contributing to the growth of plastic money in the country. The prevalence of intensifying competition has further fuelled the usage of plastic cards in the country like never-before. Due to major social and technological advancements, the banking landscape is undergoing massive change. The market is seeing increased availability of sophisticated technologies that can enable cashless transactions;

With the change in technology and the improvement in the payment system has lead to further development in plastic money.

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QUANTUM OF CASH-LESS TRANSACTIONS IN INDIA

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ABSTRACT

Digitalization of payment system is a historical change reflected in Indian economy. Cash Less Economy refers to transactions are to be done in digital form, use of credit card, debit card, pocket wallets, etc, which involve high level of technology. Cash less transaction can help to solve the problem of corruption, black money, counterfeit currency and finance for terrorist activities. The Govt. of India intends to develop Cash Less economy through digitalization. Digital India is one of the most important initiatives towards cash less economy. Electronic and mobile banking made Banking transaction easier and through this banks are able to provide efficient services to Customers. India had made effort reduced cash transactions through various measures, which leads to cash less economy. It is necessary to inculcate habit of use of electronic or plastic money among the Indians to realize the dream of cash less Indian Economy, This required proper development of infrastructure. The main purpose of this paper is to study growth of cash less transactions in India, What are the challenges to make India cash less economy.

Keywords: Cash less Economy, Digital India, Terror Financing, Mobile Banking, Plastic Money.

INTRODUCTION

Cashless economy refers to use of plastic Money (Debit or Credit Card, ATM Cards), Mobile Banking, Payment Wallets (Paytm, Paypal), E-Banking (NEFT, IMPS, RTGS), Payment Gateways (Google Pay, BHIM) for the most of the transactions instead of Cash. An Indian government wants India to be a cashless economy; this will leads to a move towards accountability of flow of money, Control over black money, Restrict finance for terror activities. Advancement of banking and introduction of special schemes like Jan DhanYojana government trying to bringing more and more people into the banking system, this will helps in reducing cash transactions with in economy. The main objective or target of Indian Government behind introducing various schemes such as Digital India, Jan Dhan Yojana, Demonetization, etc is the make Indian economy as cash less economy. The essence of all this policies to shift the Indian economy from cash based to Cash less economy. Modern payment system through cards, E-Banking, wallets, etc are key enabler for driving India towards cash less economy. In India ratio of cash to GDP is very high compare to other countries of the world. Therefore it is a need of the hour that government should take actions through various measures to reduce cash transaction and dependence in economy. Role of RBI also need to play very important role to make Indian economy cash less. With regards to that RBI issued licenses to start Small Finance banks as well as payments banks. This initiative of RBI expected to give a push to financial inclusion on the other hand it is innovative banking solutions.

OBJECTIVE OF STUDY

- To examine the growth of cash less Transaction in India.
- To identify challenges for cash less Transaction

RESEARCH METHODOLOGY

This research is based on secondary data gathered from Deferent Journals, books, newspaper, and websites.

RESULTS AND DISCUSSION

Table No : 1 RTGS/NEFT/CTS AND IMPS Payments										
Volume in million, Value in Rs. billion										
Data for the period	RTGS		NEFT		CTS*		IMPS*		Total	
	volume	value	volume	value	volume	value	volume	value	volume	value
Nov-16	7.9	78479.2	123.0	8807.8	87.1	5419.2	36.2	324.8	254.2	93031.1
Dec-16	8.8	84096.5	166.3	11537.6	130.0	6811.9	52.8	431.9	357.9	102877.9
Jan-17	9.3	77486.1	164.2	11355.1	118.5	6618.4	62.4	491.2	354.4	95950.8
Feb-17	9.1	74218.8	148.2	10877.9	100.4	5993.9	59.7	482.2	317.5	91572.9
Mar-17	12.5	123375.8	186.7	16294.5	119.2	8062.8	67.4	564.7	385.9	148297.8
Apr-17	9.5	88512.2	143.2	12156.2	95.3	6990.6	65.1	562.1	313.1	108221.1

May-17	10.4	90170.5	155.8	12410.8	97.1	6745.9	66.7	585.6	330.0	109912.8
Jun-17	9.8	92812.6	152.3	12694.2	91.9	6409.9	65.8	596.5	319.9	112513.3
Jul-17	9.4	87149.3	148.1	12011.6	92.2	6342.5	69.1	604.8	318.8	106108.1
Aug-17	9.5	89163.4	151.6	12500.4	92.1	6224.3	75.7	651.5	328.8	108539.6
Sep-17	9.6	102348.1	157.7	14182.1	92.2	6271.5	82.9	717.6	342.3	123519.4
Oct-17	10.0	92056.1	158.8	13851.3	94.4	6340.2	88.1	750.4	351.3	112998.0
Nov-17	10.8	98410.5	162.0	13884.0	96.3	6633.9	89.5	782.6	358.6	119711.0
Dec-17	10.9	100907.8	169.0	15779.2	94.6	6564.0	98.0	871.1	372.5	124122.0
Jan-18	11.2	107488.4	170.2	15374.1	96.7	6792.6	99.6	882.1	377.6	130537.2
Feb-18	10.6	91765.6	165.6	14843.9	91.8	6453.6	99.2	882.7	367.3	113945.8

Note :

1. \*: Source is NPCI.

2. &: Card transactions of four banks.

RTGS – Real time gross settlement

NEFT – National electronic funds transfer

CTS – Cheque truncation system

IMPS – Immediate payment service

Source :[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=39469](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=39469)

The table No-01 shows that data of digital mode of payment used in India. Data clearly shows that cash less transaction in India made remarkable progress in India. Very important analysis of data is that period of demonetization has shown considerable increase in digital transaction. The trend of digital transactions in March 2017 compare to November 2016 shows growth rates in both value and volume compared to corresponding period of last year. The data shows that rate of electronic payments have been sustained.

**Table No : 2 DEBIT CARD, CREDIT CARD AND POS**

*Volume in million, Value in Rs. billion*

Month for the period	Debit and Credit Cards at POS		Mobile Banking		Total	
	volume	value	volume	value	volume	value
Nov-16	205.5	352.4	72.3	1244.9	277.9	1597.2
Dec-16	311.0	522.2	70.2	1365.9	381.2	1888.1
Jan-17	265.5	481.2	64.9	1206.7	330.4	1687.9
Feb-17	212.3	391.5	56.2	1080.0	268.5	1471.5
Mar-17	229.7	416.2	60.8	1499.9	290.4	1916.1
Apr-17	231.1	431.4	61.0	1443.8	292.1	1875.1
May-17	233.4	450.8	64.9	1940.7	298.3	2391.5
Jun-17	232.4	468.2	77.1	1584.7	309.5	2052.9
Jul-17	237.6	439.3	69.5	1019.2	307.2	1458.5
Aug-17	243.0	457.1	70.8	1033.0	313.7	1490.1
Sep-17	240.3	478.2	86.3	1121.6	326.6	1599.8
Oct-17	255.7	530.5	130.9	1168.7	386.6	1699.2
Nov-17	244.6	483.3	122.8	848.4	367.4	1331.7
Dec-17	263.9	528.7	113.3	921.5	377.2	1450.2
Jan-18	271.1	521.9	106.3	928.7	377.4	1450.6
Feb-2018 Total	247.1	465.9	102.5	945.0	349.7	1410.9

1. \*: Source is NPCI.

2. \*\*:Figures Negligible, Source is NPCI

3. Mobile Banking figures are taken from 5 banks. The total volume & value of electronic payment systems does not include mobile banking.

4. &: Card transactions of four banks.

Source :[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=39469](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=39469)

**Table no 2** shows that Debit card and credit card payments at point of sale and use of mobile banking for transactions. It appears that a structural break in the volume and of retail electronic payments, coinciding with the onset of demonetization and the special reforms introduced to promote digital payments.

<b>Table No : 3 NACH/UPI/USSD/PPI</b>										
<i>Volume in million, Value in Rs. billion</i>										
Data for the period	NACH*		UPI*		USSD**		PPI #		Total	
	volume	value	volume	value	volume (in thousand)	value (in Rs. thousand)	volume	value	volume	value
Nov-16	152.5	606.6	0.3	0.9	7.0	7302.6	59.0	13.2	218.8	7923.4
Dec-16	198.7	626.8	2.0	7.0	102.2	103718.4	87.8	21.3	390.7	104373.4
Jan-17	158.7	541.4	4.2	16.6	314.3	381760.2	87.3	21.0	564.4	382339.2
Feb-17	150.5	592.0	4.2	19.0	224.8	357055.2	78.4	18.7	457.7	357685.0
Mar-17	182.1	829.4	6.2	23.9	211.2	337962.4	90.0	21.5	489.5	338837.2
Apr-17	212.6	905.2	6.9	22.0	188.9	301650.5	89.2	22.3	497.7	302600.0
May-17	194.4	692.4	9.2	27.7	192.6	316723.7	91.3	25.3	487.4	317469.0
Jun-17	197.3	708.6	10.2	30.7	198.9	313277.0	84.7	24.1	491.0	314040.4
Jul-17	204.3	771.7	11.4	33.8	190.7	302097.8	88.7	25.1	495.1	302928.5
Aug-17	205.2	752.4	16.6	41.3	191.8	294239.4	89.7	27.2	503.3	295060.3
Sep-17	176.0	628.4	30.8	52.9	202.7	323578.5	87.5	27.6	496.9	324287.4
Oct-17	187.0	900.5	76.8	70.3	184.6	299071.8	96.2	32.7	544.6	300075.3
Nov-17	197.5	724.1	104.8	96.4	182.4	287309.6	92.8	32.0	577.6	288162.1
Dec-17	183.0	714.0	145.5	131.4	179.9	299367.3	99.1	35.1	607.4	300247.8
Jan-18	208.1	727.7	151.7	155.4	172.8	290020.0	113.6	38.3	646.2	290941.4
Feb-2018	199.1	850.9	171.2	191.0	156.1	270260.0	113.1	36.5	639.5	271338.4

1. \*: Source is NPCI.  
 2. \*\*: Figures Negligible, Source is NPCI  
 3. #: Card transactions of four banks.  
 4. #: PPI issued by 8 issuers for goods and services transactions only.  
 5. Mobile Banking figures are taken from 5 banks. The total volume & value of electronic payment systems does not include mobile banking.  
 6. NACH figures are for approved transactions only  
 NACH – National automated clearing house  
 UPI - Unified Payments Interface  
 USSD - Unstructured Supplementary Service Data  
 POS – Point of sale  
 PPI – Prepaid payment instrument

**Above Table-3** shows that there is constant use of banking instruments in India for the payment but still this figure are not satisfactory compare to other developing countries of the world.

**CHALLENGES AND ISSUES OF CASHLESS TRANSACTION IN INDIA**

1. Cyber Security.
2. Availability and connectivity of Network.
3. Cost of Internet Connection
4. Bank Charges for use of card or online payments
5. Difficult to operate for uneducated person
6. Non opening of Enough Bank Accounts
7. Blockage of Internet connection in some part of areas
8. Encourage People to Spend more due to availability of credit cards.
9. Lack of required infrastructure

**CONCLUSION**

The important conclusion is that the growth of cash less transactions has been directly related to the digital economy. Digital economy has been boosted financial Inclusion efforts. There has been distinct increase in saving flows. Large numbers of bank accounts were sharply increased in the number of accounts, which has given boost of banking sector. India cannot be a completely cashless economy because of its high population and proportion of digital illiteracy is also very high, but Indian government is working very hard towards to increase the number of cashless transitions and to inculcate habit of use of digital payment system, which is a very important for any economy, but in India to establishing cash less economy there were various problems which includes network problem, security problems, cyber security, battery, internet cost, phone etc. Indian Government taken appropriate steps to improve the position of cashless transaction, Such as digital India, Jandhan Yojana, etc. Apart from that increasing awareness about the digital mode of payment is very important to realize the dream of cash less India.

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**PARADIGM SHIFT TOWARDS CASHLESS TRANSACTIONS: AN EMPIRICAL STUDY OF PUBLIC PERCEPTION**

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**ABSTRACT**

*Cashless in today's world, refers to using virtual form of bills rather than money for payment of diverse expenses or transactions carried out by the individual. India is a country where today also 90% of transactions are paid in cash. The fundamental challenge concerning cashless transactions in India is comfort, safety, expenses, incentives and technical factors like poor net connectivity and defunct POS machines. Digital India suffers from the threat of thefts and hacking of digital cash instruments. This needs to be taken care of before continuing on digital India mission, the goal of cashless India needs a comprehensive long-term strategy to slim the preceding deficits. Cash-based transactions are usually unsafe, expensive, inconvenient, inefficient, and lack transparency. Once E-payments become available everyone in the economy can benefit from the outcomes. There are multiple benefits of E-payment system which include financial inclusion, cost saving, security, transparency and Inclusive growth. Hence, in this paper an attempt is made to study the perception of people of Mumbai city regarding the benefits and common problems associated with this system. So it is crucial to study as they represent the major digitalised population of India and findings of this study might bring about the ambitious makeover of the economy from cash to E-payments.*

*Keywords: Cashless transactions, Digital India, Inclusive growth, Security, E-payments.*

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**INTRODUCTION**

A system wherever no physical money is in circulation is called cashless system. The demonetization power saw the conservative sections of Indian population dropping their inhibition closer to cashless transactions. Those who were earlier reluctant towards virtual wallets and net banking are accepting them. The trend caught on and it's been on an increase in line. According to J.M monetary document, Card penetration in India, number of POS devices stands at 1.2 million for pretty 14 million calculable merchants, which implies that over 90% of the outlets are left without a medium to gather payments electronically. There is urgent requirement for the spread of digital payment culture along with the expansion of infrastructure facilities to achieve the goal of transforming India from cash based economy to cashless economy.

**REVIEW OF LITERATURE**

Nitsure (2014) in his paper determined the problem being confronted by developing countries in the adoption of E-banking initiatives are mostly due to low dissemination of Information Technology. The paper highlighted the issues for adoption of E-banking initiatives like security issues, policies, law and management.

Sanghita Roy, Dr. Indrajit Sinha (2014) stated that E- payment system in India has shown super increase, however still there has lot to be achieved to extend its usage as most of the transactions are primarily based on cash. The study highlighted the Innovation, incentives, convenience and legal framework as predominant elements which play a major role in any economy to strengthen the E- payment system.

Dastan & Gurler (2016) mentioned that consumer attitudes and behaviors are subjected to change as the technology advances and development of e-commerce and so forth. They enquired about the factors effecting adoption of mobile payment systems by the consumer.

**OBJECTIVES OF THE STUDY**

1. To study Public perception on cashless transactions in Mumbai.
2. To observe the impact of key factors which include comfort, safety, expenses, incentives, and strategies affecting transition from cash to cashless transactions.
3. To study how technical factors together with poor net connectivity, Inoperative POS machines and technical know-how affect the cashless transactions decisions

**RESEARCH METHODOLOGY**

The survey is based upon the primary data. The data was collected by administering structured questionnaire among 100 respondents who live in Mumbai city only. Stratified convenience sampling method has been followed to select a sample from all age groups and employment status. For analysis of the data statistical tools such as Percentage and Chi-square test has been used for testing the hypotheses.

**LIMITATIONS OF THE STUDY**

The study is limited to only six perceptions, there are other perceptions also related to cashless transactions. The study was confined to Mumbai with only sample size of 100 respondents from the city, cannot be complete representation of the population of the country, hence results cannot be generalized.

**ANALYSIS AND INTERPRETATION OF DATA**

**Table 1.1 Demographic characteristics**

Demographic characteristics		
Gender	Male	55
	Female	45
	Total	100
Age	18-25	40
	25-40	34
	40-55	22
	55 and above	4
	Total	100
Family Income ( monthly)	Less than 250000	37
	250001-500000	33
	500001-1000000	16
	Above 1000000	14
	Total	100
Occupation	Employee	60
	Home makers	5
	Self employed/Business	9
	Student	26
	Total	100

**Table 1.2 Convenience in transaction facilitates cashless payments**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	32	32
2.	Agree	47	47
3.	Neutral	13	13
4.	Disagree	3	3
5	Strongly Disagree	5	5
	Total	100	100

Source: Primary Data

From the above table, it is concluded that the majority of the respondents (79%) felt that convenience in the transaction facilitates cashless payments.

$\chi^2$ -test

H0: Convenience in transaction facilitate cashless payments

H1: Convenience in transaction does not facilitate cashless payments

Observed frequency (f <sub>O</sub> )	Expected frequency (f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup>	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup> / (f <sub>E</sub> )
32	20	12	144	7.2
47	20	27	729	36.45
12	20	-8	64	3.2
3	20	-17	289	14.45
5	20	-15	225	11.25
100	100			72.55

The calculated value of  $\chi^2=72.55$ . The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of significance is 9.488. Since calculated value of  $\chi^2$  is greater than table value i.e.,  $72.55>9.488$ , Hence, null hypothesis is rejected.

**Table 1.3 Safety and security is crucial factor in cashless payments**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	67	67
2.	Agree	22	22
3.	Neutral	3	3
4.	Disagree	8	8
5	Strongly Disagree	-	-
	Total	100	100

Source: Primary Data

From the above table, it is concluded that majority of respondents i.e 89% perceive that safety and security is crucial factor in cashless payments.

$\chi^2$ -test

H0: Safety and security has no influence on cashless payments

H1: Safety and security has an influence on cashless payments

Observed frequency ( $f_o$ )	Expected frequency ( $f_E$ )	$(f_o - f_E)$	$(f_o - f_E)^2$	$(f_o - f_E)^2 / f_E$
67	20	47	2209	110.45
22	20	2	4	0.2
3	20	-17	289	14.45
8	20	-12	144	7.2
0	20	-20	400	20
100	100			152.3

The calculated value of  $\chi^2=152.3$  .The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of significance is 9.488. Since calculated value of  $\chi^2$  is greater than table value i.e.,  $152.3>9.488$ , Hence, H0 is rejected.

**Table 1.4 Transaction fees affect cashless transactions**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	7	7
2.	Agree	44	44
3.	Neutral	30	30
4.	Disagree	14	14
5	Strongly Disagree	5	5
	Total	100	100

Source: Primary Data

From the above table, it is concluded that the majority of the respondents (51 %) perceive that transaction fees affect cashless transactions.

$\chi^2$ -test

H0: Transaction fees have no influence on cashless transactions

H1: Transaction fees have an influence on cashless transactions

Observed frequency ( $f_o$ )	Expected frequency ( $f_E$ )	$(f_o - f_E)$	$(f_o - f_E)^2$	$(f_o - f_E)^2 / (f_E)$
7	20	-13	169	8.45
44	20	24	576	28.8
30	20	10	100	5
14	20	-6	36	1.8
5	20	-15	225	11.25
100	100			55.3

The calculated value of  $\chi^2=55.3$  .The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of significance is 9.488. Since the calculated value of  $\chi^2$  is greater than table value i.e.,  $55.3>9.488$ , Hence, H0 is rejected.

**Table 1.5 Poor Internet connectivity is the hindrance for cashless transactions**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	27	27
2.	Agree	43	43
3.	Neutral	11	11
4.	Disagree	16	16
5	Strongly Disagree	3	3
	Total	100	100

Source: Primary Data

From the above table, it is concluded that the majority of the respondents (70%) perceive that poor internet connectivity hinders cashless transactions.

$\chi^2$ -test

H0: Poor internet connectivity has no influence on cashless transactions

H1: Poor internet connectivity has an influence on cashless transactions

Observed frequency (f <sub>O</sub> )	Expected frequency (f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup>	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup> / (f <sub>E</sub> )
27	20	7	49	2.45
43	20	23	529	26.45
11	20	-9	81	4.05
16	20	-4	16	0.8
3	20	-17	289	14.45
100	100			48.2

The calculated value of  $\chi^2=48.2$ . The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of Significance is 9.488. Since the calculated value of  $\chi^2$  is greater than table value i.e.,  $48.2>9.488$ , Hence H0 is rejected.

**Table1.6 Inoperative Point Of Sale (POS) devices make the process of cashless transactions complex.**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	7	7
2.	Agree	39	39
3.	Neutral	34	34
4.	Disagree	19	19
5	Strongly Disagree	1	1
	Total	100	100

Source: Primary Data

From the above table, it is concluded that (46%) of respondents perceive that inoperative Point Of Sale (POS) devices make the process of cashless transactions complex.

Observed frequency (f <sub>O</sub> )	Expected frequency (f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> )	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup>	(f <sub>O</sub> - f <sub>E</sub> ) <sup>2</sup> / (f <sub>E</sub> )
7	20	-13	169	8.45
39	20	19	361	18.05
34	20	14	196	9.8
19	20	-1	1	0.05
1	20	-19	361	18.05
100	100			54.4

The calculated value of  $\chi^2=54.4$ . The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of Significance is 9.488. Since calculated value of  $\chi^2$  is greater than table value i.e.,  $54.4>9.488$ , Hence, H0 is rejected

**Table1.7 Lack of interest of traders limits cashless transactions**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	15	15

2.	Agree	49	49
3.	Neutral	21	21
4.	Disagree	15	15
5	Strongly Disagree	-	-
	Total	100	100

From the above table, it is concluded (64%) of the respondents perceive that the lack of interest of traders limits cashless transactions.

$\chi^2$ -test

H0: Lack of interest of traders has no influence on cashless transactions

H1: Lack of interest of traders has an influence on cashless transactions

Observed frequency ( $f_o$ )	Expected frequency ( $f_E$ )	$(f_o - f_E)$	$(f_o - f_E)^2$	$(f_o - f_E)^2 / (f_E)$
15	20	-5	25	1.25
49	20	29	841	42.05
21	20	1	1	0.05
15	20	-5	25	1.25
0	20	-20	400	20
100	100			64.6

The calculated value of  $\chi^2=64.6$ . The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of Significance is 9.488. Since calculated value of  $\chi^2$  is greater than table value i.e.,  $64.6 > 9.488$ , Hence, H0 is rejected.

**Table 1.8 Lack of technical know-how is the obstacle for cashless transactions**

S.NO.	Opinion	No. of respondents	Percentage
1.	Strongly Agree	20	20
2.	Agree	55	55
3.	Neutral	10	10
4.	Disagree	15	15
5	Strongly Disagree	-	-
	Total	100	100

Source: Primary Data

From the above table, it is concluded that the majority of the public (75%) perceive that lack of technical knowledge is the obstruction for cashless transactions.

$\chi^2$ -test

H0: Technical know-how has no influence on cashless payments

H1: Technical know- how has an influence on cashless payments

Observed frequency ( $f_o$ )	Expected frequency ( $f_E$ )	$(f_o - f_E)$	$(f_o - f_E)^2$	$(f_o - f_E)^2 / (f_E)$
20	20	0	0	0
55	20	35	1225	61.25
10	20	-10	100	5
15	20	-5	25	1.25
0	20	-20	400	20
100	100			87.5

The calculated value of  $\chi^2=87.5$ . The table value of  $\chi^2$  at 4 degrees of freedom at ( $\alpha= 0.05$ ) level of Significance is 9.488. Since the calculated value of  $\chi^2$  is greater than table value i.e.,  $87.5 > 9.488$ , Hence, H0 is rejected.

**CONCLUSION**

It isn't always true that technology is responsible for any transition, what is required for any transition is the change in the attitudes of the people living in a country. So transition can be brought by changing the mindset of people who are depending on old method of cash payment to cashless transactions. The country does not require a hundred percent Smartphones to get the cashless financial system. India already has good mechanisms like debit cards, credit cards, mobile banking, internet banking, Electronic Fund Transfers, Aadhaar Enabled

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Payment System (AEPS), Real Time Gross Settlement (RTGS), E-Wallet etc. Need of the hour for a successful transition is creating a culture and faith in the system along with awareness. Proper availability of internet facilities and secured transactions are also to be assured. So Government initiated programmes are required to educate and motivate people on the process and benefits of virtual payments.

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**IMPACT OF CASHLESS ECONOMY ON STREET VENDORS****Prof. Minal Sharma<sup>1</sup>, Dhritiman Das<sup>2</sup> and Sehzaad Charaniya<sup>3</sup>**Assistant Professor<sup>1</sup>, Clara's College of CommerceStudent<sup>2,3</sup>, S.Y.BAF, Clara's College of Commerce

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**ABSTRACT**

*This study highlights the impact of a cashless economy on street vendors. Street vendors are someone who sells food or other goods on the street. The cashless economy is an economy where financial transactions are conducted through digital form rather than physical currency. India is a country where almost 98% of the economic transactions are cash based. The percentage is too high. In the above ratio street vendors are the persons who have the highest percentage of doing cash transactions. The government took the initiative to launch 'Digital India' campaign to move India into a cashless economy. So the aim behind this research is to study the introduction of a cashless economy in India and to know the views of street vendors on the introduction of a cashless economy in India and the challenges and opportunities faced by them. The method we used in this research to find the data is both primary as well as a secondary method. The researcher has collected the data from those vendors who generally conduct their small business on the streets.*

*Keywords: Cashless economy, E Wallet, Street Vendors, Digital India*

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**INTRODUCTION**

A street vendor can be broadly defined as a person who offers goods and services for sale to the public at large without having a permeate place for conducting business. Street vendors are self-employed workers who offer their services to sell goods. Street vendor may be stationary in the sense that they occupy space on the pavements or other public/private spaces some vendors are mobile i.e. They move from one place to another by carrying their wares on pushing carts or in a basket or on their head.

According to the ministry of housing and Urban Poverty Alleviation, there are 10 million street vendors in INDIA with Mumbai alone having 250000 vendors. Street vendors have a dynamic role in urban economics. They provide basic necessity items which are durable and cost-effective. The street vendors also provide employment to many small industries by buying goods from them. The vendors have organized themselves in different unions the NASVI i.e. **National Association of Street Vendor of India** is a federation of 715 street vendor organization, trade unions and NGO's.

**CASHLESS ECONOMY**

Cashless Economy refers to a situation where there is a negligible flow of cash within an economy, and all transactions are settled digitally. This is achieved through extensive use of digital payment channels such as NEFT (National Electronic Funds Transfer), RTGS (Real Time Gross Settlement), credit and debit cards, digital wallets, IMPS (Immediate Payment Service) etc. Our Indian Economy has mostly been dependent on paper currency since ages. However, the current Indian Government is seriously trying to make India a cashless economy. Cashless economy helps in reduction of black marketing, bribery, fake currency, robbery, terrorism, etc. and helps in the economic growth of the country.

**OBJECTIVES OF THE STUDY**

- To study the impact of cashless economy on street vendors.
- To study the convenient mode of transactions.
- To study the future prospective of cashless economy.

**PROBLEMS OF THE STUDY**

From the past decade street vendors were using cash transaction as a convenient mode of payment. After the government took the initiative to launch 'Digital India' campaign to move India into a cashless economy, some of the street vendors took the initiative to move towards the cashless economy. As this is the new concept in India it has various benefits and opportunities and challenges in using and operating. The aim is to study the impact face by the street vendors while using a cashless transaction.

**Hypothesis**

H1: There is an impact of a cashless economy on street vendors

H0: There is not an impact of a cashless economy on street vendors

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**RESEARCH METHODOLOGY**

The study took the qualitative method of research. The method we used to collect the data is primary and secondary method. It is based on a structured way of collecting and analyzing data obtained from different sources. Primary data are collected through survey method. Secondary data are collected through the search of data sources such as reports, databases, World Wide Web. The research instrument used for data collection been the questionable method. The sample size was 60 units. The study is basically conducted in the Mumbai region. The area covered in our research is from Andheri to Santa Cruz.

**LIMITATIONS OF THE STUDY**

- Time convenience
- Sample size
- Implementation of data collection method
- Area limitations

**BENEFITS OF CASHLESS ECONOMY**

- Reduction of risk
- Convenient to use
- Increase in tax base
- Proper record of transaction
- No problem of change
- Discounts
- Cleaner and greener

**INDIA ON THE ROAD TO CASHLESS ECONOMY**

India's digital payment system will be worth around \$500 billion by 2020. According to the prediction the digital payment sector will be contributing 15% of GDP in four years. The prime minister of India "Narendra Modi" already launched the 'Digital India' campaign on 1<sup>st</sup> July 2015 to transform India into a digitally empowered society.

India represents one of the largest market opportunities for digital payments. With a population of 1.25 billion, India accounts for approximately 18% of the global population. Around 88% people prefer cashless transaction over cash transaction, along with 48% using digital payment for more than 75% of their transactions. More than 50% of India's internet will be adopting digital payment by 2020. With the launch of 'Digital India' campaign, India moved one step ahead of the cashless economy.

According to TRAI out of every 100 citizens 82 citizens of India have a mobile phone. Reduction in internet rates has given a boost to telecommunication sector all this is propelling the shift to cashless economy. The government of India has also taken different initiative like demonetization, different reduction schemes in use of online payment apps or E-wallets, launch of BHIM app and different cash back schemes and many more. There is also 30% growth in usage of E-wallets and 50% increase in E-wallets apps backed by leading banks.

**HURDLES FACED BY THE INDIAN GOVERNMENT TO MAKE INDIA A CASHLESS ECONOMY**

Almost 60% of the Indian population of India lives in a rural region and one fourth of the population in rural doesn't have a mobile phone and there is a big problem of connectivity in rural areas hence people hesitate to use digital transactions.

India is a country where 90% of the India labour market is informal. The majority of the people belong to agriculture or manufacturing sector where daily wages is required to fulfill their day to day work. Under such circumstances, informal labors heavily depend on cash.

Indian market is fully dominated by cash in the present as well as in the past. Almost 90% of transactions are done in cash. So it is difficult for people to change their mindset.

Security is another big hurdle on road to cashless economy in India. Digital India suffers from the threat of thefts and hackers. All this has to be taken care before India proceeding to cashless economy.

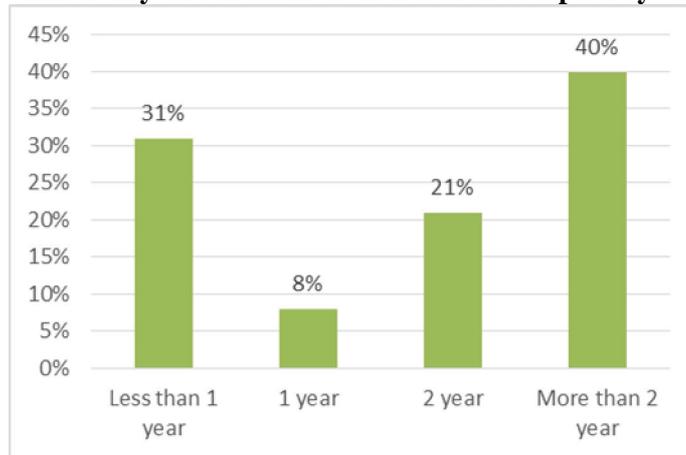
**HOW CAN STREET VENDORS ADOPT CASHLESS TRANSACTION?**

The introduction of cashless economy can be seen as a step towards the right direction. After the decision of demonetization by the Indian government on 8th November 2016 the campaign of moving India towards cashless economy and Digital India got a boost. Today mobile wallet like playtime, PhonePe, BHIM, Mobikwik, Google Pay, etc. gained a lot of importance in the past few years ago in India. The street vendors can use this e-wallet to meet their daily day to day transactions. The simplest use of this mobile wallet on their mobile phones can help them to run their business as usual. The street vendor can use their mobile phones to meet their daily transactions.

Under the ‘Skill India Mission’ the street vendors must be trained how to adopt and use cashless transaction. This training session will create awareness amongst the street vendors regarding the benefits and opportunities of using e wallets. The ministry should also talk to the vendors about the needs they want to go cashless.

**DATA ANALYSIS**

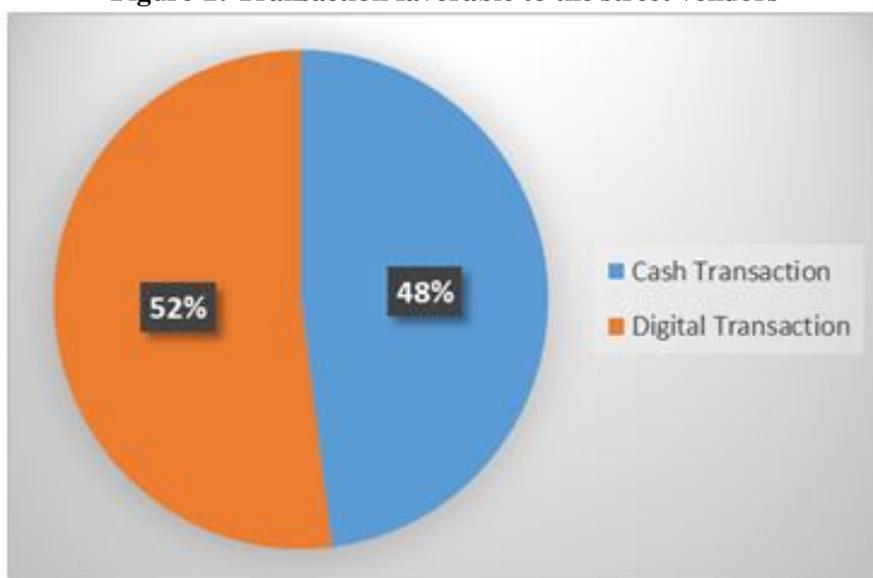
**Figure-1: Number of years of cashless transaction accepted by street vendors**



**PRIMARY DATA**

Interpretation: According to the analysis we can interpret that 31% of the street vendors is doing cashless transaction since less than one year. 8% of the street vendors is doing cashless transaction since one year. 21% of the street vendors is doing cashless transaction since two years. 40% of the street vendors is doing cashless transaction from more than two years since demonetization.

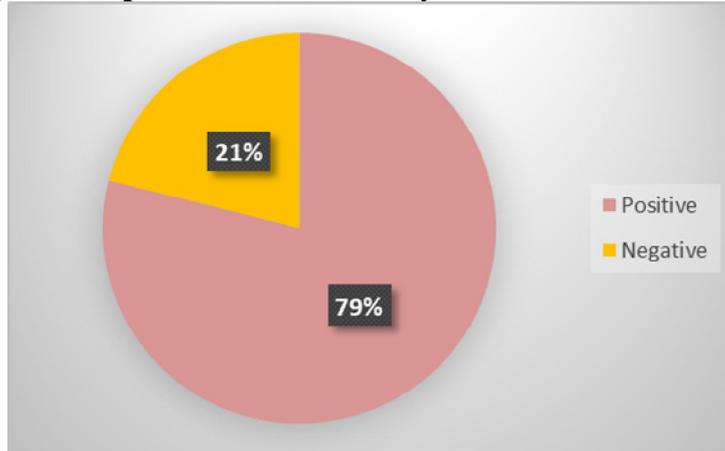
**Figure-2: Transaction favorable to the street vendors**



**PRIMARY DATA**

Interpretation: According to the analysis we can interpret that 52% of the street vendors feel favorable to use the digital transaction as it is easy and more convenient to use. Digital transaction is a time consuming process and helps to eliminate the risk. 48% of the street vendors feel favorable to use cash transactions as many customer feels easy to use cash transaction.

Figure-3: Impact of cashless economy on street vendor’s business



**PRIMARY DATA**

Interpretation: According to the analysis we can interpret 79% of the street vendors has a positive impact on their business because it is easy and more convenient to use than cash payments. Also digital transaction helps in eliminating the problem of change which results them to save their time. Only 21% of the street vendors have a negative impact on their business because no all business has a large amount of transaction which does not help them to withdraw cash from the bank due to small amounts.

Table-1: Data collection from street vendors

Statement	Agree	Disagree
Cashless economy important for the society	85%	15%
Cashless transaction will reduce fake currency flow	92%	8%
Cashless economy have future in Indian market	67%	33%
Cashless transaction will help in tax revenue of the government	85%	15%
Indian society will go fully on cashless transaction	58%	42%
Street vendors will go fully on cashless transaction	60%	40%

**PROBLEMS FACED BY THE STREET VENDORS**

The major problem faced by the street vendors is lack of literacy. The illiterate vendors are not aware how to operate digital wallets for conducting the daily transaction. Due to lack of awareness vendors are afraid of how to operate e-wallets or and digital payment system because it can give rise to various crimes as this concept of cashless economy is now in India.

Poor connectivity is one of the problems faced by the vendors in operating digital transaction. Poor connectivity leads to error during the transaction.

Digital transaction has created a problem to the vendor that they need to visit the bank to withdraw the cash in case of urgency.

The vendors do not get proper cash back as been said by the E-wallet company.

**FINDINGS**

From the above analysis, we found out that the vendors agree with the efforts taken by the government on a cashless economy. Cashless created a good impact on street vendors. There was a positive response from the street vendors because cashless economy created a positive impact on their business.

The convenient mode of transaction for street vendors is a digital transaction because it eliminates the problem of exchange and it is more convenient and time saving.

India is far away from a cashless economy because Indian market is still dominated by cash as customers still prefer cash transactions more convenient.

**SUGGESTIONS**

Due to lack of awareness and literacy India is still having a slow movement towards cashless economy. As many people don’t know how to operate such cashless transactions, government may establish the learning process for the street vendors. Customers should also take initiative to make digital transactions because customers can play an important role to make India a cashless economy.

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**CONCLUSIONS**

India is a country where cash is still the king. The negative perception of people for adopting cashless economy are holding them back. The problem of security and poor network is another big obstacle on the road to cashless economy. According to the present study, most of the respondents have shown positive response towards adoption of cashless economy, but due to lack of awareness, proper infrastructure and access to the internet. On the other hand customer also prefers cash transaction as a mode of only transaction. So we can conclude that Indian government has taken initiative toward a cashless economy, but still it will take time to bring change in the perception of people towards cashless economy. Especially in lower income group, small scale business like street vendor. Even Indian rural areas should also need to be made aware about cashless economy.

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**PAYTM IN PROMOTING CASHLESS ECONOMY AFTER DEMONETISATION**

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**Nikita Asiwai**Assistant Professor, Clara's College of Commerce, Versova, Mumbai

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**ABSTRACT**

*The phenomenal move taken in 2016 eliminated high-denomination currency from legal tender. It rushed the people of India to think that the alternative method of payments can also be trusted, and has helped companies like PayTm to win the hearts of millions. PayTm began to establish the genuineness immediately the day after demonetisation. This study will reflect how Paytm did every inch possible- from being open for the businesses to invest, to help consumers to transact and to reach out to the rural consumers and entrepreneurs. It launched Paytm for business App, Paytm Gold, Paytm Bank, Paytm Mall, Payments Bank for the stakeholders. Paytm as a digital payment platform has created a surge that the people of India can contribute to the society by helping victims of disaster, sharing happiness during festivals and providing loans to the underprivileged. Paytm is proving its existence in a country where people are cash-dependant.*

*Keywords: Demonetisation, Digitalisation, Paytm*

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**INTRODUCTION**

Prime Minister Shri Narendra Modi ji's move on 8th November, 2016 for the people of our Country with only four hours' notice that virtually all the cash in the world's seventh-largest economy would be effectively worthless, we use this term as Demonetisation i.e., stripping of currency from its legal tender. It is done in order to combat inflation or to curb black money. In 1946, the British Government withdrew notes of 500, 1000 and 10,000 from circulation. Again, in 1978, Janata party withdrew the same denomination of notes from circulation as was done in 1946. Now after 38 years, Shri Modi ji's big move led many Indians to switched from dealing in cash to transact now in many digital payment modes.

Paytm which was set up in August 2010 as a prepaid mobile and DTH recharge platform has marked a remarkable success in India. Paytm which is owned by One97 Communications Ltd. moved favourably after demonetisation in a country where predominantly people believe in cash transactions. Vijay Shekhar Sharma, the founder stone of Paytm saw the golden opportunity. He and his staff brain stormed and put everything they had. They did 600 days' worth of work in 60. Paytm give the people reason to trust its worth by adding more features and people and also because Reserve Bank of India approved Paytm as a secured wallet.

**OBJECTIVES**

1. To study the post demonetisation effect.
2. To study the criticism faced by Paytm after demonetisation.

**REVIEW OF LITERATURE**

**Prof Trilok Nath Shukla in his paper "Mobile Wallet: Present and the Future"** (June 2016) has discussed about mobile wallet. His research included perception of consumers and retailers about mobile wallets.

**Varshith J. R., (2016)**, in his study has stated that the move to demonetize Rs 500 and Rs 1,000 currency by the government was a phenomenal effort to curb corruption and black money. In the present economic situation black money has inflated prices in real estate, gold and a few other sectors, making it a challenge for a common Indian citizen to invest.

**RESEARCH METHODOLOGY**

Secondary data has been used in this research. Various mediums like news, articles, internet has been used.

**A WAY TO CASHLESS SHOWN BY PAYTM**

The biggest gainers due to demonetisation were mobile wallet companies that offered ease of transactions through a large network of partners. The day of demonetisation changed the fortune of Paytm, India's largest m-wallet firm, congratulated Prime Minister Shri Narendra Modi for making the Country move towards Cashless Economy. Next morning, newspapers were flooded with ads of Paytm with a picture of PM as an icon of digital India. Though company later apologised for the use of PM's picture without permission. But, this move led Paytm to become one of the biggest beneficiaries of Demonetisation.

Paytm is India's largest payment gateway and offers mobile payment solutions to over 7 million merchants and allows customers to make flawless mobile payments. The company's user base doubled from 140 million in

October of 2016 to 240 million in November of 2017. Paytm had registered 3.5x surge in digital payment in the year 2017.

It empowered the lives of millions of people and truth cannot be denied that till now paytm has registered 100 million downloads owing to the fact that it offers online mobile recharges, metro card recharge, DTH and Data Card and mobile bill payments for many operators across India. It provides exciting cash back and offers discounts on every recharge or bill payments.

It provides instant payment services online i.e., no need to go the offline stores for electricity bill, gas bills, water bills, hotel booking, train tickets, flights and bus tickets, provides bookings for entertainment purpose like event booking, movies, amusement and water parks with discounts and cashback besides in-store payments at grocery stores, fruits, vegetable shops, restaurants, parking, tolls, pharmacies and education institutes with Paytm QR code and has acquired majority stakes in online ticketing and hence has reflected Indian economy as more digitized.

Paytm has explored itself by becoming India's first mobile payments and commerce platform and have not bothered users to transact only in one language i.e., English but also in 10 regional languages comprising of Hindi, Tamil, Telugu, Gujarati, Marathi, Bengali, Kannada, Malayalam, Oriya and Punjabi. It has acquired Plustxt, an Indian messaging app which enable users to convert text in any Indian Language. Plustxt also enables users to send and receive text messages and replace their default SMS app with Plustxt.

There are entrepreneurs who are struggling to grow their businesses and Paytm even in the face of hardships and criticism of merits of its work has managed to dominate the market. Paytm has open payment platform for millions of large merchants and small stores across India. In 2017, it launched a B2C model known as paytm mall for the consumers to shop from Paytm registered users. Paytm through Paytm money from 2018 is providing wealth management services to the urban and untapped market across India. Its various products like Paytm gold savings plan and gold gifting to simplify long term savings. It will enable users to save gold digitally and the other is gold gifting where customers can send pure gold to their dear ones according to their budget. They can track their transactions by using gold passbook. This may reduces the offline cost like that of locker & making charges.

It has invested in QorQl, an online Health Care which uses AI to make it easier for Doctors to improve quality of care. It will give doctors real time data about patients. It has invested in auto rickshaw firm Jugnoo to enable the delivery of food and groceries in the local market. Jugnoo is a hyper-local online marketplace which was launched in 2014. *As per the company, over 7 million merchants across India use the QR code to accept payments directly into their bank accounts.* <http://en.m.wikipedia.org/wiki/Paytm>

In 2018, it started allowing merchants to accept payment directly into their bank account at 0% charge.

Society gives productive environment to the business to flourish and what is expected from a business is to create wealth and employment besides social and environmental duties. Value and Ethical standards are to be maintained by the businesses. Paytm has not only thrive to corner the market by augmenting small enterprises in India but has also committed to take an incharge to operate in an economically, socially, and environmentally responsible manner. It gave donation to the J&K floods campaign, blanket donation camp, Diwali campaign for the blind and many more.

### **FUTURE PROSPECTS OF PAYTM**

India is the most influential country in the world in which the population is equivalent to 17.74% of total world's population where 33.6% of the population is urban.

([www.worldometers.info/world-population/india-population/](http://www.worldometers.info/world-population/india-population/))

India needs vigorous efforts to rank itself up in terms of digitalisation and infuse more transparency through cashless transactions by stretching out its arms in a direction that will hold the hands of urban and rural entrepreneurs and the consumers at large. Companies like Paytm are playing a key role in bringing millions of small merchants to the financial ecosystem. Vijay Shekhar Sharma called Paytm as one of the five ecosystems, the other are Amazon, Google, Facebook and the Naspers-Tencent. The company will soon invest in share-trading and Insurance products.

### **CRITICISM FACED BY PAYTM**

India is emerging as an economy where people believe in clean, honest and transparent system. Although India was leisurely moving in using various mobile banking app pre-demonetisation and had never imagined of a far-reaching reform, a decision taken for the betterment of India in 2016.

Through Demonetisation drive, Paytm has added many users and helped in making India a cashless economy but there is a still long way to go for the the company to maintain stability in a country where dominantly people believe in cash transactions.

The company has faced many hardships in its way, it had battled transaction problems. People faced money deductions from their bank account while transferring money to their Paytm wallet.

The users increased manifold soon after demonetisation and has led sudden strike in traffic. Paytm did not had the capacity to route the traffic to new server. Due to this, it had been disappeared from the apple store.

Paypal, a U.S. based e-wallet filed a trademark against Paytm. They said, Paytm has deceptively taken colour scheme of paypal in its logo.

Besides criticism faced by Paytm, it is making its place in India and has already won hearts of people.

### **FINDINGS OF THE STUDY**

1. The initiative taken by the Prime Minister Shri Narendra Modi of demonetisation have provoked the nation to accept non-cash payment methods.
2. Paytm has used the technology in an effective manner and had given the facilities to the people to meet their desires at the time of demonetisation.
3. Paytm has improved the shopping behaviour of people by through the use of telecommunications and have helped in improving the shopping behaviour of people.

### **SUGGESTIONS**

1. Paytm has to bring more transparency and efficiency in the methods of online payment and to take steps to encourage rural people towards cashless transactions.
2. Privacy issues coming in the way while transacting to be resolved by Paytm and to build trust among people for the use of e-payments and authenticating the mobile wallet payment system.
3. Government has to take initiative to make it easier for the small entrepreneurs to come forward to explore business opportunities and utilise the technological advancement and make the country more cashless.
4. To create more space for the users in mobile wallet payment system, removing bugs while transacting and to give assurance to the businesses it has ventured with.

### **CONCLUSION**

The effect of demonetisation in the Indian economy led millions to transact without cash. Paytm was the biggest gainer and has helped people across India. Though Paytm has proved itself in maintaining its image in the market, but to grow at a steady rate, Paytm has to overcome the challenges that hinder its stability in the market. The widespread use of Paytm by consumers and merchants in India has made Paytm's vision "A company is worth the company it keeps" a favourable accomplishment by demonstrating the existence of users in India who are fully prepared to be the segment of cashless economy throughout the territory.

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## A STUDY OF DIGITIZATION GROWTH ON INDIAN ECONOMY

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**ABSTRACT**

The study is focused on achievements made by the country during last 5 years. At one point of time in 2014 where the country is been considered under constrained stage of digitization. Economically the nation status of developing country of same continent. Started the schemes of "Digital India", just few years back from 1<sup>st</sup> July 2015 and actual implementation was started after few months, but the level of achievements of country can be certain grounds. The countries has experienced exponential growth in internet connectivity, mobile phone usage, IT export earnings and use of ICT in education and accessibility of public services, driven by widespread digitization in the public and private sectors and policy support. If compare with peer group of Asian nations. Bangladesh is now having around 16.8% of all outsourced online workers in the world, a rate that is second only to India, at 24.6%. There are few metric on which international agencies are evaluating performance of a country the attributes are like ubiquity, affordability, reliability, speed, usability, and skill. Under all the key aspect some metrics have been provided to calculate in-depth the study will reveal the achievements of Indian economy under above Metrics.

*Keywords: digital India, Ubiquity, ICT, Metrics.*

**INTRODUCTION**

The growth of a country's digitization can be measured across specified below key attributes. Under these attributed some specific concept are covered under them how the country is performing. First attribute is **Ubiquity** means the extent to which consumers and enterprises have universal access to digital services and applications under this the metric set are 1) Fixed broadband penetration 2) Mobile phone penetration 3) Mobile broadband penetration 4) PC population penetration 5) 3G, 4G, 5G mobile connection penetration. Second contain is **Affordability** means the extent to which digital services are priced in a range that makes them available to as many people as possible for this metric set are 1) Fixed-line installation cost 2) Fixed cost per minute 3) Mobile connection fee 3) Mobile prepaid tariff 4) Fixed broadband Internet access tariff, third attribute is **Reliability** stand for the quality of available digital services under which single metric is 1) Investment per subscriber (mobile, broadband, and fixed) then it comes to forth attribute which is **Speed** which counts extent to which digital services can be accessed in real time. Under this metrics are two pointer as 1) International Internet bandwidth (bits/second/ Internet user) 2) Broadband speeds (peak Mb/s, average Mb/s): % above 2 Mb/s. and fifth attribute is **Usability** which counts ease of use of digital services and the ability of local ecosystems to boost adoption of these eight metrics as 1) Internet retail as % of total retail 2) E-government web measure index 3) % of individuals using the Internet 4) Data as % of wireless ARPU (average revenue per user) 5) Domains by country per 100 inhabitants 6) IP addresses per 100 inhabitants 7) Social Network Unique Visitors per month 8) Average SMS usage per customer.

Sixth and the last attribute is **Skill where** Ability of users to incorporate digital services into their lives and businesses is counted which get tested as metrics 1) Engineers per 100 inhabitants 2) % of labor force with more than secondary education. Based on above six attributed with special reference to some special aspects like digital payments, usage, production of digital products the performance of India in terms of digitization is been analysed to get a clear view of performance in last few years.

**REVIEW OF LITERATURE**

**Gupta and Arora (2015)** analysis the impact of digital India programme of India's rural region. The study concludes on fact that many schemes have been launched in digital India to improvise agriculture sector and entrepreneurship enhancement of rural areas. Digital India programme has also set the platform for empowerment of women in rural Indian.

**Midha Rahul (2016)** found that digital India is a worth plan for future development of Indian knowledge but its inappropriate implementation due to inaccessibility and inflexibility to requisite can lead to its failure. Like other schemes digital India programme is also facing number of challenges yet with proper implementation it will become the best opportunity for every citizen.

**RESEARCH METHODOLOGY**

**SCOPE OF STUDY**

The area covered is all india as universe for the said study as till now state wise performance is not been disclosed by union and state governments.

**LIMITATION**

The study is restricted to period of 2014 to 2018 and due to time and resource constraints is based on totally secondary data.

**OBJECTIVE OF STUDY**

1. To study growth digitization in Indian economy as per parameters set by international rating agencies.
2. To study impact of digitization on various economic aspects.

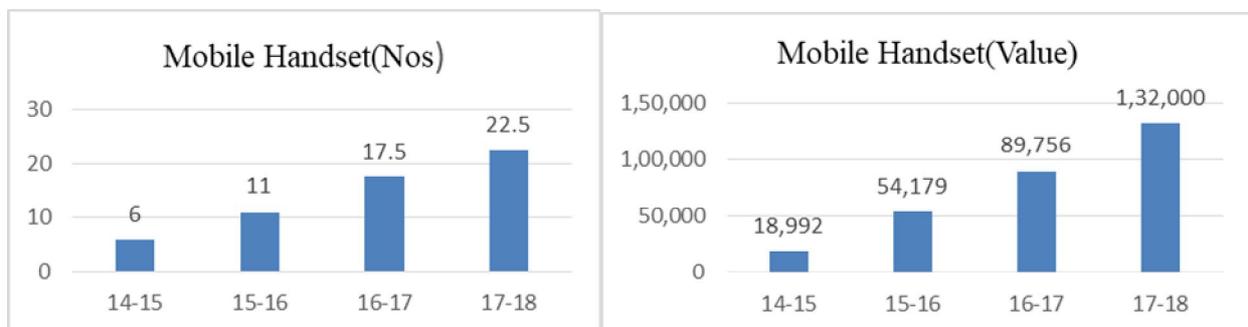
**DATA ANALYSIS**

Total study is based on secondary data only which is been adopted from sources like government records of India. Before starting with actual analysis lets define the standard which global agencies are considering for allocation of ranking globally. Government of India attaches high priority to electronics hardware manufacturing and it is one of the important pillars of both “Make in India” and “Digital India” programmes of the Government. The mobile phone and components manufacturing have emerged as one of the flagship sectors under the Make in India initiative.

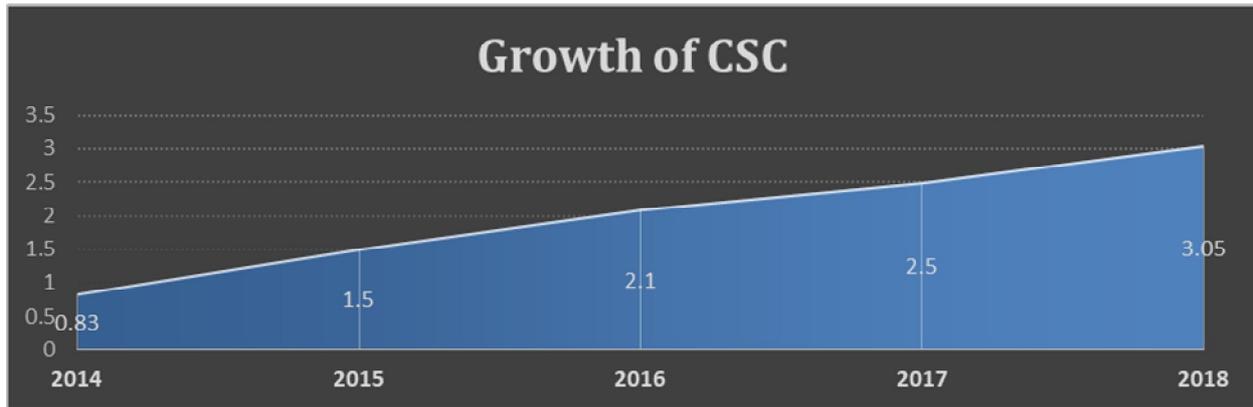
**GROWTH IN MOBILE PHONE MANUFACTURING**

Easily visible a Jump of **60%** in terms of **units** made. Manufacturing of mobile phones has reached **17.5 Crore** units in 2016-17 from **11 crore** in 2015-16. **105** mobile/ ancillary manufacturing units Created **4 lakh** direct and indirect jobs since 2014 of which **2.4 lakh** added in 2017. There has been almost **29% rise** on the production of mobile phones to reach 22.5 crore units *vis-s-vis* 17.5 crore units last year. An estimation made that about 6.7 lakh persons are employed (directly and indirectly) by the units manufacturing mobile phones and parts/ components thereof.

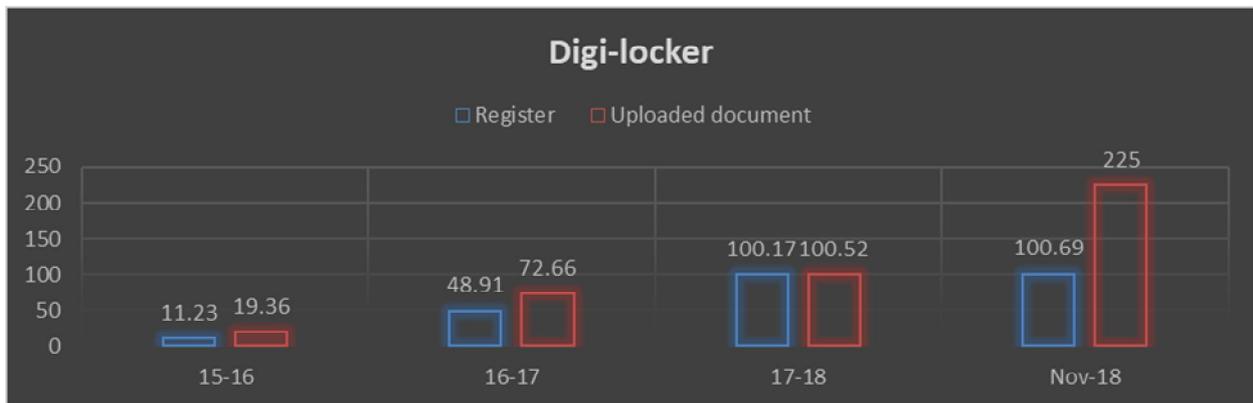
Remarkable Jump of **29%** in terms of units recorded. Production of mobile handsets has reached **22.5 crore** units in 2017-18 from **17.5 crore** in 2016-17. About 268 different units are manufacturing mobile handsets and spare parts/ components etc. About 6.7 lakh persons are employed (directly and indirectly) by the units manufacturing mobile phones and parts/ components thereof. **Till 2018 almost 120** mobile phone manufacturing unit’s setup in last 3 year. Around 4.5 lakh direct jobs and 3 lakh indirect jobs were created. One can call this era as “**The Mobile Phone Revolution**” Today India is home to **121 Crore Mobile Phone users**, compared to **103 crore** in 2016. Comprising of **Smartphone Users** who have grown from 30 crore in 2016 to 40 crore in 2017. Amongst them **Internet Users** have grown from 40 crore in 2016 to 50 crore in 2017. Yearly growth both in terms of number of units and value is as follow:



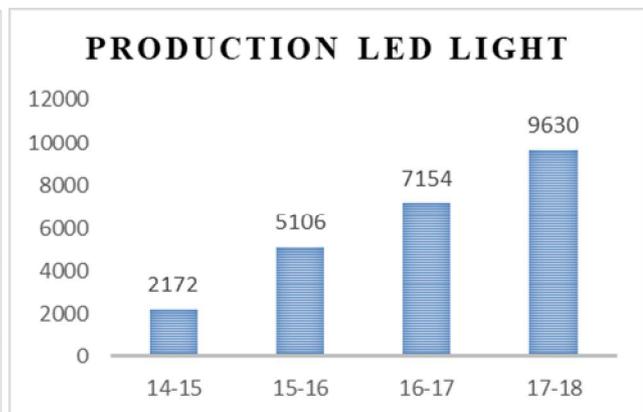
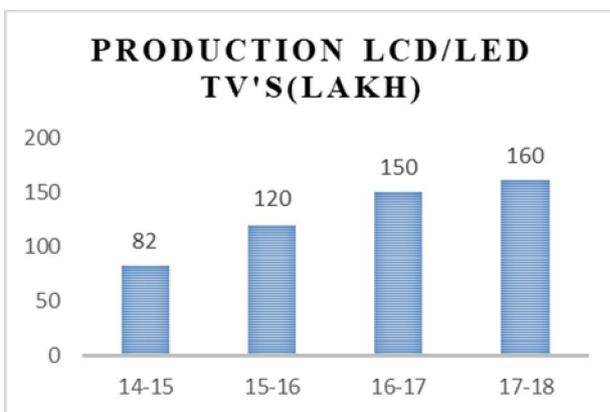
**Common Service Centres (CSCs)** are bringing e-Services to the doorsteps of people in the rural areas in an affordable manner. These are positioned as change agents, promoting rural entrepreneurship and building rural capacities and livelihoods. At present, around 3.05 lakh CSCs are functional including Gram Panchayat level while, around **2.7 lakh CSCs** are active and offering digital services like Aadhaar enrolment, Ticket booking, of utilities and other e-Governance services to citizens from 1.68 Lakh Gram Panchayats, which was only **2.29 Lakh** 2016. From there that till date 2.11 lakh CSCs are functioning and offering more than 350 digital services. CSCs have become centres of digital empowerment with having been actively involved with digital literacy. These services range from Education, Health, Agriculture, and Certificate related services. Through CSCs, Women VLEs are playing a very important role in Digital India Movement.



**Digital Locker System (Digi-Locker):** introduced from July 2016, to function as a platform to enable consumers securely store and share their documents after giving due permission with service providers digitally. Around **197 crore** documents have been placed in Digi-Locker providing access to over **88 lakh users**. For practical implication first time both CBSE 10th Class results and NEET Results were also sent digitally into Digital Locker. So far, more than 1.69 crore registered users, over 68 issuers, over 27 requesters Digi-Locker provides access to over 347 crore certificates in digital format on a single platform.

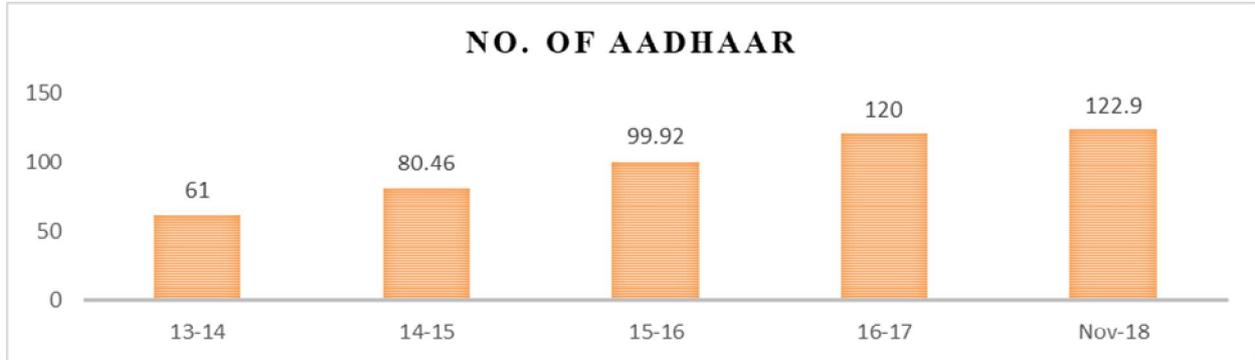


**Electronics Manufacturing Clusters (EMC) scheme:** EMC provides support for creation of global infrastructure for influencing investments in the Electronics Systems Design and Manufacturing (ESDM) Sector. Under the scheme, final approval has been accorded to 20 applications for setting up Greenfield Electronics Manufacturing Cluster and 3 applications for setting up of Common Facility Centre in Brownfield Cluster over an area of 3,565 acres with project cost of ₹ 3,898 crore in 15 states across the country. These EMCs are projected to attract an investment of ₹ 54,800 crore and are expected to generate approx. 6.43 lakh employment opportunities. As of now, 121 units have booked land for setting up of their manufacturing facilities within these EMCs. 16 units have started commercial production with investment of ₹ 4,366 crore providing employment to 8,221 persons.



The production of LCD/ LED TVs has gone up from 1.5 crore units in 2016-17 to 1.6 crore units in 2017-18. The production value of Light Emitting Diode (LED) Products has gone up from ₹ 7,134 crore in 2016-17 to ₹ 9,630 crore in 2017-18.

**Aadhaar:** With an intention to provide residents of India with a unique identity and a digital platform to authenticate anytime, anywhere, Aadhaar today is the world’s largest biometrics based digital identity system. Number of Aadhaar account holders reached **119 Crore** in 2017 compared to 104 Crore in 2016. Aadhaar is being used as a digital platform to enhance governance. Through Aadhaar, the Government has provided digital identity to **122.9 crore** residents of the country with **99%** coverage of adult population as on 30<sup>th</sup> November, 2018. A total of ₹ 5.49 lakh crore have been disbursed through Aadhaar based DBT to beneficiaries of 433 government schemes which have led to saving of over ₹ 90,000 crore in the last 4 years by removing fictitious claimants.

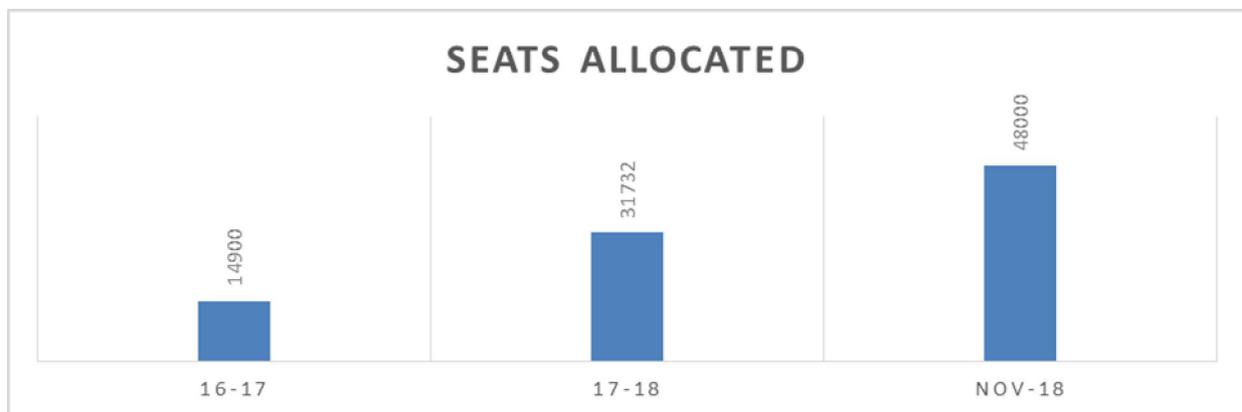


**DIGITAL PAYMENTS**

The payment made online by using government introduced application called as BHIM is been studied. Over the past four years digital payment transactions have grown multifold from **316 crore** transactions in 2014-15 to **2071 crore** transactions in 2017-18. Today, BHIM app has become one of the main digital payment instrument for sending, collecting the money and to pay for various utility bills. In November, 2018, more than **173 lakh** transactions of value ₹ **7,981 crore** were made using BHIM app. The trend can be explained through the following table:

Sr.No.	Mode	November, 2016	October, 2018
1	BHIM/ UPI	1000 / Day	160.79 lakh / Day
2	Mobile Wallets	46.03 lakh / Day	122.82 lakh / Day
3	Debit Cards	78.83 lakh / Day	131.13 lakh / Day

MeitY has been eyeing the BPO shifting to smaller towns to generate employment and enhance IT-ITeS industry and aims to secure a balanced regional growth. Under India BPO Promotion Scheme, 45, 840 seats are allocated to 163 companies, resulting in setting up of 240 units distributed across 110 locations of 20 States & 2 UTs. BPOs are promoting local entrepreneurs and employment to women and differently-abled. BPOs have started operation at several locations, including, Bhandarwah, Budgam, Jammu, Sopore and Srinagar in Jammu and Kashmir, Guwahati, Kohima, Imphal in North-Eastern region, Baddi and Shimla in Himachal Pradesh, Patna and Muzzaffarpur in Bihar, Jaleswar in Odisha.



**CONCLUSION**

It has been clear to policymakers for several years that digitization has the potential for dramatic economic, social, and political improvements. Fleetsof trucks use digital GPS devices that direct them to shorter routes,

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cutting down on their greenhouse gas emissions. The challenge for all stakeholders in the ICT ecosystem has been to quantify the impact of digitization. Numerous organizations, including the World Economic Forum with its evolution of the Networked Readiness Index, are taking steps in that direction. But one thing always should be kept in consideration such digitization should not harm the ecological system of India for that reason next step towards growth in technology must be ecofriendly. Realizing the opportunity and threats require that Indian policymakers undergo a shift in their thinking. They must take into account their current level of digitization in order to ensure that they are focusing on the right investments to advance to the next stage. And they need to look with fresh eyes at policies that were developed a few years ago to understand how they can be updated for a new era. Indian Policymakers are hopeful about this opportunity, and many are committed to action. The steps they take in the coming years will determine whether they can translate opportunity into reality. To provide maximum benefits to the Indian population in all maximum ways.

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**TO STUDY THE FUTURE SCOPE OF CASHLESS ECONOMY IN INDIA**

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**ABSTARCT**

*Cash is like water a basic necessity without which survival of human is a challenge. Nevertheless, cash use doesn't seem to be warning all that much, with around 75% of global payments still made using cash. One of the main reasons is that there is nothing to truly complete with the flexibility of currency and coins. The digital era is something to embrace, and new methods of payments will continue to be introducing. But Indians need to recognize the risks and benefits of different payment methods, the risks associated with electronic payment instruments are far more diverse. Recently lakhs of debit card data were stolen by hacker. The ability of Indian financial institutions to protect the electronic currency came into question also an important reason why people favour cash rather than cards. A cashless society is a term describing the economic eco-system in which physical money that is namely paper banknotes and metal coins, are replaced with virtual, digital money, and cash circulation is substituted with payments done by using numerous types of cards or online transactions. Cashless policy has reduced cash related corruption and attract more foreign investors to the country. In many countries introduction of cashless economy can be seen as steps in the right direction towards digitalization. It is further expected that its impact is felt in modernization of payment system in reduction in the cost of banking service, reduction in high security and safety risk and also curb banking related corruption. Electronic banking is going to be created banking dealings to be easier by transportation services nearer to its customers thus rising banking system performance more. This paper mainly focusses on future scope of cashless economy.*

*Keywords: Cashless Transactions, Payment Methods, Digitalization, Modernization, Electronic Banking.*

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**INTRODUCTION**

Cashless economy is a situation in which there is flow of cash within the economy is nonexistence and all the transactions are made through electronic media channels. India is the fourth largest users of cash in the world. The Indian payment system is rapidly transiting to more and more IT based systems. In the retail sector we've got terribly high volumes of cash transactions. Other than money, one of the growing payment methods adopted by merchants in the sector is payment cards. India's currency to GDP ratio moved to 10.9% in 2017-2018. Total currency in circulation is at Rs17,82 lacs crore as of February 23, according to the latest Reserve Bank of India data. The number of debit cards exaggerated to 842.47 million, with 9.58 million new cardholders, whereas a complete of 35.5 million credit cards were operative, with addition of zero.7 million cards, in keeping with the Federal Reserve Bank of India information. With increasing adoption of electronic payments, notably those driving e-commerce and m-commerce, there's a growing demand for quicker payment services that, in turn, facilitate ease in doing monetary transactions. Reducing Indian economy's dependence on money is fascinating for a range of reasons. India has one among the best money to gross domestic product ratios within the word, and lubricating economic activity with paper has prices. According to a 2014 study by Tufts University, the price of money in Asian nation, money operations value the banking concern of Asian nation (RBI) and industrial banks regarding Rs21,000 large integers annually. Also, a shift off from money can create it tougher for tax evaders to cover their financial gain, a substantial benefit in a country that is fiscally constrained. Usually cashless economies have low corruptions and fewer black cash. Almost every country is bracing towards cashless economy and many countries have made significant progress. It is just a world trend which India is trying to catch up.

**SIGNIFICANCE OF THE STUDY**

This paper discusses concerning the present situation of Cashless India once disapprobation. It conjointly strives to explain the focuses on the impact of devaluation on our economy, counterfeit currency and challenges towards cashless economy.

**LITERATURE REVIEW**

[1] According to 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 conjointly expressed that counterfeiters yet had restricted printing facilities that created it easier to find fakes.

[2] Jain, P.M (2006) in the article —E-payments and e-banking opined that e- payments will be able to check black —An Analysis of Growth Pattern of Cashless Transaction System. Taking fullest advantage of technology, fast payments and remittances can guarantee optimum use of accessible funds for banks, monetary

establishments, business homes and customary subject of India. He also pointed out the need for e-payments and modes of epayments and communication networks.

**OBJECTIVES**

- 1. To review this position of Cashless India.
- 2. To understand the advantages of Cashless India.
- 3. To understand the disadvantages of Cashless India.
- 4. To counsel the longer term prospects of Cashless India.

**RESEARCH METHODOLOGY**

The ready paper could be a descriptive study in nature. The study has been carried out based on the collection of the relevant primary data and secondary data.

**PRIMARY DATA**

Primary data was collected through surveys.

**SECONDARY DATA**

Secondary information assortment was supported numerous sources like revealed books, articles revealed in several journals & newspapers, periodicals, conference paper, operating paper and websites, etc.

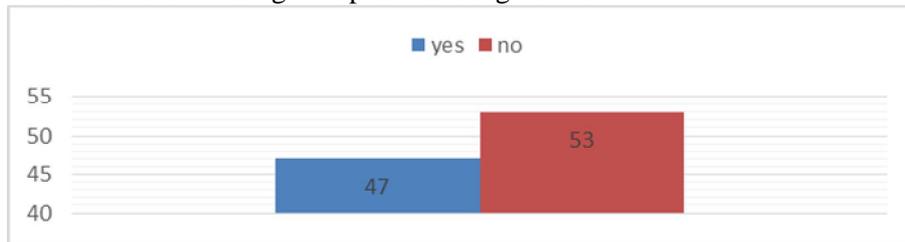
**HYPOTHESIS**

H0: There is no future scope of cashless economy in India.

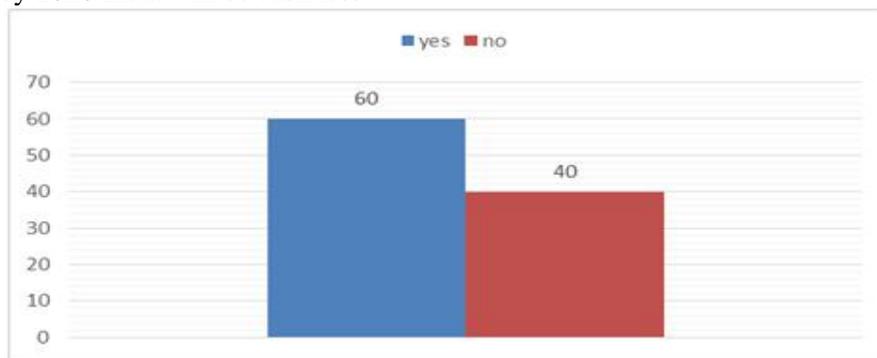
H1: There is future scope of cashless economy in India

**DATA INTREPRETATION**

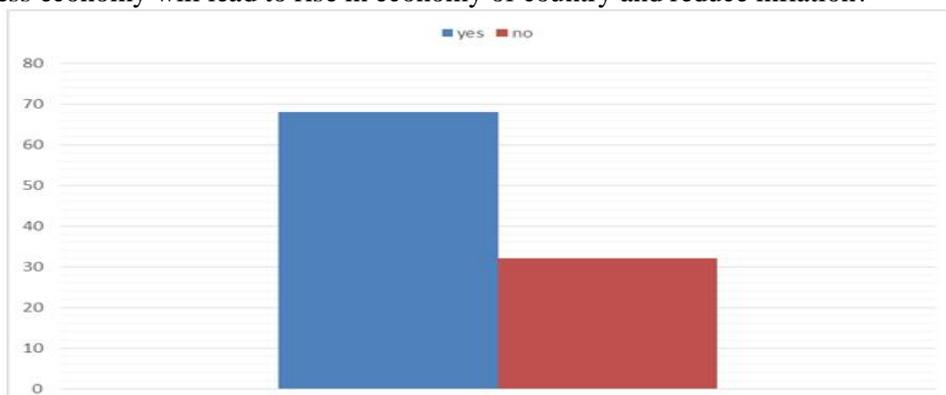
Do you think that demonetization was right step to make digital India?



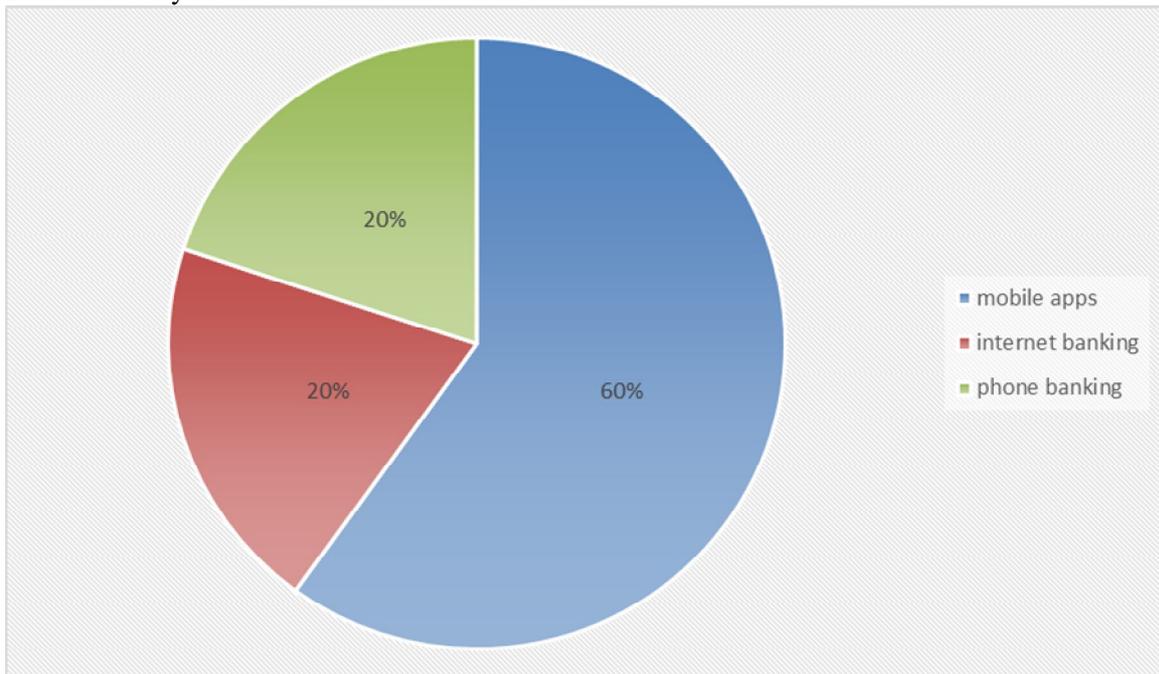
Do you think that by 2020 India will be cash less?



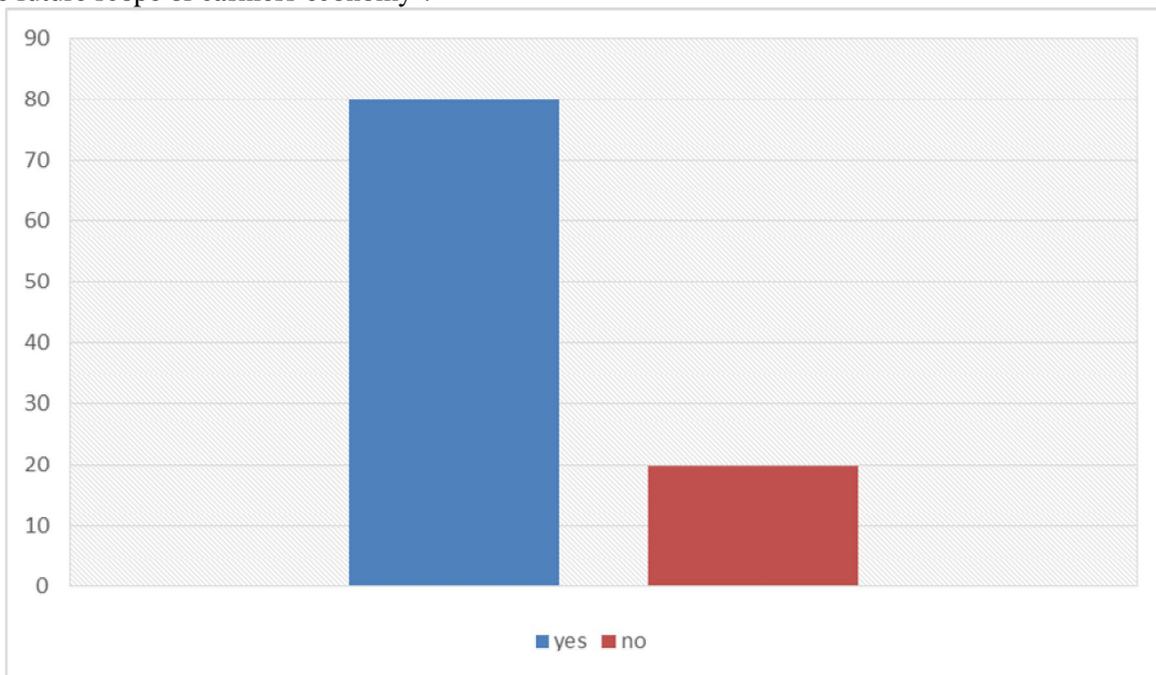
Whether cash less economy will lead to rise in economy of country and reduce inflation?



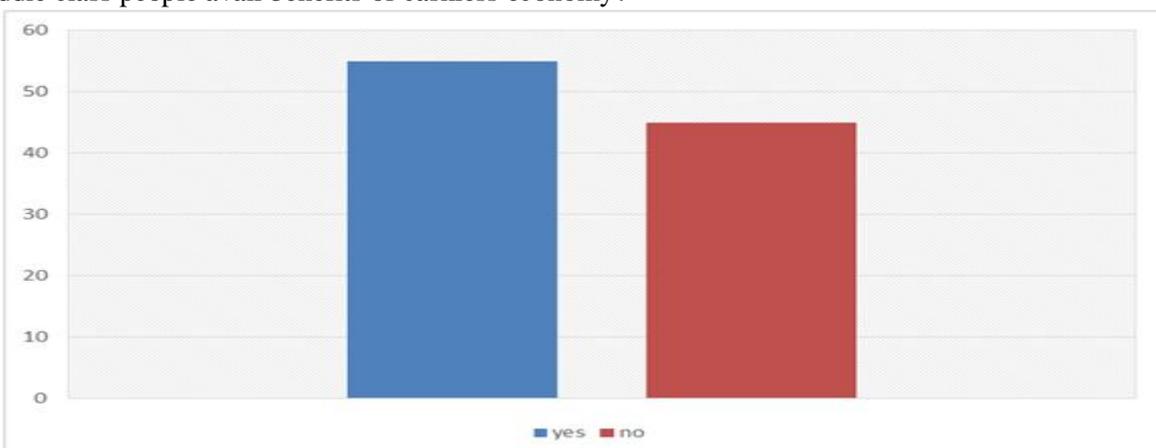
What often mode do you use to avail cashless transaction?



Is there future scope of cashless economy ?



Do middle class people avail benefits of cashless economy?



**FINDINGS**

- According to the survey conducted demonetization was a right step taken. Which had a great impact on the society.
- As per survey India has a chance of getting digitized by 2020. After demonetization decision.
- As per the survey we can say that cashless economy will lead to rise in economy of country and reduce inflation.
- According to the survey we can say that mostly people use mobiles apps for cashless transaction such as paytm, PayPal, Mobiwik , etc.
- Accordingly, we can say that the is positive future scope of cashless economy on our country.
- According to the survey we can say that middle class people availed benefits of cashless economy.

**TESTING OF HYPOTHESIS**

According to the survey we can conclude that there is positive future scope of cashless economy .Therefore, H1 is accepted.

**CURRENT POSITION OF CASHLESS INDIA**

- The money central informal sectors like agriculture, assets, etc., are tormented by conclusion. However the experts say that it's a short term scenario and this move will give positive long term consequences.
- To bring the economy not off course once more, government is promoting cashless economy because scrapping of cash needs an alternative to cash.
- India's black cash has been calculable by the planet Bank in 2010 to be price regarding one fifth of the gross domestic product. In a country wherever ninetieth transactions area unit dispensed on method of accounting it had been a revolutionary move to remodel from money to cashless transactions.
- India's black cash has been calculable by the globe Bank in 2010 to be value regarding one fifth of the gross domestic product. In a country wherever ninetieth transactions area unit distributed on accounting system it had been a revolutionary move to rework from money to cashless transactions.
- Beneath this theme, 250 million bank accounts have been opened in two years. As per run reports bank branches inflated by five-hitter p.a. however ATMs, debit cards and card swiping machines have doubled in four years and online transactions have grown 20 times in six years to 2016. • of these information shows a gradual shift towards cashless economy. Demonetization has sped up this transition.

**ADVANTAGES OF GOING CASHLESS**

- **Saves cash and Time:** corporations and governments can get economical and that they will scale back prices as they now not want the manual accounting work to be done. The costs related to accounting and handling money is extremely high.
- **Less money diminished Crimes:** Business and people can even avoid different prices also. Theft usually leaves an enormous hole in one's pocket. The risk of thieving can continue till individuals carry money and by going cashless constant are often reduced. This also leaves an impact on the government as they can then reduce the costs that the government spends on nabbing the culprits..
- **Production prices of Coins and currency area unit reduced:** Production of coins and currency is so a chic endeavor and therefore the life of most of the paper currencies is about 6 years. So, by going electronic the value of production gets reduced.
- **Less money means that a lot of Data:** the govt will use the info returning from the cashless transactions to boost and analyze their policies. By using such data, officials can predict or identify the patterns of activity and use such information for urban planning for sectors like energy management, housing, and transportation.
- **A lot of disbursal Helps Improved Economic Growth:** once a nation is taking a step towards a cashless economy, a boost in the economic growth can be expected Shopping on-line gets straightforward jointly will use variety of payment options; from credit and debit cards to web banking.

**FUTURE PROSPECTS OF CASHLESS PAYMENTS IN INDIA**

Smooth, easy and secure payment processes can facilitate to achieve behavioral changes and quicker adoption of digital payments and banking among un-banked segments. When new players enter the market, every with a rather completely different battle the market and with differing business models, the accrued competition can

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facilitate the setting and supply more options for consumers to choose from. A larger pie with additional players is certainly smart for the dynamical dynamics of the payments trade, which is still nascent in India.

Indian consumption is still dominated by cash, with cards contributing only 5 per cent of the personal consumption expenditure. In developed countries, 30-50 per cent of spends happen through cards. So there is huge growth opportunity.

The ascension of smartphones, net penetration and e-commerce is complementing these; card payment volumes are growing in more than 35% y-o-y. We expect this trend to continue, assisted by the continuing increase in positive identification activation and usage; positive identification transactions are growing at thirty-one per cent annually.

### **CONCLUSION**

The government has to take the required steps and build some policy concerns once they are making ready for a cashless economy. The payment systems have to be compelled to be shielded from the cyber-attacks that are the foremost threat for cashless transactions.

Also, the govt. ought to be able to serve the below banked furthermore. Everyone from the society should have access to an electronic system that they can use for such transactions.

Government should take measures to increase liquidity into the system so that people face less inconvenience. Government ought to additionally attempt to improve overall infrastructure in order that additional and additional individuals will acquire banking internet and web.

Society has also to play its part. They have to grasp the importance of cashless economy and appreciate measures taken by the govt..

As a conclusion, it may be same that going cashless provides heaps additional advantages than simply convenience to individuals, businesses and therefore the government especially.

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**STUDY OF CASHLESS ECONOMY ON MSMEs (MICRO, SMALL AND MEDIUM ENTERPRISES)****Sangeeta S. Tiwari**

Vidyanidhi Kamala Raheja Jr. College Of Commerce, Villeparle (W)

**ABSTRACT**

*The present study is to examine the impact of cashless monetary policy on micro, small and medium enterprises (MSMEs) in India. The government's initiative towards cashless economy triggers with demonetization of high denomination currencies. Cashless economy is a financial environment that minimizes the use of physical cash by providing alternative channels for making payments, and fosters a clean and digital economic culture. Demonetization, for a while, slows down all economic activities and imputes to use digital mode for transactions. The MSMEs prefer to do all its transactions with conventional mode; sudden move by the demonetization severely affected the MSME sector. Stringent reactive policies are required to this segment for surviving in a cashless economy. Economic reform without considering MSMEs will result negative impacts, it acts as a mediating role in economic growth. Currently the dealers and customers are adopting digital infrastructure and slowly it will create a digital economic culture. The objective of the study is to determine possible implications of a cashless economy on micro small medium enterprises in India. It also discusses challenges that MSMEs would face in a cashless society and points out some possible solutions. The study is based on secondary data and simple statistical tools are used for analysis.*

*Keywords: Cashless Economy, Demonetization, MSMEs, Digital Culture, Electronic Payment*

**INTRODUCTION**

The Small and Medium Business (SME) sector in India has a heavy influence on the economy. It provides employment to millions of people every year and contributes a healthy eight percent to the country's GDP. When a major economic decision like demonetization is implemented, it is necessary to study the impact it could possibly have on the economics of this sector.

Most SMEs are family-run businesses in India. The SME market can be categorized into two sectors.

- Businesses created by entrepreneurs who smelt the opportunity and moved fast to launch and become successful quickly.
- Businesses that came in late but could become reasonably successful because of the huge potential that remained untapped.

SMEs, with their traditional business mindset and approach, were convinced that they could continue to do business this way and yet enjoy success without having to scale up or make any major investment.

**OBJECTIVES OF THE STUDY**

The main objective of the study is to investigate the effect of cashless policy on small and medium scale enterprises:

1. To investigate the effect of automated teller machine (ATM) on the development small and medium scale enterprises .
2. To examine the influence of point of sale (POS) on the development small and medium scale enterprises.
3. To assess the effect of mobile banking on the development small and medium scale enterprises.
4. To determine the effect of internet banking on the development Small and medium scale enterprises .

**RESEARCH QUESTIONS**

The following research questions are formulated to guide this research work:

1. To what extent has automated teller machine influence the development small and medium scale enterprises ?
2. To what degree has point of sale influenced the development small and medium scale enterprises?
3. How has mobile banking affected the development small and medium scale enterprises?
4. To what extent has internet banking affect the development small and medium scale enterprises?

**METHODOLOGY OF STUDY**

This paper based on secondary data, utilize case study, editorial, journal magazine.

**REVIEW OF LITERATURE**

The introduction of electronic banking, online transactions and mobile banking in India has paved way for a new era of development where the use and demand for physical cash is gradually declining. These recent evolution of technology in the Indian financial institutions poses interesting questions for economist, financial institutions, business analyst and the government regarding the current economical status, logistics, and availability of instruments to guarantee economic growth and stability, efficiency and effectiveness of the cashless policy. Since the inception of humanity, various payment methods have been used to purchase goods and services starting with the trade by barter. The trade by barter method of transaction has been the foundation for the introduction of money and coins to solve the problem of double coincidence of wants and divisibility faced by trade by barter. The use of money/coins was introduced after the use of trade by barter method, and it has solved various challenges associated with trade by barter, but the use of money as an exchange medium has its own challenges and disadvantages and can still be replaced with a better payment system—the cashless policy/banking. Various advantages enjoyed by more developed nations such as the US has prompted the Central Bank of Nigeria (CBN) to adopt the cashless policy. At the end of the 1980s the use of cash for purchasing consumption goods in the US has constantly dropped with inflation (Humphrey, 2004). India's aim to be among the biggest economy by 2020 has driven her to gradually move from a pure cash economy to a cashless policy. Since India gained her independence in 1947, there have been different constitutional reforms, change in economic and banking policies mainly aimed at stabilizing the economy, enhancing social welfare and enhancing economic growth and development.

**"CASHLESS" ECONOMY IS A BLOW TO SMALL PRODUCERS**

Fresh markets sustain the economies and livelihoods of millions of people. Despite this reality, the governments of many Asian countries are systematically adopting policies that undermine local markets and the people who rely on them. From Hong Kong to Hanoi, governments are banning fresh markets or scaling back market interventions that once kept corporations and price volatility in check. In Indonesia, for instance, the government lifted commodity price regulations, eroding the food security of farmers, small traders and poor consumers.

One of the most extreme recent examples is the cashless economy process that occurred in India. In a reckless effort supposedly aimed at tackling corruption and the black market, India's prime minister pulled 86 per cent of the country's currency out of circulation overnight, creating severe distress throughout the country. The decision to turn India into a "cashless" society, to be replaced by digital banking and plastic transactions, has taken much of rural society by surprise. In rural India, the digital infrastructure necessary to facilitate such a transition is almost nonexistent.

Rather than addressing corruption and the shadow economy, small-scale producers, farmers and street hawkers who do not have access to the digital banking system are the hardest hit by this decision. The Indian cashless economy initiative caused a sudden breakdown in all facets of the trade and commercial system, but cash-centric sectors like agriculture and the large informal market were hit particularly hard, with many livelihoods completely devastated. More than 95 per cent of all transactions in India were conducted in cash and 90 per cent of vendors didn't have the means to accept anything besides cash. On top of this, 85 per cent of workers were paid exclusively in cash and almost half of the population didn't even have bank accounts.

In a letter to the Indian prime minister, farmers stressed that cashless economy was being used to forcibly integrate the rural and urban poor into certain techno-financial regimes—while assuring profits for the corporate sectors that run them. The decision to move to digital money is shifting people from traditional markets to superstores and helping e-commerce gain momentum. Two months after cashless economy, retail outlets are racing to expand to digital payment with 33,000 retail outlets now allowing the use of digital payments. This has led to the increase of credit card transactions by 9.5 per cent.

As the cashless economy process unfolds, it is turning into more of an effort to "modernize" India's economy than a fight against crime. This decision—made without taking the country's massive working class, the urban poor, subsistence farmers and informal traders into account—could put millions of people in jeopardy if there is no arrangement to ensure adequate cash flows for the subsistence economy.

**IMPACTS OF INDIA'S CASHLESS ECONOMY ON INFORMAL WORKERS**

On the night of 8 November, in a surprise TV address to the nation, the Indian Prime Minister announced that 86 per cent of the country's currency would cease to be legal tender after midnight. High denomination notes of 500 and 1000 were rendered null and void.

This cashless economy was supposedly aimed at uprooting corruption, black money and terrorism. The move was generally welcomed and considered bold. Most vouched for its long term benefits. But with just 14 per cent of the currency in circulation, the economy came to a standstill. The replacement by new notes of 2,000 and 500 took months. The slow and painful process of replacement added to the misery. Peoples' suffering mounted, with catastrophic impacts on their lives. Hundreds of cashless economy related deaths were reported. Informal workers, constituting 93 per cent of the total Indian workforce, were among the worst affected. Thousands of workers were laid off. Construction activities slowed down. Autos, taxis, cycle rickshaws, domestic workers, loaders and other service workers faced difficulties. Daily wage workers who needed cash on a daily basis to meet their immediate needs did not get any work, which resulted in a reverse migration from cities to villages. The cashless economy move had an uneven impact on the retail sector. While street vendors were hit hard as they almost completely depend on cash, the superstores and e-retailers reportedly benefited from the shift to cashless transactions. Street vendors' sales crashed as people ran out of cash. Street vendors and small shops suddenly had no buyers. Even if some people had good luck and got the new 2,000 note, they could not buy from street vendors as they hardly had small denomination notes to pay back the balance. In absence of the new 500 note, which came much later in the market, the new 2,000 note was not of much use.

On the other hand, the government changed its narrative and started working for the cashless economy. The push by the government to a cashless economy boosted the use of plastic money. The use of digital payment methods increased the footfall and sales at superstores. One superstore allowed consumers to withdraw up to 2,000 using their debit cards. The credit industry is likely to entrap people and fuel consumerism with the rising use of plastic money. Indian mobile wallet leader paytm backed by Chinese e-commerce giant Alibaba already has 20 million users in India. The likes of paytm and Alibaba aim to change the way Indians buy. Amazon and Flipkart, leaders of e-commerce in India are investing to raise their sales. With the launch of their own digital wallets and credit facilities they look well-positioned to outcompete street vendors and small independent retailers. The informal economy and workers are likely to face even more hardship in the days and weeks to come.

### **WHY SMES HAVE A DIFFERENT APPROACH TO BUSINESS**

While the SMEs continued to remain in cocooned isolation and followed their tested specific business methodologies, the mainstream Indian economy was growing steadily and expanding. It became imperative for the government to keep a check on several aspects and this led to introduction of processes such as multiple licenses, approvals and other mandatory checks which came with an element of complication.

Our thrifty approach to business makes it easy for us to quickly notice what others cannot and helps us come up with out of the box solutions. SMEs are past masters in this and have always managed to find a roundabout way to beat taxes and licenses. The key methodology was to tempt officials with doles of various kinds.

### **OUR TAX SYSTEM IS NOT FRIENDLY**

The fact that our tax system does not exactly encourage voluntary participation due to poor returns to the honest tax payer was another major reason why evasion became a norm among SMEs. Poor implementation and faulty techniques made it easy for businesses to subvert the system conveniently. A parallel economy which created hordes of unaccounted wealth or black money was the outcome. The government believed that demonetization was the best way of tackling the menace of black money.

It was undoubtedly an extremely courageous step because withdrawing nearly 86 percent of the cash circulating in the economy when cash transactions is the most commonly used method of transacting required some tough thinking and implementation.

### **AN EXPERIMENT THAT HAS NO PEERS**

Demonetization can be compared to carpet bombing instead of calling it as a surgical strike on the economy as it has impacted everyone. Replacement of currency can be a long drawn process because everyone tries to acquire more and spend less given the uncertainty factor.

SMEs are hugely impacted by demonetization as liquidity of currency has been severely affected. As cash flow slows down to a trickle, SMEs are safeguarding what they have in hand; waiting for improvement in the currency availability situation. This is leading to limited purchase of merchandize and materials across the whole cycle of procuring and manufacturing.

**HOW TO ASSUAGE THE GROWING UNCERTAINTY**

The biggest priority of the government and the Reserve Bank of India must be to ensure that there is free and abundant availability of cash in the financial system. All restrictions on withdrawals from the ATMs and accounts must be removed at the earliest.

The government is also sharply focused on bringing in critical reforms in the financial and trade and commerce sector. The announcement of GST and BTT was a major step in this direction but demonetization can affect the timely implementation of GST.

The government will also have to address the concerns among SMEs and other businesses about the processes associated with licenses and approvals. A single window clearance system is the need of the hour along with other measures that would make it easy for businesses to roll out in the quickest possible time. All other procedures involving multiple applications and complicated procedures must be scrapped.

Tax procedures and filing methods must be simplified and taxing structure made people friendly so that the highest level of compliance is achieved. The culture of settling issues under the table must be ended immediately.

There must be a concerted effort by the government to show visible benefits in terms of infrastructure development by money collected through taxes. People who pay taxes must feel that the money they pay is being put to proper use for the development of the country.

**NORMALCY MUST BE RESTORED AT THE EARLIEST**

Demonetization has both positive and negative sides. As it is a move that is unprecedented in terms of scale, it is extremely difficult even for experts to make a quick judgment on its possible outcome. The uncertain environment that has gripped the country from November 8<sup>th</sup> and continues to do so, even after two months of demonetization does not augur well for the economy.

The government must do everything possible to dispel fears and instill confidence, not only among the common populace but also among the small and medium businesses. This can be achieved through proper and regular communication. Transparency must be maintained and information about the developments associated with demonetization shared with people through all possible mediums and channels.

At a domestic level, the dominant narrative from the Indian government implied that cashless economy would benefit over 40 percent of the population who lived on the benefits of formal banking systems. This is an admirable sentiment that goes to the very root of why state-mandated governance was democratically established in the first place. The citizens who fall outside the reaches of government-sponsored resources need to be sought out in proactive ways. This is how society progresses in an inclusive and principled manner. However, considering that the Indian economy itself was over 87 percent made up of hard cash, the drive for cashless India could have been better strategized than it was.

This paper will focus on the government's drive for a cashless economy. The focal points would be the impacts such an overhaul would have on the business sectors.

**A DRIVE TOWARDS TAX RESPONSIBILITY**

Finance Minister Arun Jaitley had said that tax evasion was a way of life for the Indian working class. The recent development of new tax treaties being raised with Mauritius and Singapore are purpose-built to plug the tax evasion shaped hole that has been bleeding the Indian economy dry. From early 2012, it is speculated that 450 billion dollars have gone out of India while the FDI inflows for the same year was just at 150 billion dollars.

The necessity of cashless economy in the Indian context arises from the unwillingness of the majority of the general public to pay their taxes. From a purely administrative position, this is counterproductive for the smooth functioning of any civil society that depends on its citizen's taxed incomes. It is unquestionable that better awareness needs to be instilled, but those methods of state-directed behavioural change would take years to realistically seep into dominant public mentality. And India is annually losing 2.34 percent of its GDP which translates to 41 billion dollars, right now.

The cashless economic model if effectively employed will resort to the use of digital payment systems that will negate the easy corruptibility of hard cash. Ordinary people and businesses would be deprived of the option of evading tax will integrate themselves with the formal economy. This will pave the path for a sustainable economic structure that will help the government amass its fair share of capital.

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**GROWTH FOR DIGITAL PAYMENT SYSTEMS**

The number of debit card transactions already made for the current year is well over one billion. Transactions based on Unified Payment Interface (UPI) has seen a growth of 89 percent on the month of May alone. Paytm minted scores of new users into its service net and churned out profits of over 120 crores per day on an average.

Demonetization had for a brief point of time made cashless transactions a necessity for the urban public. Devoid of cash, the markers laid out during demonetization were very reflective of what cashless economy would actually look like in implementation. It turns out, digital payment systems are very well placed to absorb the best benefits of a cashless economy for obvious reasons. What was not obvious, was the ease and flexibility with which the Indian consumers, as well as businesses, would turn to these methods. Farmer markets in Telangana district adopted token systems that ditched cash. Sex workers took up the nod from the government to precipitate change and adopted Paytm for running their trade, even going to the extent of calling themselves “the symbols of a changing India.”

India is a very long way away from being 100 percent digitally immersive despite the wildly optimistic claim from the government think tank, Niti Ayog that ATMs will be obsolete by 2020. It might be a little more accurate to theorise that on the road to make cashless India a reality, guaranteed growth and profits will fall directly in the paths of E-wallet companies.

**JOBS, GST AND CASHLESNESS**

The manufacturing sector lost 40 percent of its workforce this year compared to the numbers from 2016. Job creation stands at the very worst in 12 years. With over 21.5 percent of the Indian youth unemployed, the government needs to create over 11 crore jobs per year to accommodate the numbers at hand. Advances made in automation and machine learning have already made the service industry a bare-boned prospect for job creation. Cashless India is a scheme that promotes raw development while sacrificing on the past indexes of job growth.

Taking into account the recent application of GST into the taxation structure, it is obvious that the government is pushing for radical financial modernity. GST can be directly tied to this drive for cashless India because an important aspect of the new tax structure is on online payments. The problem arises from the sheer scale of the Indian economy. There are over 51 million Small and Medium Enterprises (SME) in India. Latest data shows that over 68 percent of these 51 million SMEs are still not GST compliant. Mainly because these small-scale undertakings do not have the capital to scale up their businesses and enter the digital space. Tax accountability is a valiant aspiration but formalising whole industries which provide jobs for over 117 million people, simply required the Government to do more for a smoother transition.

**CHALLENGES TOWARDS CASHLESS ECONOMY**

1. A large part of the population is still outside the banking net and not in a position to reduce its dependence on cash. According to a 2015 report by PricewaterhouseCoopers, India's unbanked population was at 233 million. Even for people with access to banking, the ability to use their debit or credit card is limited because there are only about 1.46 million points of sale which accept payments through cards.
2. About 90% of the workforce, which produces nearly half of the output in the country, works in the unorganized sector. It will not be easy for the informal sector to become cashless, and this part of the economy is likely to be affected the most because of the ongoing currency swap. Third, there is a general preference for cash transactions in India. Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient. Although cashless transactions have gone up in recent times, a meaningful transition will depend on a number of things such as awareness, technological developments and government intervention. For instance, mobile wallets have seen notable traction, and it is possible that a large number of Indians will move straight from cash to mobile wallets. A study by Boston Consulting Group and Google in July noted that wallet users have already surpassed the number of mobile banking users and are three times the number of credit card users. However, as noted above, a material transition to a cashless economy will depend on a number of factors. First, the availability and quality of telecom network will play an important role. Presently, people face difficulties in making electronic payments even in metro cities because of poor network. as one of the biggest beneficiaries of this transition, banks and related service providers will have to constantly invest in technology in order to improve security and ease of transaction. People will only shift when it's easier, certain and safe to make cashless transactions.
3. The government will also need to play its part. It will have to find ways to incentivize cashless transactions and discourage cash payments. Implementation of the goods and services tax, for example, should encourage businesses to go cashless. Government should also use this opportunity to revamp the tax

administration, as more than taxes, small businesses fear tax inspectors. The government will have to create conditions—not necessarily by creating cash shortages—to push cashless transactions to a threshold level after which the network effect will take over. India may not become a cashless economy in the foreseeable future, but it needs to reduce its unusually high dependence on cash to bring in much needed transparency and efficiency in the system.

### **OPPORTUNITIES CASHLESS SOCIETY IN INDIA**

The advantages of cashless society can be summarized along the same lines of reasons given by the Reserve Bank of India (RBI) for the introduction of new cash policy:

1. To drive development and modernization of our payment system in line with India's vision 2020 goal of being amongst the top 20 economics by the year 2020.
2. To reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach.
3. To improve the effectiveness of monetary policy in managing inflation and driving economic growth..
4. High cost of cash: There is a high cost of cash along the value chain from RBI and the banks, to corporations and traders; everyone bears the high costs associated with volume of cash handling.
5. High risk of using cash: Cash encourages robberies and other cash related crimes. It also can lead to financial loss in the case of fire and flooding incidents.
6. High subsidy: CBN analysis showed that only 10% of daily banking transactions are 150k, but the 10% account for majority of the high value transactions. These suggest that the entire banking population subsidizes the costs that the few population of 10% incurs in terms of high usage.
7. Informal Economy: High cash usage results in a lot of money outside the formal economy, thus limiting the effectiveness of monetary policy in managing inflation and encouraging economic growth.
8. Inefficiency & Corruption: High cash usage enables corruption, leakages and money laundering amongst other cash related fraudulent activities.

### **CONCLUSION**

The people of India are the biggest hurdle in the implementation of the cashless strategy. By and large, they have welcomed the beginnings of a cashless society, albeit with some opposition to the demonetisation implementation. Many can already see the benefits of going cash-free – such as the ability to tender exact change at small retailers, and keep track of expenditures – and are ready to adopt. The opportunity is there, and the Indian authorities are certainly keen to take it. The interdepartmental approach by the government, working on finance, internet penetration and public relations strategies all at once is essential to making the cashless plan work. Overseen by the government's Niti Ayog (planning commission), the plan is to implement these systems in the shortest amount of time possible. But citizens have to feel confident about the move, especially those who doubt online security. Furthermore, the cashless initiative needs comprehensive pan-India awareness, especially in more rural areas. Participation by rural and cooperative banks, post offices and other financial institutions to create awareness and education programmes will ultimately pave the way for a cashless economy. Training will be a necessity in urban parts of the country, too. Awareness is all well and good, but some will still need help to understand how to install and use digital payment systems.

Although it would be impossible for India to become a cashless economy in the short amount of time since demonetisation, it is definitely something the country can look forward to. Making India cashless is like treating multiple chronic societal diseases using just one cure. Demonetisation was just the first step and now much more needs to be done – but the country can get there

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## A STUDY OF IMPACT OF VARIOUS FACTORS ON CASHLESS TRANSACTIONS

Singh Reetesh Rajesh Usha<sup>1</sup> and Advait Trasy<sup>2</sup>Assistant Professor<sup>1</sup> and Student<sup>2</sup>, Clara's College of Commerce**ABSTRACT**

*Cashless economy is necessary for a growing society but in actual scenario its acceptance is hurdled by many factors. This research work is undertaken to find out the acceptance level of saving bank account holders towards cashless transaction and also to reveal the various factors that influences the acceptance of cashless transactions. The study revealed that factors like threat in using online transaction, lack of fast internet are major contributing factors for lower acceptance towards cashless transaction.*

*Keywords: Growing society, Cashless Transaction, Acceptance, Internet, Threat.*

**1. INTRODUCTION**

After the demonetization of specified currency notes in November 2016 and the initial jolt felt by everyone, most of the Indian population have started using electronic payment solutions for their financial transactions. The common man as well as small shopkeepers including vegetable and milk vendors started adopting digital payment solutions. India is gradually moving from cash to cashless economy. A cashless economy is one in which all the financial transactions are done using cards or digital means like debit cards, electronic fund transfer, mobile payments, internet banking, mobile wallets and other newly evolved payment channels. The benefits of cashless economy are many. The increased use of debit and credit cards will definitely reduce the amount of cash that people have to carry which reduces the risks and the associated costs. An increased use of credit and debit cards, instead of cash, results in a more detailed record of all the financial transactions which take place in the society, allowing more transparency in business operations and money transfers. In this paper, an attempt is made to examine how various factors influence cashless transactions.

**2. REVIEW OF LITERATURE**

Every new technology/change has its own pros and cons, same is the situation with adoption of cashless economy. Khan, B. U. I., Olanrewaju, R. F., Baba, A. M., Langoo, A. A., & Assad, S. (2017) concluded that there must be improved integration between telecommunication infrastructure and online payment method for prosperous future of online payment method. Podile & Rajesh (2017) studied public perception on cashless transaction and their study revealed that people are getting comfortable with cashless payments, but some kind of negative perceptions are holding them back from adopting the new system. The negative perceptions are such as security problems, poor network, and lack of merchant willingness, high transactional costs, lack of users' knowledge on technology, delayed reimbursement in case of failed transactions, procedures and financial limits. Dr. Navpreet Singh Sidhu (2013) studied that the perception and acceptability of selected bank customers about electronic banking and recommended that the banks should attempt for increasing the use of e-banking by stressing on the benefits of e-banking. Indu Gautam & Kavidayal (2017) concluded from their study that the Prime Minister's move to incentivize digital payments will offer a strong support to the ongoing efforts in helping the country leapfrog the cash generation to digital payment solutions.

**3. OBJECTIVE OF THIS STUDY**

To determine how various factors, influence cashless transactions carried out by teaching staff of unaided degree Colleges in Versova, Mumbai.

**4. METHODOLOGY**

The study is mainly based upon the primary data collected through Survey Method. Questionnaire was used for collecting data. Population size was 64. Simple Random sampling technique is used for selecting respondents for the sample and Sample size was 55.

**5. ANALYSIS AND DISCUSSION OF RESULTS****Table 5.1: Gender of the Respondents**

Gender	Number of Respondents	Percentage
Male	29	52.73
Female	26	47.27
Total	55	

Out of 55 respondents surveyed, 52.73 percent are male and 47.27 percent respondents are female.

**Table 5.2: Responses on Trend is the Main Cause for Cashless Transaction**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6 (10.91%)	35 (63.64%)	9 (16.36%)	5 (9.09%)	0 (-)

From above table it is revealed that Majority of the public (74.55%) felt that trend is the main cause for cashless transaction.

$\chi^2$ -test

H0: Trend has no influence on cashless transaction.

H1: Trend has an influence on cashless transaction.

Observed Frequency (Oi)	Expected Frequency (Ei)	(Oi-Ei)	(Oi-Ei) <sup>2</sup>	(Oi-Ei) <sup>2</sup> / Ei
6	11	-5	25	2.27
35	11	24	576	52.36
9	11	-2	4	0.36
5	11	-6	36	3.27
0	11	-11	121	11.00
Total ( $\chi^2$ )				69.27

Calculated Value of  $\chi^2=69.27$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As  $69.27 > 9.488$ , Hence, H0 is rejected.

**Table 5.3: Responses on Lack of Accessibility to Fast Internet is Hurdle for Cash Transaction**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
11 (20%)	34 (61.82%)	5 (9.09%)	1 (1.82%)	4 (7.27%)

From above table it is revealed that Majority of the public (81.82%) felt that lack of accessibility to fast internet is the main hurdle for cashless transaction.

$\chi^2$ -test

H0: Lack of accessibility to fast internet has no influence on cashless transaction.

H1: Lack of accessibility to fast internet has an influence on cashless transaction.

Observed Frequency (Oi)	Expected Frequency (Ei)	(Oi-Ei)	(Oi-Ei) <sup>2</sup>	(Oi-Ei) <sup>2</sup> / Ei
11	11	0	0	0.00
34	11	23	529	48.09
5	11	-6	36	3.27
1	11	-10	100	9.09
4	11	-7	49	4.45
Total ( $\chi^2$ )				64.91

Calculated Value of  $\chi^2=64.91$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As  $64.91 > 9.488$ , Hence, H0 is rejected.

**Table 5.4: Responses on Traditional Cash Transaction Discourages Cashless Transactions**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
8 (14.55%)	21 (38.18%)	15 (27.27%)	11 (20%)	0 (-)

From above table it is revealed that a simple Majority of the public (52.73%) felt that traditional cash transaction discourages cashless transactions.

$\chi^2$ -test

H0: Traditional cash transaction has no influence on cashless transaction.

H1: Traditional cash transaction has an influence on cashless transaction.

Observed Frequency (Oi)	Expected Frequency (Ei)	(Oi-Ei)	(Oi-Ei) <sup>2</sup>	(Oi-Ei) <sup>2</sup> / Ei
8	11	-3	9	0.82
21	11	10	100	9.09
15	11	4	16	1.45

11	11	0	0	0.00
0	11	-11	121	11.00
Total ( $\chi^2$ )				22.36

Calculated Value of  $\chi^2=22.36$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As,  $22.36 > 9.488$ , Hence,  $H_0$  is rejected.

**Table 5.5: Responses on Incentives Encourage Use of Cashless Transactions**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
26 (47.27%)	23 (41.82%)	5 (9.09%)	1 (1.82%)	0 (-)

From above table it is revealed that Majority of the public (89.09%) felt that incentives encourage use of cashless transactions.

$\chi^2$ -test

$H_0$ : Incentive has no influence on cashless transaction.

$H_1$ : Incentive has an influence on cashless transaction.

Observed Frequency ( $O_i$ )	Expected Frequency ( $E_i$ )	( $O_i - E_i$ )	( $O_i - E_i$ ) <sup>2</sup>	( $O_i - E_i$ ) <sup>2</sup> / $E_i$
26	11	15	225	20.45
23	11	12	144	13.09
5	11	-6	36	3.27
1	11	-10	100	9.09
0	11	-11	121	11.00
Total ( $\chi^2$ )				56.91

Calculated Value of  $\chi^2=56.91$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As,  $56.91 > 9.488$ , Hence,  $H_0$  is rejected.

**Table 5.6: Responses on Upgradation is a Motivating Factor for Cashless Transaction**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
14 (25.45%)	34 (61.82%)	7 (12.73%)	0 (-)	0 (-)

From above table it is revealed that Majority of the public (87.27%) felt that upgradation is a motivating factor for cashless transaction.

$\chi^2$ -test

$H_0$ : Upgradation has no influence on cashless transaction.

$H_1$ : Upgradation has an influence on cashless transaction.

Observed Frequency ( $O_i$ )	Expected Frequency ( $E_i$ )	( $O_i - E_i$ )	( $O_i - E_i$ ) <sup>2</sup>	( $O_i - E_i$ ) <sup>2</sup> / $E_i$
14	11	3	9	0.82
34	11	23	529	48.09
7	11	-4	16	1.45
0	11	-11	121	11.00
0	11	-11	121	11.00
Total ( $\chi^2$ )				72.36

Calculated Value of  $\chi^2=72.36$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As,  $72.36 > 9.488$ , Hence,  $H_0$  is rejected.

**Table 5.7: Responses on Threat in Online Transaction is the Main Concern**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
16 (29.09%)	29 (52.73%)	7 (12.73%)	2 (3.63%)	1 (1.82%)

From above table it is revealed that Majority of the public (81.82%) felt that threat in online transaction is the main concern.

$\chi^2$ -test

$H_0$ : Upgradation has no influence on cashless transaction.

H1: Upgradation has an influence on cashless transaction.

Observed Frequency (O <sub>i</sub> )	Expected Frequency (E <sub>i</sub> )	(O <sub>i</sub> -E <sub>i</sub> )	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup>	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup> / E <sub>i</sub>
16	11	5	25	2.27
29	11	18	324	29.45
7	11	-4	16	1.45
2	11	-9	81	7.36
1	11	-10	100	9.09
Total ( $\chi^2$ )				49.64

Calculated Value of  $\chi^2=49.64$ . The Critical Value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. As,  $49.64 > 9.488$ , Hence, H<sub>0</sub> is rejected.

**6. CONCLUSION**

The findings reveal that cashless transactions are picking up and becoming more and more acceptable in selected area. It is noteworthy that only a simple majority of the public (52.73%) felt that traditional cash transaction discourages cashless transactions. Trend, incentives and upgradation are factors which positively influence the people (74.55%, 89.09% and 87.27% respectively) for increased usage of cashless transactions. However, accessibility to fast internet and security threat are matters of concern for the people (81.82% each), which should be addressed by our government, regulators and banks.

So far as accessibility to fast internet is concerned, mobile banking and affordable data services are increasing in the country, but the security concerns in net banking and card payments are still prevailing. Security related initiatives such as two factor authentication by way of PIN and OTP have safeguarded net banking and card payments, but new techniques of frauds such as duplication of SIM card and capturing of card details by way of skimming and phishing are on the rise. Strengthening of cyber laws, improvements in security measures and increasing awareness of frauds should pave the way for safe and secured cashless transactions in the country. In a broader sense, the benefits of cashless economy are significant. India hopes to create a cleaner and more transparent economy via digitalization that will lead to an improved climate for foreign investments, boost economic growth, and ultimately lead to creation of Green Economy i.e. an economy that aims to reduce environmental risks and safeguard the depleting non-renewable resources, and that aims for sustainable development without much harm to the environment.

**7. LIMITATIONS**

As the study conducted for population size of 64 only and the samples are drawn from students of 3 Colleges only. Thus the findings may not be leading to generalization.

**8. SCOPE FOR FURTHER STUDIES**

The same kind of study can be conducted on large level so that hurdles to growth of cashless economy can be solved.

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**GREEN ECONOMY: A TOOL TO COMBAT GREENHOUSE GAS EMISSIONS IN INDIA**

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**ABSTRACT**

India has become one of the world's fastest developing countries of the world. But this growth has resulted in environmental degradation and greenhouse gas emissions which are detrimental to the life on earth. Measures should be taken to preserve the ecosystem from dangerous emissions. It has been widely accepted among environmentalists and policy makers that the present mode of economic development is socially, economically and environmentally unsustainable. This has sparked a renewed focus on the international community to make a transition towards a green economy in order to ensure a sustainable and desirable future that promotes social equity, poverty eradication and human well-being. The present study is an attempt to look into the greenhouse gas emissions, its compositions, consequence and its percentage share emission. The study has also examined the measures to be adopted to reduce the CO<sub>2</sub> emissions in the energy sector by resorting to alternate energy sources.

*Keywords: Greenhouse gases, Green economy, Global warming, Bio-fuel, Carbon dioxide emission.*

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**INTRODUCTION**

The Indian economy has been growing rapidly since the 1990s, with an even higher growth in the energy sector. This was because the economic growth was driven by energy intensive sectors. The environmental problems plaguing India has been the outcome of expanding industrialization, increasing incomes, rapidly rising transport and modernising agriculture leading to a high growth in energy use in India. The Government has taken various initiatives towards dealing with environmental problems and to address climate change concerns caused by high energy use and the resultant greenhouse gas emissions. Adopting Green Economy policy can help in tackling environmental concerns and at the same time help in countries achieving their growth objectives as well.

The green economy is "a system of economic activities related to the production, distribution and consumption of goods and services that result in improved human well-being over the long term, while not exposing future generations to significant environmental risks and ecological scarcities." (UNEP, 2010)

**STATEMENT OF THE PROBLEM**

Even though several countries have already attained high levels of human development, this has been at the cost of their natural resources which developed a large ecological footprint. But at the same time, countries with limited resources and energy consumption need to provide quality services and material well-being. This is a challenge faced while moving towards a green economy; reducing the ecological footprint of developed countries and simultaneously raising levels of social and material well-being in developing countries. In its effort to develop, countries ignore the ensuing negative impacts on the ecology and future generations leading to enormous greenhouse gas emissions. Green-house gases lead to global warming and consequent effects making the earth unsuitable for habitation and causing ecological imbalance. This problem needs to be addressed.

**OBJECTIVES OF THE STUDY**

1. To understand the greenhouse gases, its composition and consequences.
2. To identify the share of carbon dioxide emissions across selected countries and sectors.
4. To study the path towards Green economy and measures suggested in reducing the GHG emissions.

**HYPOTHESIS**

1. Development and greenhouse gas emission are directly related.
2. Greenhouse gases contribute to global warming.
2. Green economy can help in reducing the global warming.

**METHODOLOGY**

The research paper uses available secondary data from electronic and print media to conduct the study. Simple statistical methods like percentages and trend analysis are used to arrive at the conclusion.

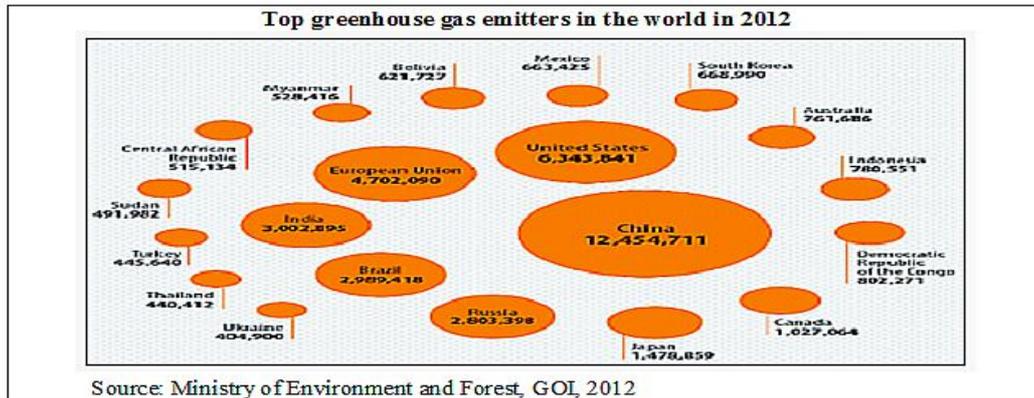
**GREENHOUSE GASES AND ITS EFFECTS**

The greenhouse effect is a natural process that warms the Earth's surface. When the Sun's energy reaches the Earth's atmosphere, some of it is reflected back to space and the rest is absorbed and re-radiated by greenhouse

gases. The absorbed energy warms the atmosphere and the surface of the Earth. Greenhouse gases include water vapour, carbon dioxide, methane, nitrous oxide, ozone and some artificial chemicals such as chlorofluorocarbons (CFCs).

Greenhouse gases are those gases in the atmosphere which absorb the sun's heat and energy discharged from the surface of the Earth, hold it in the atmosphere and prevent it from escaping into space. This results in keeping the earth's temperature warmer and makes it suitable for life to exist on it. Many greenhouse gases naturally occur in the atmosphere, but human activity adds to these gases, enhancing the greenhouse effect and further contributing to global warming. The top greenhouse gas emitters are China, USA, EU followed by India. See the Fig: 1.

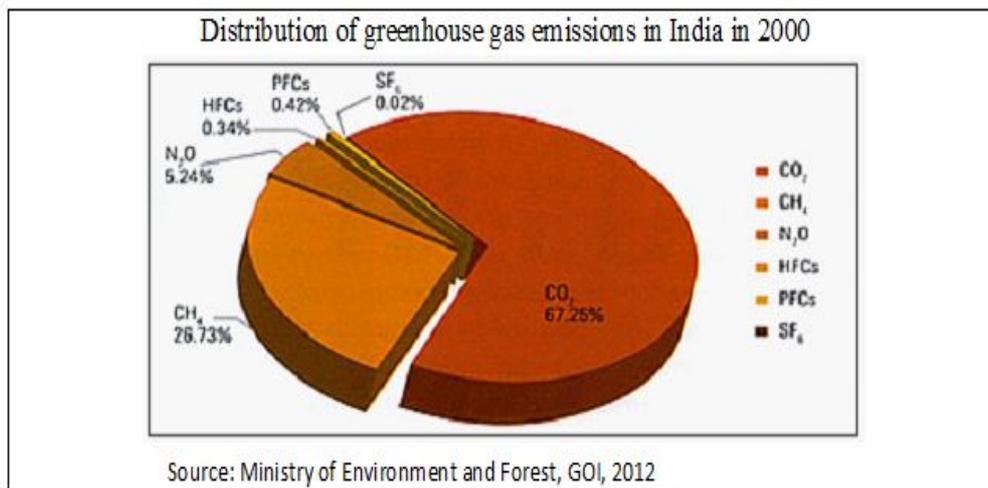
Figure: 1



**CONTRIBUTION/ COMPOSITION OF DIFFERENT GASES TO TOTAL GREENHOUSE GAS EMISSIONS.**

Carbon dioxide is not the only greenhouse gas of concern for global warming and climatic change. There are a range of greenhouse gases, which include methane, nitrous oxide etc. Greenhouse gases vary in its impact in influencing global warming. Since Carbon dioxide is one of the major contributors of greenhouse gas emissions in India, the present study has specifically taken into account the contribution of this gas for a detailed analysis. See Fig:2.

Figure: 2



**CARBON DIOXIDE AND ITS SIGNIFICANCE**

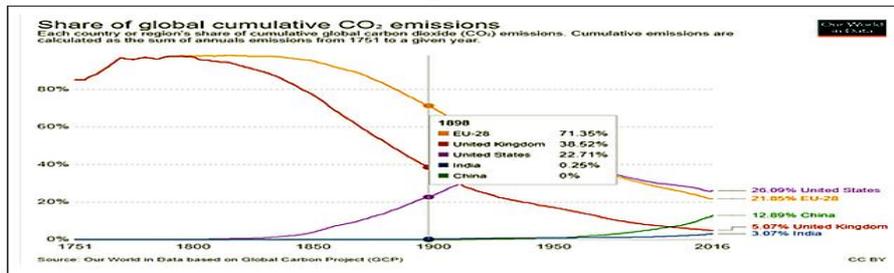
Carbon dioxide (CO<sub>2</sub>) is a gas vital for sustaining life. It is also known as a greenhouse gas (GHG)—a gas that absorbs and emits thermal radiation, creating the 'greenhouse effect'. Along with other greenhouse gases, such as nitrous oxide and methane, CO<sub>2</sub> is important in sustaining a habitable temperature for the planet.

Industrial Revolution has contributed to the consumption of fossil fuels which in turn led to the increased CO<sub>2</sub> emissions, disrupting the global carbon cycle and causing worldwide warming. Global warming and a changing climate have a range of potential ecological, physical and health impacts, including extreme weather events like floods, droughts, storms, and heatwaves; rise in sea-level; altered crop growth; and disrupted water systems.

**SHARE OF GLOBAL CUMULATIVE CO<sub>2</sub>**

Fig: 3 show the cumulative CO<sub>2</sub> emissions given as the share of the global total. Cumulative emissions arecalculated as the sum of annual emissions from 1751 to a given year. The share of USA was the highest and reached its peak (40 per cent) by 1950 and then it has declined to approximately 26 percent, but remains the largest in the world.By 2015, China accounted for 12 percent of total cumulative emissions, and India for 3 percent.

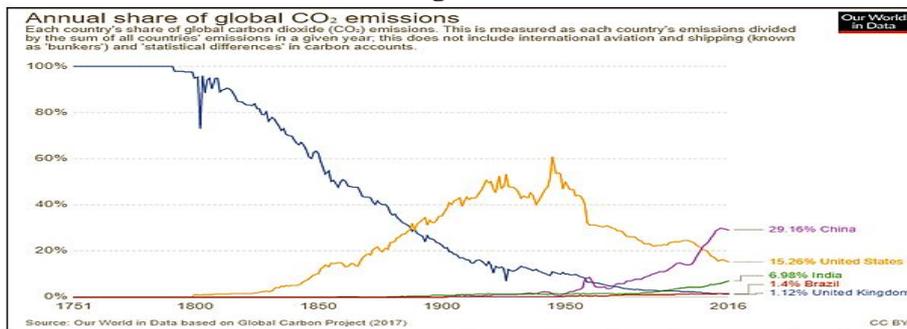
**Figure: 3**



**SHARE OF ANNUAL CO<sub>2</sub> EMISSIONS**

Share of annual CO<sub>2</sub> emissions give a better picture as it displays the yearly emissions. Fig:4 depicts that the share of developed countries have declined compared to the developing countries. This clearly indicates that developed countries in their process to achieve growth, had already caused harm to the environment leaving less chance for the developing counties to grow progressively. In the chart below we see each country's share of global CO<sub>2</sub> emissions from 1751 to 2016calculated by dividing each country's emissions divided by the sum of all countries' emissions in a given year.

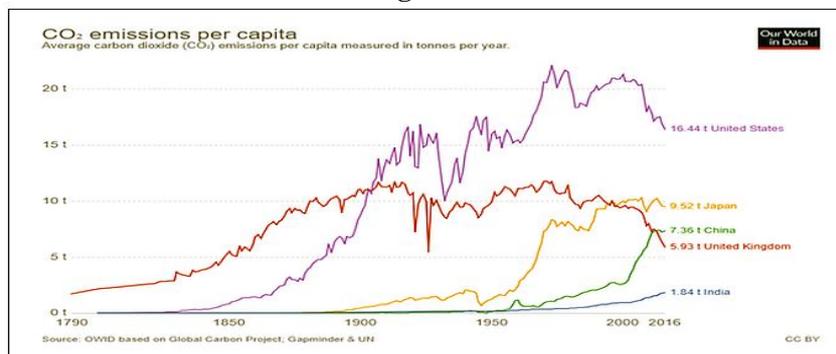
**Figure: 4**



**PER CAPITA CO<sub>2</sub> EMISSIONS**

Per capita CO<sub>2</sub> emissions give a fairer method as it takes into account nation's population size. Presently, China is the world's largest emitter, mainly because it also has the largest population. The chart shows that per capita emissions in most countries have continued to increase along with their development. However, global inequalities exist in terms of distribution of per capita emissions in 2014. See Fig: 5.

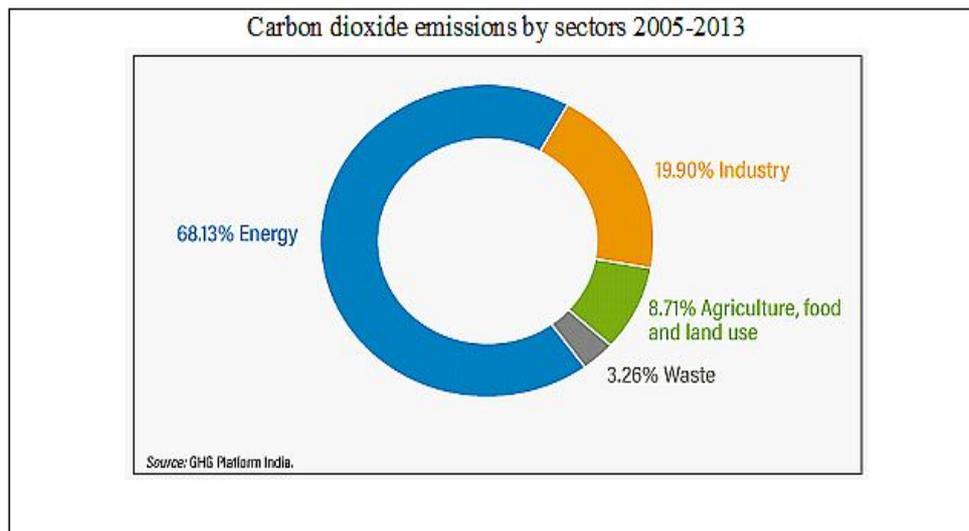
**Figure: 5**



**CARBON DIOXIDE EMISSIONS BY SECTORS**

Energy sector contributed to major part of CO<sub>2</sub> emissions in India. 68 percent of India's emissions during 2005-2013 came from the energy sector, more than three times the second-largest sector- the industry sector. Within the energy sector 77 percent is the result of electricity generation. See Fig: 6

Figure: 6



### CONSEQUENCES OF GREENHOUSE EFFECTS AND GLOBAL WARMING

Greenhouse gases surround the Earth like a blanket. Burning of more coal, natural gas, and oil leads to the green-house blanket becoming excessively thick, dense, and even less likely to allow heat to escape. This thick blanket of greenhouse gases makes the Earth warmer leading to the following consequences.

- **Warmer climate:** On average, the Earth's temperature will become warmer than earlier.
- **The rise of sea level:** Due to global warming, the glaciers and ice sheets of Greenland and Atlantic will melt which will lead to a rise in sea level, thus causing disasters like Tsunami. It can also lead to soil erosion especially in the low-lying coastal areas and islands.
- **Agricultural impact:** The high concentration of CO<sub>2</sub> in the atmosphere can lead to abnormal growth of crops. At the same time, the shift in the climatic pattern may have an adverse impact on crop production affecting the normal amount of agriculture.

### GREEN ECONOMY

The Green Economy as “one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities” (UNEP, 2010). In other words, a green economy can be one which is low carbon, resource efficient and socially inclusive where growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollutions, enhance energy and resource efficiency and prevent the loss of biodiversity and ecosystem. Such investments should be monitored and supported by public expenditure through regulations and reforms, strengthening and restoring natural capital, especially for poor people whose livelihoods depend on nature.

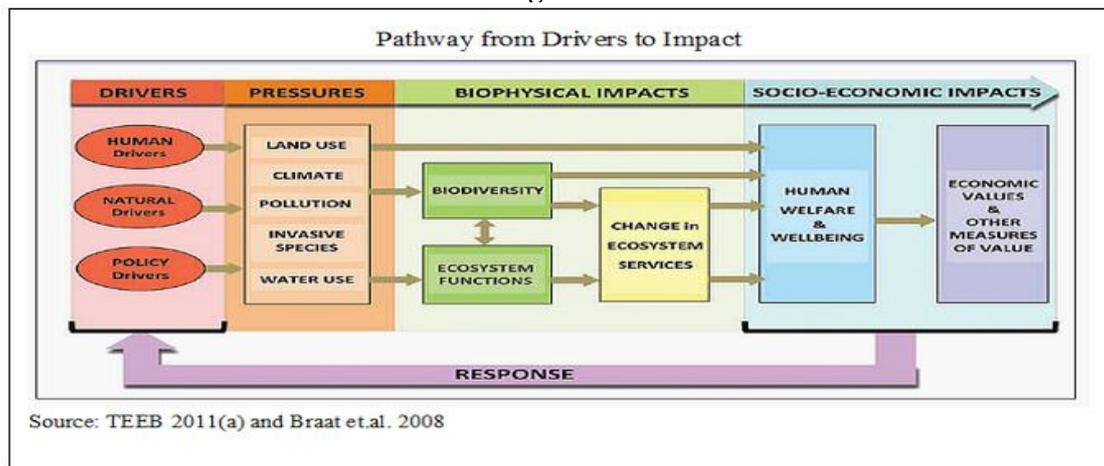
The concept of a “green economy” does not *replace* sustainable development, but rather both should go hand in hand. One of the widespread myths is that there is a trade-off between environmental sustainability and economic progress. Green economy is not a luxury and even developing countries can achieve it without inhibiting its development process and objectives to reduce poverty.

### PATHS TO A GREEN ECONOMY

“Transition to a green economy will vary considerably between nations, as it depends on the specifics of each country's natural and human capital and on its relative level of development” (UNEP, 2011a). For countries having attained high levels of economic development, the challenge is to focus on reducing their per capita ecological footprint while at the same time proactively improving quality of living. In countries that still have relatively low per capita ecological footprints; the challenge consist in delivering improved levels of living standards and overall well-being of their citizens without drastically increasing their ecological footprint (UNEP, 2011a).

A simplified illustration of the interconnections between the conditions of ecosystems has been shown in Fig: 7. It shows functions and service flows; the drivers affecting the state, functions and flows; the benefits that people, society and the economy gain from nature and tools to value these benefits. The valuation tools help to understand and realize the values of nature and there by lead to an improved state of biodiversity, functioning of the ecosystems and flow of services they provide (Brink et.al, 2012).

Figure: 7



## SUGGESTIONS

### *Change in Transport Mode*

India should rely more on railways, which use less energy and emits less GHGs. Measures should be taken to raise the fuel efficiency and carbon emission standards for vehicles, capping and auctioning the issuance of the number of licences for vehicles each year. Biogas being a renewable and environment-friendly source of energy, building a national gas grid to feed bio-methane into the grid makes significant contribution to India's energy needs and also a shift to a low-carbon energy system. Solar energy should be utilized to meet the energy demands.

### *Fiscal Incentive for Alternative Energy Sources*

Increased income and the growing middle class in India have led to the rise in cars. Government can provide tax incentives for less polluting transport modes and infrastructure, greener vehicles and new modes public transportation, which are cost effective and with low carbon intensity. Measure should be taken to shift from petroleum products to low carbon biofuels like Jatropa blending with diesel, use of electric cars etc.

### *Intermediate Measures in Energy Sector*

As there is limited possibility that India can be fully reliant on the renewable energy sources in the short-to-medium run, necessary measures should be taken to use alternate energy resources like, solar energy, wind, hydro energy, Compressed Natural Gas (CNG) and biofuels which can meet the increasing demand for energy resources. Government can also invest in public transport which runs on alternate fuels and emit less CO<sub>2</sub>.

### *Biofuels*

Biofuels are transport fuels, mostly produced from staple agricultural commodities such as corn, sugar cane, rapeseed oil, soybean oil or palm oil. There are mainly two types of biofuel: Ethanol—mostly made from corn, sugarcane, sugar beets or wheat; and Biodiesel, mostly made from vegetable oils such as rapeseed (canola), palm and soybean. They are substitutes for gasoline and diesel respectively and with no or relatively simple modifications, can be used in engines of the existing transport fleet. Biofuels is a climate-friendly substitute for fossil fuels, with lower emissions of carbon dioxide as compared to gasoline and diesel. Biofuels also helps in rural development since they provide an important market for agricultural products, if domestically produced and at the same time contribute to reduction in imports of fossil fuels.

## CONCLUSIONS

Greenhouse gas emissions and their resultant repercussions has resulted in countries resorting to various international agreements in which importance is given in adopting policy measures to reduce the carbon footprints and enabling countries carefully utilizing its resources in its process towards development. Green economy has been identified as one of the apt methods to adopt while pursuing country's developmental goals along with preserving the environment. The study has analysed the share of CO<sub>2</sub> emissions and their share in various sectors as well. It has also looked into the Green energy measures which can be adopted to deal with the increasing energy requirement by adopting alternate sources of energy. Generating electricity from solar energy, wind energy etc. can help in contributing to cleaner, environment friendly methods. For this appropriate policies should be designed focussing on reducing the cost of generation as much as possible, in order to ensure a higher share of renewable generation and capacity in the power system. Various tax credits, incentives, and dropping installation costs on solar panels can make it feasible in recent years.

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**WORLD ROAD TO CASHLESS ECONOMY WITH REFERENCE TO DAY TO DAY  
TRANSACTIONS IN RELATION TO INDIAN ECONOMY**

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**Aakash Gupta<sup>1</sup> and Prof. Prasad Naik<sup>2</sup>**Student<sup>1</sup> and Assistant Professor<sup>2</sup>, Mumbai University

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**ABSTRACT**

*The India, over the years has undergone a shift in terms of payment. It has started with the Anna's to paisa, paisa to rupees and rupees to 500 & 1000 paper notes and then the modern mode of payments. The increasing use of technology and internet made a huge impact on cashless economy. Cashless economy most of the transaction will be done by digital means like E-banking, debit and credit card, digital wallets payment or mobile banking using the smart phone. The earlier issues such as Bank Robbery, Burglary, Extortion etc. have declined due to turning cashless. The structured questionnaire is used as a research tool for understanding the respondents' perception on the digital payment. Primary Data was collected from 65 respondents from the city of Mumbai. The research showed that the respondents have accepted the new mode of payment i.e. digital payments and are using in their day to day different transactions.*

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**INTRODUCTION**

Digital payment is a way of payment which is made through digital modes. It is a system in which payment is done using the virtual platform. In this case, the payer and payee both use digital modes to send and receive money. It is also known as electronic payment. No physical cash or mode such as physical cheque is involved in digital payments. All activities are done online. It is an instant and convenient way to make payments.

The World moved towards non cash payments in the 1990's. Indian economy started using online payments transactions like Electronic Funds Transfer (EFT), Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), and Interbank Mobile Payment System (IMPS) in 2000. There was also a use of plastic money for transactions in form of Debit and Credit Card The e-payments was brought to another level by digital wallets where transferring money became a lot easier and quicker. With the availability of internet and smartphones e wallets such as Payu, Paytm and others became the new mode of financial transactions for both personal and commercial purpose.

Technology used in day to day life and time saver for huge transaction helps to create a transparency in Indian economy. Technology with secure transaction gateway and also facilities like net banking, debit and credit card, digital wallets payment or mobile banking using the smart phone have been the reasons for digital payments been carried out in the economy.

India, as an economy has seen changes in the mode of payments since a very long period of time. The payments were done by using the currency in form of Anna's especially in the era of East India Company. The paper currency was used as the further mode to do transactions in the economy. India had seen its demonetisation effect a very long time back i.e. in 1967, were there was conversion from Anna's to paisa and later in 1991 there was introduction of 1 Rupee on the global perspective. At that time the old currency was also continue to be in operation with new currency. The paper note of Rs. 500 was introduced in the year 1997 and Rs. 1000 were introduced in the year 2000. The recent demonetisation was happened in the financial year 2016-17, in which new 2000 paper notes were introduced and old notes of 500 & 1000 notes were legally prohibited.

During the year 2015-16 the cash flow had increased in the economy but the impact of that was not there on economic flow because of the unaccountable money leading to increase in poverty and decrease in employment. This results to demonetisation and leads to the prohibition of use of 500 and 1000 notes. This prominent step taken by our Prime Minister was to bring the change in our developing country by dematerializing the corruption, track all the fake currency and to layoff the supply money line by bank records and simple transaction transparency.

The demonetisation had created a bit of panic in the minds of the people. There was money available with the people of the country in their bank account but converting into cash was not possible as there was a restriction on the amount to be withdrawn in a single transaction and also some of the ATM would keep Rs 2000 notes only which could be withdrawn. The denomination of the note i.e. Rs.2000 was much higher and was difficult to do transaction at that time. The digital payments which were present in the economy were not used to a great extent before demonetisation and this situation of the economy gave the right platform for these various modes of payments to rise up to the occasion. There were approaches done to get both the seller and the buyer to use these modes of payments options used by providing various benefits such as cashbacks, promotion codes,

launch offers etc. One of the reason for this acceptance from the business perspective was to make trade possible as a lot of businesses were affected due to no or low cash situation available in the economy. An individual was not able to buy the basic necessities because of the situation as mentioned earlier. The availability of the digital mode of payment was the option present in front of these individuals and various parties in the economy which was accepted with ease by the Indian population, which lead towards cashless India. The history itself is a fact that all these changes were accepted by the people of the country.

All the financial records accountable to the government taxation compulsorily increased the tax collection also in the economy. The value of economic flow and employment also increased and the next step will be cash payment subsidiary can be changed into digital payment of subsidiary. Unified Payments Interface (UPI) provided a simple and convenient way to transfer money across bank accounts. The number of merchants accepting card payments has more than doubled in the last two years to cross 3 million, and the number of UPI transactions almost touched 250 million in June 2018. Overall, the proportion of cash transactions in the total consumer spending in the country has come down from 78% in 2015 to 68% in 2017. The use of cashless transactions has not shown positive impact in the progress of the Indian Economy.

### LITERATURE REVIEW

As per the Google and BCG report the payment transactions in India has shown some major shifts with digital payments witnessing an exponential growth. The digital payments industry in India is projected to **reach \$500 Bn by 2020**, contributing **15% to India's GDP**. As revealed by the report, by 2020, non-cash (includes cheques, demand drafts, net-banking, credit/debit cards, mobile wallets and UPI) contribution in the consumer payments segment will double to 40%. Already 81% of existing digital payment users prefer it to any other non-cash payment methods. Indian consumers, are 90% as likely, to use digital payments for both online as well as offline transactions. Over 60% of digital payments value will be contributed by offline points of sale such as unorganised retail, eateries, transport etc.

As per the Business World while launching the Digital India week, Prime Minister Narendra Modi had said: "I dream of a digital India where Mobile and E-banking ensures financial inclusion". His vision is gradually coming to life with the new initiatives launched by the Modi-led Government. In addition to this, there are a growing number of innovative Fintech companies offering various digital payment solutions, leading the total transaction value approximately to \$50 billion across digital payments this year, and is expected to reach \$700 billion by 2022.

This monumental growth is being driven by the widespread acceptance of digital modes of payment, which is expected to reach 80% of the country's urban population and 70% of retail chains over the next 4-5 years.

### OBJECTIVE OF THE STUDY

- To Study the Acceptance of Technology in terms of Payments
- To Study the Usage of Digital Payments in Daily Transactions
- To Study the reasons for transformations towards Digital Payments

### RESEARCH METHODOLOGY

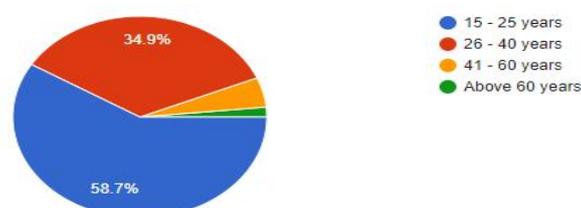
The current study is based on primary data collected from 65 respondents from the various age groups in Mumbai. A well-structured questionnaire was design to collect the information from the respondents to study the perception of respondents towards digital payments in their day to day transactions. On the basis of the responses following study is done.

### DATA ANALYSIS AND FINDINGS

**The various parameters were considered to understand the impact of digitalisation in the day to day transactions.**

Which age group do you belong to?

63 responses



The above figure indicates that most of the people using the digital payments are in the age group between 15 years to 40 years which is young generation of the country.

### Are you aware about digital payments?

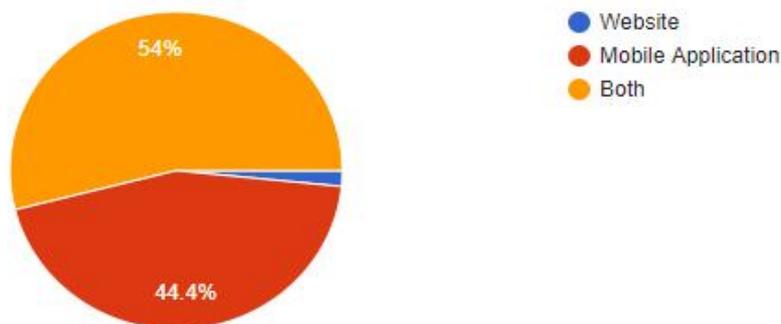
63 responses



Most of the people are aware about digital payments in the economy.

### How do you make the digital payment?

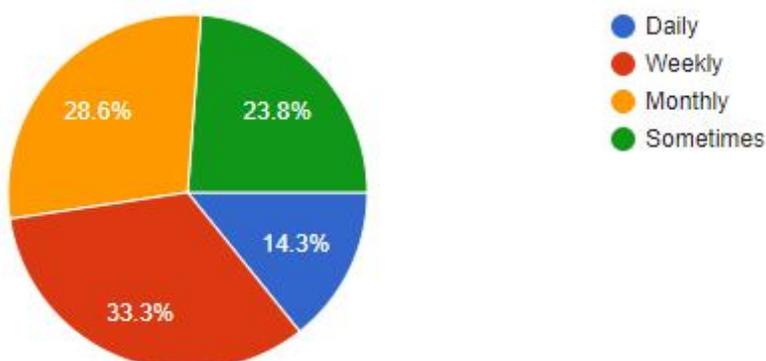
63 responses



Some people make digital payments using the Mobile Applications whereas some people use both the Websites as well as Mobile Applications to make the payments.

### What is the frequency of digital payments made by you?

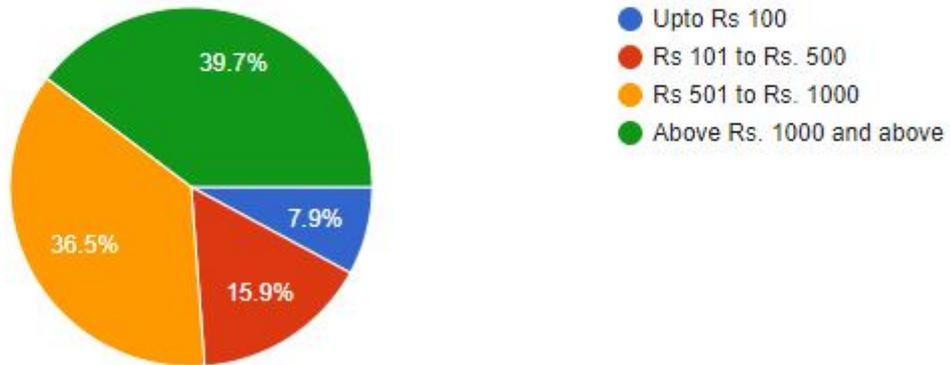
63 responses



The digital payments are generally done on a weekly and also on monthly basis.

### What amount is spent by you in making digital payments?

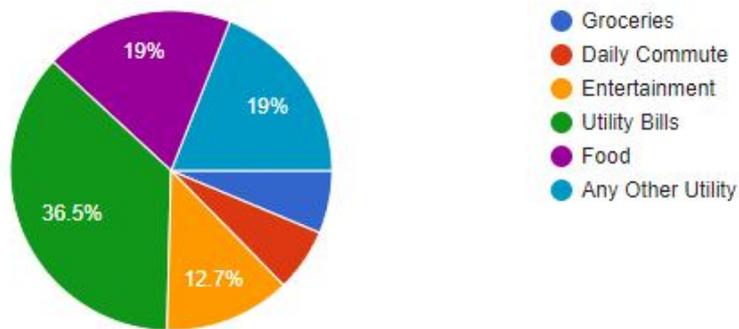
63 responses



Most people spend above Rs 1000 while doing the digital transactions whereas a small proportion use for lesser amounts such as less than Rs 100 and between Rs 100 to Rs. 500.

### For what transaction is the digital payment made by you?

63 responses



The utility bills are generally paid using the digital payments with food and other utility as other transactions.

### What attracts you for digital payment?

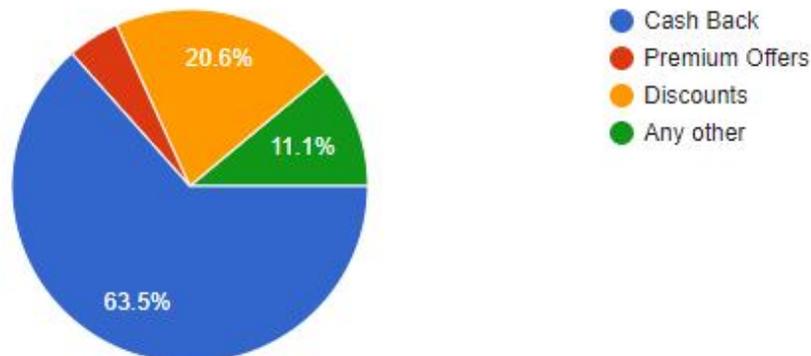
64 responses



The time saving aspect of digital payments makes it attractive for people to transact using digital payments.

### Which of the following promotion activity attracts you the most for digital payment?

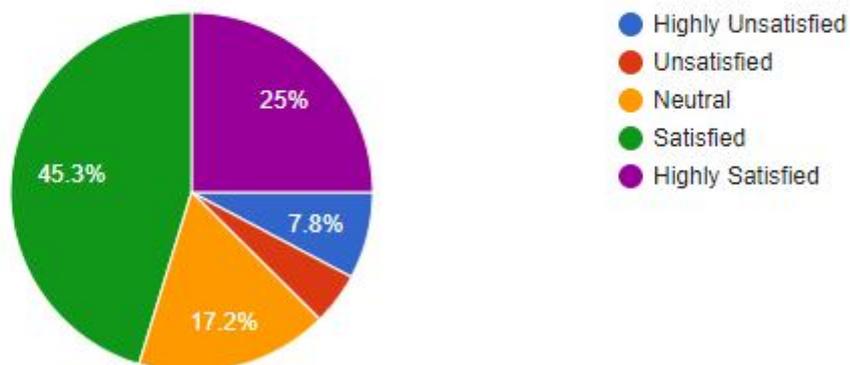
63 responses



Cash Back is the major promotion tool which makes people choose digital payments over physical payments and other modes of payments.

### Rate digital payments over normal cash payments?

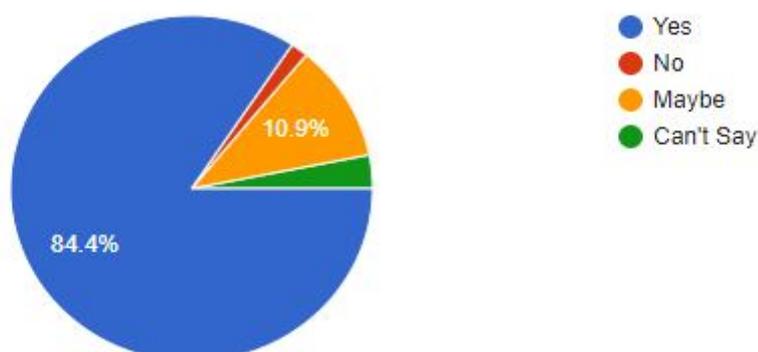
64 responses



The perception of the people towards digital payments is positive as most of the people are satisfied and highly satisfied with the use of them.

### Would you like to continue with digital payments in future?

64 responses



The use of digital payment will be preferred by most of the people in future.

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**SUGGESTION**

**Few of the areas or suggestion on the basis of the findings are as under**

- The payment gateways should be easier in terms of doing the transactions.
- Digital Payment should be accepted as a mode of the payment by vendors as well as customers. This will make the digital mode reach more people.
- The limitations in the transactions should be smaller.
- The infrastructure to support the payments should be available.
- Proper training and assistance should be offered to make the transactions simpler.
- More facilities should be covered in the digital payments.

**CONCLUSION**

At present, the technology is at that level of operating internet that it became easier and simpler for people to operate digital payment for their day to day transaction. It can also be concluded that digital payments will be used by the people in the future and can increase if more and more vendors accept this mode of payment and can attract the people by offering cashbacks and other promotion offers. The Indian people behaviour is to accept and adapt to the change.

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**IMPACT OF DIGITALISATION ON SENIOR CITIZENS****Dr. Poonam Kakkad<sup>1</sup> and Sabnur Nurddin Karovadiya<sup>2</sup>**<sup>1</sup>Nirmala Memorial Foundation College of Commerce & Science,<sup>2</sup>BMS, B.Com (A&F) and IQAC Coordinator

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**ABSTRACT**

*The present study is on acceptance of technology by senior citizen. The Technology can be considered as a combination of techniques, skills, methods and process. However technology has evolved rapidly over the past years. In our modern day usage of technology is something which is unavoidable. It is widely seen that the young generation has adopted or accepted the changing technology at a very brisk pace. However the usage of technology among the senior citizens was looked upon as a concern. The purpose of the study is to understand the technology acceptance in senior citizens using a systematic literature review. Data was collected with the help of structured questionnaire. A sample size of 100 senior citizens with residing in western suburban area of Mumbai was taken for the current study. The findings of the study have been an eye opener for the researcher. Whatts app is the popular social media used by senior citizens. Digitalisation has positive impact on senior citizens. Use of social media platforms is majorly for building and maintaining social relations with friends, family and relatives.*

*Keywords: Digitalisation and Social media*

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**INTRODUCTION**

Digital revolution has boosted new avenues of communication empowering the economy and its consumers by providing them access to information at any point of time through its diverse platforms, such as, mobile internet, cloud-based technology, big data, IoT, nanotechnology, robots, and other digital technologies. While the growth in digital transformation continues to proliferate, it equally invokes revolution to the world of work. Therefore, digital revolution has paved the way for creation, communication, and collaboration resulting in fewer barriers and more efficiency for innumerable organizations.

Today, one's existence is linked to their presence on social media. Here is a tool, a channel of information so powerful that it has transformed the way we interact with our peers, our family and friends. It is often thought that social media is for the youth, the working population, the ever expanding businesses and the government agencies to reach out to the general populace, but the role of social media in the lives of senior citizens is sadly overlooked.

Senior citizens often fall victim to isolation, depression and loneliness. With children leaving homes for greener pastures and their productive years behind them, these elderly people are often left with ample time on their hands and are often bereft of familial support. Also their decreased mobility and dependence on people around takes a toll on their emotional and physical wellbeing. This is where the importance of social media surfaces; this is the balm that will soothe the lonely hearts and appeal to the intellect of an aging population. Social media helps these aging adults connect with their loved ones, long lost friends and also participate in several social causes which otherwise wouldn't have been possible.

**REVIEW OF LITERATURE**

**Ashima V Gopal and Dr V Murale (2016)** conducted a study on acceptance of technology by senior citizen and she has stated that. The Technology can be considered as a combination of techniques, skills, methods and process. However technology has evolved rapidly over the past years. In our modern day usage of technology is something which is unavoidable. We have widely seen that the young generation has adopted or accepted the changing technology at a very brisk pace. However the usage of technology among the senior citizens was looked upon as a concern. The purpose of the study is to understand the technology acceptance in senior citizens using a systematic literature review. Study focuses on incorporating the articles published recently on the topic and to identify the scope for future research.

**R.W. Berkowsky (June,2017)** conducted a study on technology adoption among older adults and the article says that there exist a number of technology applications with the potential to improve the quality of life of older adults (aged 65+) across numerous domains including transportation/mobility, health/wellness, socialization/communication, recreation, lifelong learning, and home support. However, despite the potential rewards use of technology applications can provide, older adults are less likely to adopt new and emerging technologies. They propose a model for technology adoption and investigate the potential factors associated with adoption specifically among older age groups. Their study is a two-phase study focusing on identifying

factors associated with technology adoption among older adults and understanding the decisions older adults make when choosing or not choosing to use a technology.

**Daniela Garbin** conducted a study on do older people benefit from digital services? And gave a complete coverage on how older people have been adapted in the complex process of information. In that context, the benefits of digital society for the older population will be discussed. The potentially related obstacles will be analyzed, too. Their presumption is that informatisation significantly facilitated the integration of services. The related question is: Is the mentioned process followed by inclusion or by marginalization of older people as users?

**Wenche M. Rønning (2017)** conducted a study on Older Adults' Coping with the Digital Everyday Life in which Theories of motivation and self-efficacy are applied in order to understand how older adults master and adjust to the rapid development into a paper-free, online world. A sample of eighteen older adults (62-90 years) was interviewed about the reasons and motivations underlying their ICT usage, and how this affects their perception of mastering their everyday life. A semi-structured interview guide was developed for this purpose. The data were analyzed using an inductive coding procedure involving descriptive and interpretive phases based on the theoretical assumptions about motivation and mastery. Three overarching categories were evident in the data material; Challenges, Connectedness and Expanding.

**P. Vacek and Rybenská K. (October, 2017)** in their research states that While current seniors citizens sometimes use modern devices, we can't say that they use them as often and in the same way as young people. There are also a large number of senior citizens who are not educated in using modern devices at all and those who do use them in a very different way compared to their younger counterparts. The aim of the research was to compare three groups of senior citizens which come from different backgrounds, find out what are their reasons for using modern devices and why are they important to them.

**Article Elderly in the Digital Era. Theoretical Perspectives on Assistive Technologies (September, 2017)** presents a theoretical perspective on assistive technology for elderly people. In a context characterized by an aging population and an increased life expectancy, it is highly likely that we will become the spectators of a powerful pressure on the medical assistance process. An increasing life expectancy means an increasing need of assistance for longer periods of time, which might become an unfeasible and unrealistic policy due to limited medical resources. In this context, assistive technology might become the only solution. Starting from an international context, this paper aims to theoretically present the way technology can be used as a tool for the elderly's needs.

**Pavel Vacek & Klára Rybenská (2016)** conducted a study on the most frequent difficulties encountered by senior citizens while using information and communication technology and found that many senior citizens are keeping in touch with modern times and put modern technologies to good use. They attempt to adapt to this era and don't avoid computers or smart devices. Such senior citizens often also educate themselves further in ICT, but are not immune to troubles that come hand in hand with ICT, or even psychological issues that stem from learning new skills in high age. Many even reconsider, asking themselves if all the effort is worth the outcome. Courses they attend might not be the best suited for them and can be very different from one another. Taught operating systems, teachers individual attitude, accessibility of the course itself and learning environment have huge impact on both seniors attitude and quality of gained skills. This article aims to describe areas and issues senior citizens feel are most limiting in their access to quality education in ICT, and how they are tackled. The results come from a qualitative research among a selected sample of senior citizens that took part in our ICT courses.

### **OBJECTIVES OF THE STUDY**

- 1) To study the awareness of digitalization among senior citizens.
- 2) To study the attitude of senior citizens towards digitalization.
- 3) To study the impact of digitalization on senior citizens.
- 4) To find out whether digitalization is beneficial or not to senior citizens.

### **RESEARCH METHODOLOGY**

#### **Source of data collection**

Both primary and secondary method of data collection is used. The data is collected by a structured questionnaire with the help of survey method.

The data is collected through various articles newspapers and journals. Internet data is also taken into consideration.

**Sample unit** The population targeted for this research is of 50 years and above i.e. senior citizens are the sample units of the study.

**Sample size** Using convenient sampling technique a sample size of 100 senior citizens is selected in which 50 males and 50 females from western suburban area of Mumbai are taken into consideration.

**DATA COLLECTED**

The data was collected using questionnaire through convenient sampling method. The questions included the items on awareness of digital world, use of internet and new electronic devices, use of social networks and social services, purpose of using social services.

**DATA ANALYSIS**

**Use of smart phones or any other electronic devices**

Particulars	Yes	No	Maybe	Total
Percentage (%)	62	22	16	100

According to the survey collected we found that 62% of the senior citizen uses smart phones and other electronic devices for various purposes, whereas, 16% population of senior citizen uses occasionally when need and 22% of the senior citizens never use smart phones or any other electronic devices.

**Assistance is required while using new electronic devices**

Particulars	Yes	No	Maybe	Total
Percentage (%)	76	13	11	100

According to data collected it is known that 76% of the senior citizens need help while using or switching to new electronic devices whereas, 11% senior citizens takes help only sometimes and 13% of the population of senior citizen do not need help while using new electronic devices.

**Confidence using new electronic devices**

Particulars	Percentage (%)
Yes	31
No	45
Maybe	24
<b>Total</b>	<b>100</b>

According to our survey only 31% of the population of senior citizen is confident while using new electronic devices whereas, 24% of the population has confident upto some extent and 45% of the population of senior citizen is not confident in using new electronic devices by their own.

**Type of social services used**

Particulars	Whatsapp	YouTube	Google	Facebook	Skype	Others (news app)	Never use
Percentage (%)	55	47	34	26	10	4	24

According to our survey we found that the most useable social service among senior citizen is whatsapp which is 55% and the second preference is YouTube that is 47% whereas, Google is used by 34% and Facebook by 26% of the senior citizen whereas, 10% uses Skype and 1% uses news app but 24% of the population never use social services.

**Purpose to use above social services**

Particulars	Passing Time	Updating Yourself	For Knowledge	To Contact Others	Others
Percentage (%)	39	30	44	64	9

According to the survey collected there are various purposes of using social services like most of the population that is 64% of senior citizen uses social services to contact others whereas the second highest usage is for

knowledge that is 44% and 39% of the senior citizen uses for passing time whereas 30% of the population uses social services to remain update and 9% of the population of senior citizen uses social service for some other purpose.

**Impact of digital media on life**

Particulars	Positive	Negative	Neutral
Percentage (%)	34	11	55

According to the data collected the digital media has different effect on everyone’s life in which 55% of the senior citizen has neutral effect that means they have positive as well as negative opinion toward digital media whereas, 34% of the population has positive opinion and 11% of the population of senior citizen have negative impact toward social media.

**FINDINGS AND CONCLUSION**

Whatsapp and YouTube are by far the most popular social media used by the elderly. It is here that they can stay in touch with their families and friends by posting photos and videos and status messages.

Seniors have discovered that Skyping is a great way to bring relatives from faraway destinations right into their living rooms. YouTube has become popular for getting information of various things in every corner of the world and to remain up to date.

The most popular reason for using social services is to contact their relatives, friends and family who are far from them through voice call and video call. Google is also used by some of them because it contains worldwide knowledge and information. A social service also seems for passing time for those seniors who are isolated and need some entertainment.

Some have positive impact in their life due to new emerging technologies and the up growing digital world whereas; some seniors are affected by the new technologies and the upcoming digital services. The senior citizens who are affected by this digital world have many reasons like:

They are not updated as per the fast growing world. Many senior citizens find it difficult to cope up with today’s digital world and have lack of information. Some senior members feel isolated due to these technologies because they don’t get special attention in the house as their family remains busy in different stuffs by which they have negative opinion towards digitalization.

Some senior citizen find it difficult to learn new thing with their growing age, they feel like it is not of their use.

The research showed that active senior citizens use technology extensively and are interested in constantly learning new things and improving their abilities. These individuals often attend various courses. The technology used to communicate with others brings them good feelings that they can learn something new and useful in their life, and integrate more into contemporary society.

This represents a very specific group of active senior individuals. From this group we can differentiate a second kind of senior citizens, those living alone but still actively using modern technology. People in this group generally need to be able to work with computers, the internet and other to be able to remain in close contact with their loved ones who have no time for regular visits.

The last group of senior citizens was distinctly different. These senior citizens were generally much older, either living in a nursing home or alone and with little or no contact with loved ones. Many of these senior citizens presented no interest in modern technology, did not see any potential in them and found them to be of no use. This category includes few exceptions – individuals who are technology enthusiasts curious in how various devices work but rarely have one of their own, thus suffer from lacking ability to use them. Such cases, though, are rare. Senior citizens today are different than they were ten or twenty years ago. They are often heavily influenced by technologies already in use. Thanks to the increase in average life expectancy and higher technological aptitude among future senior citizens it is necessary to constantly learn new things and this category includes modern technologies. It is concluded that there are both positive as well as negative impact of digitalization on senior citizens depending on their point of view, opinion, interest of learning new things and their standard of living.

**SUGGESTIONS**

- As elders take longer to learn new applications or devices, performing poorly on tasks relying on memory, having frequent challenges with the accidental movements with the pointer, making more input errors and having more trouble hitting on-screen targets.

- With the growing number of senior citizens as well as the increased lifespan of human beings and that most people are always online, designing digital devices and user interfaces suitable for senior citizens is extremely important. The user experience of senior citizens is very different from that of other generations and therefore appreciating their physical and mental state would be essential for designing the user interfaces and the applications.
- Visual consistency and keeping things simple would be necessary to create comfort and trust with this user group. Large readable fonts should be used to make reading easy.
- With hearing and sight related difficulties increasing with age, Smartphones are not the ideal platform for accessing information as the screens are not made for reading or for navigation.
- Hence touch screen PCs or tablets should be ideally considered for developing applications aimed at their frequent usage by senior citizens. It is also important to bear in mind that it would be necessary to explain icons and how to move between screens.

**LIMITATIONS OF THE STUDY**

Due to time, geographic and monetary constraints the conclusion cannot be generalized.

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- <https://www.financialexpress.com/india-news/digital-world-helping-senior-citizens-cope-with-everyday-digital-life> Article of economic times in 2018

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**TO EXAMINE THE IMPACT OF CONVENIENCE AND SECURITY ON CASHLESS TRANSACTIONS IN INDIA**

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**ABSTRACT**

*A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. Cashless societies have existed from the time when human society came into existence, based on barter and other methods of exchange, and cashless transactions have also become possible in modern times using digital currencies such as bit coin.*

*Such a concept has been discussed widely, particularly because the world is experiencing a rapid and increasing use of digital methods of recording, managing, and exchanging money in commerce, investment and daily life in many parts of the world, and transactions which would historically have been undertaken with cash are often now undertaken electronically. Some countries now set limits on transactions and transaction values for which non-electronic payment may be legally used.*

*Keywords: Financial Transactions, DigitalCurrencies, Legal Tender, Digital Equivalent etc.*

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**INTRODUCTION**

The trend towards use of non-cash transactions and settlement began in daily life during the 1990s, when electronic banking became popular. By the 2010s digital payment methods were widespread in many countries, with examples including intermediaries such as PayPal, digital wallet systems operated by companies like Apple, contactless and NFC payments by electronic card or smartphone, and electronic bills and banking, all in widespread use. By the 2010s cash had become actively disfavored in some kinds of transaction which would historically have been very ordinary to pay with physical tender, and larger cash amounts were in some situations treated with suspicion, due to its versatility and ease of use in money laundering and financing of terrorism, and actively prohibited by some suppliers and retailers, to the point of coining the expression of a "war on cash". By 2016 in the United Kingdom it was reported that 1 in 7 people no longer carries or uses cash. The 2016 United States User Consumer Survey Study claims that 75% of respondents preferred a credit or debit card as their payment method while only 11% of respondents preferred cash. Since the founding of both companies in 2009, digital payments can now be made by methods such as Venmo and Square. Venmo allows individuals to make direct payments to other individuals without having cash accessible. Square is an innovation that allows primarily small businesses to receive payments from their clients.

By 2016, only about 2% of the value transacted in Sweden was by cash, and only about 20% of retail transactions were in cash. Fewer than half of bank branches in the country conducted cash transactions. The move away from cash is attributed to banks convincing employers to use direct deposit in the 1960s, banks charging for checks starting in the 1990s, banks launching the convenient Swish smartphone-to-phone payment system in 2012, and the launch of iZettleor small merchants to accept credit cards in 2011.

**REVIEW OF LITERATURE**

Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media. According to Woodford (2003), Cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return. In a cashless economy, how much cash in your wallet is practically irrelevant. You can pay for your purchases by any one of a plethora of credit cards or bank transfer (Roth, 2010) observed that developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards.

Some aspects of the functioning of the cashless economy are enhanced by efinance, e-money, e-brokering and e-exchanges. These all refer to how transactions and payments are effected in a cashless economy (Moses-Ashike, 2011). Marco and Bandiera (2004) argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system. However, it does conclude that central banks can lose control over monetary policy if the government does not run a responsible fiscal policy.

According to a 2015 report by Price Water House Coopers, India’s unbanked population was at 233 million. Even for people with access to banking, the ability to use their debit or credit card is limited because there are only about 1.46 million points of sale which accept payments through cards. A study by Boston Consulting Group and Google in July noted that wallet users have already surpassed the number of mobile banking users and are three times the number of credit card users.

**OBJECTIVES**

The objectives are the following:

- I. To examine the impact of Convenience on cashless transactions in India
- II. To examine the impact of Security on cashless transactions in India.

**METHODOLOGY**

The study is mainly based upon the primary data. Primary data was collected through survey method. Questionnaire was used for collecting data. Questionnaire was developed based on past experience of the researchers and review of literature on the topic done by the researchers. Questionnaire consists of total sixteen questions out of which four questions related to profile of respondents. Five level Likert scale was used in questionnaire. Population of the study consists of savings account holders of various banks in India. Stratified random sampling technique is used for selecting respondents for the sample. Sample size is 195. Total population was divided into 36 strata depending upon the total number of states and union territories in India. Out of 195 respondents, 174 are from 29 states in India selected at the rate of six each, and 21 are from 7 union territories of India taken at the rate of 3 each. For selecting respondents from strata simple random sampling technique is used using random number tables. Collected data is analyzed by calculating percentages. Chi-square test is used for testing the hypotheses.

**Table: Occupation of the Respondents**

Occupation	Number of Respondents	Percentage
Farmers	10	5.13
Employee	116	59.49
Self Employed/ Business	28	14.36
Others	41	21.02
Total	195	100

Out of 195 respondents surveyed, 5.13 percent respondents are farmers, 59.49 percent are employees, 14.36 percent are self-employed/business holders and remaining 21.02 percent are others.

**Table: Income of the Respondents**

Income	Number of Respondents	Percentage
Below Rs.20,000	25	12.82
Between Rs. 20000-40,000	52	26.67
Between Rs. 40,000-60,000	63	32.31
Above Rs.60,000	55	27.56
Total	195	100

**ANALYSIS AND DISCUSSION OF RESULTS**

**Table: Gender of the Respondents**

Gender	Number of Respondents	Percentage
Male	115	58.98
Female	80	41.02
Total	195	100

Out of 195 respondents surveyed, 58.98 percent are male and 41.02 percent respondents are female.

**Table: Age Of The Respondents**

Age	Number of Respondents	Percentage
Below 30 years	35	17.94
Between 31-40 years	83	42.57
Between 41-50 years	65	33.33
Above 50 years	12	6.16
Total	195	100

Out of 195 respondents surveyed, 17.94 percent respondents' age is below 30 years, 42.57 percent respondents' age is in between 31-40 years, 33.33 percent respondents' age group is in between 41-50 years and remaining 6.16 percent respondents' age is above 50 years.

From the data in the above table, it is clear that 12.82 percent of respondents' salary is less than Rs.20, 000, 26.67 percent of respondents' salary range between Rs.20, 000 and Rs.40, 000, 32.31 percent of respondents' salary range between 40,000 and 60,000 and remaining 27.56 percent respondents' salary is above 60,000.

**Table: Responses on Convenience in Transaction is the Reason for Cashless Payments in India**

Sl. No.	Opinion	Number of Respondents	Percentage
1	Strongly Agree	45	23.08
2	Agree	97	49.74
3	Neutral	12	6.15
4	Disagree	31	15.9
5	Strongly Disagree	10	5.13
Total		195	100

The data in the above table indicates that, 23.08 percent of respondents strongly agree, 49.74 percent of respondents agree, 6.15 percent of respondents are neutral, 15.9 percent of respondents disagree and remaining 5.13 percent of respondents strongly disagree about convenience in transaction is the reason for cashless payments in India.

It is concluded that Majority of the public (72.82%) felt that transaction convenience is the reason for cashless payments in India.

Calculated value of  $\chi^2=129.08$ . The Critical value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. Calculated value is greater than Critical Value i.e.,  $129.08 > 9.488$ , Hence,  $H_0$  is rejected.

**Table: Responses on Security in Transaction is the Main Concern in Cashless Payments**

Sl.No	Opinion	Number of Respondents	Percentage
1	Strongly Agree	51	26.15
2	Agree	87	44.62
3	Neutral	13	6.67
4	Disagree	32	16.41
5	Strongly Disagree	12	6.15
Total		195	100

The data in the above table indicates that, 26.15 percent of respondents strongly agree, 44.62 percent of respondents agree, 6.67 percent of respondents are neutral, 16.41 percent of respondents disagree and remaining 6.15 percent of respondents strongly disagree about security in transaction is the main concern in cashless payments.

It is concluded that Majority of the public (70.77%) felt that security in transaction is the main concern in cashless payments

**$\chi^2$ -test**

$H_0$ : Security in transaction has no influence on cashless payments in India

$H_1$ : Security in transaction has an influence on cashless payments in India

Observed Frequency (O <sub>i</sub> )	Expected Frequency (E <sub>i</sub> )	(O <sub>i</sub> -E <sub>i</sub> )	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup>	(O <sub>i</sub> -E <sub>i</sub> ) <sup>2</sup> / E <sub>i</sub>
51	39	12	144	3.69
87	39	48	2304	59.08
13	39	-26	676	17.33
32	39	-7	49	1.26
12	39	-27	729	18.69
Total ( $\chi^2$ )				100.05

Calculated value of  $\chi^2=100.05$ . The Critical value of  $\chi^2$  at 4 degrees of freedom at 5% level of Significance is 9.488. Calculated value is greater than Critical Value i.e.,  $100.05 > 9.488$ , Hence,  $H_0$  is rejected.

**CONCLUSION**

The findings reveal that while people are getting comfortable with cashless payments, some kind of negative perceptions are holding back many from adopting the new system. The negative perceptions are like security problems, poor network coverage, and lack of merchant willingness, high transactional costs, lack of users' knowledge on technology, defunct POS machines, delayed reimbursement in case of failed transactions, procedures and financial limits. Convenience in use of cashless transactions and incentive system are the positive signs for the progress of cashless payments in India. Finally the study concludes that India may not become a cashless economy unless the perception of the people will be rightly addressed by the government and the banking institutions. They should pave the way for the safe and secure mean to cashless transactions.

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**INDIA'S READINESS FOR CASHLESS ECONOMY****Dr. Blessy Easo and Kavita Kanavia**Assistant Professor, KES Shroff College of Arts and Commerce Kandivali (West)

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**ABSTRACT**

*The term 'transformation' is a concept which is inevitable. In this context India has gone through various transformations which have been the basis for changes in industrialization, international trade and economic growth. Cashless transaction in India is an effort taken by India to move towards a cashless economy by minimizing the use of physical cash. This research will study the factors responsible for cashless transaction and at the same time examine the challenges faced in cashless transaction in India. The outcome of this study will be to analyse whether this is the right time for India to move towards cashless economy.*

*Keywords: cashless economy, Digital payments*

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**INTRODUCTION**

Our Hon. PM Mr. Narendra Modi, in his talk on 'Mann ki Baat' in 2016; shared his vision of making India 'digital' and focused upon cashless economy. To quote him. "A cashless economy is secure, it is clean. You have a leadership role to play in taking India towards an increasingly digital economy". This is a very revolutionary concept that will change the face of India on the world map. This change, though it might seem very simple at the outset, it definitely is a Herculean task to transform and change not only the medium of transaction but also the minds of the Indian people that is culturally and socially designed to see the "real" money. Cashless economy is a boon for the country as it increases the standard of living for all countrymen by exercising lesser taxes, reduced corruption, liquidation of cash available and thereby creating a niche for the country on the global arena.

**DEFINITION OF CASHLESS ECONOMY**

The Oxford dictionary defines the term as 'a transaction characterized by exchange of funds by cheque, debit or credit card, or electronic methods rather than the use of cash.' This means that by becoming cashless, we eliminate:

1. The burden of carrying cash while on the move.
2. The fear of loss, theft, damage to cash
3. The work associated with counting and handling of cash.

**IMPORTANCE OF CASHLESS TRANSACTION**

- 1) Cashless transactions is a curse for people trying to evade tax. In fact, with the increase in the number of tax payers, lesser is the rate of tax for the whole country, so, reduce in black money and corruption.
- 2) There is more transparency and accountability involved in cashless economy as every transaction can be recorded and the flow of money monitored. Also, cash in banks instead of homes will ensure more circulation and greater liquidity.
- 3) Cash lite economy through its medium of ever changing technology is time saving.
- 4) With every transaction being recorded, it would be easy to track personal expenses.
- 5) Exact amount transaction, for even smaller denomination is possible.

**METHODS OF CASHLESS TRANSACTIONS**

There are various cashless transaction methods which are used in India. The various reasons why people do cashless transactions is like convenience, improved and trusted digital technology, need to acquire things faster and cheaper along with maintaining a track record for the taxation purposes. The clumsiness in handling coins and notes have replaced different electronic payments. The different methods are Credit cards, Debit cards, Bank pre paid cards, Mobile/E Wallets, ATM money transfers, Internet banking transfers, AADHAR Enabled Payment System (AEPS), Unified Payment Interface (UPI), Cheques, Demand drafts, NEFT & RTGS transfers and, E-cash coupons .

The term paradigm shift is described as a change in basic assumption within ruling theory of science. It means a change in the personal beliefs, complex systems, or organizations replacing the former way of thinking and organizing with a radically different way of thinking is paradigm shift. The main shift is due to the influence of

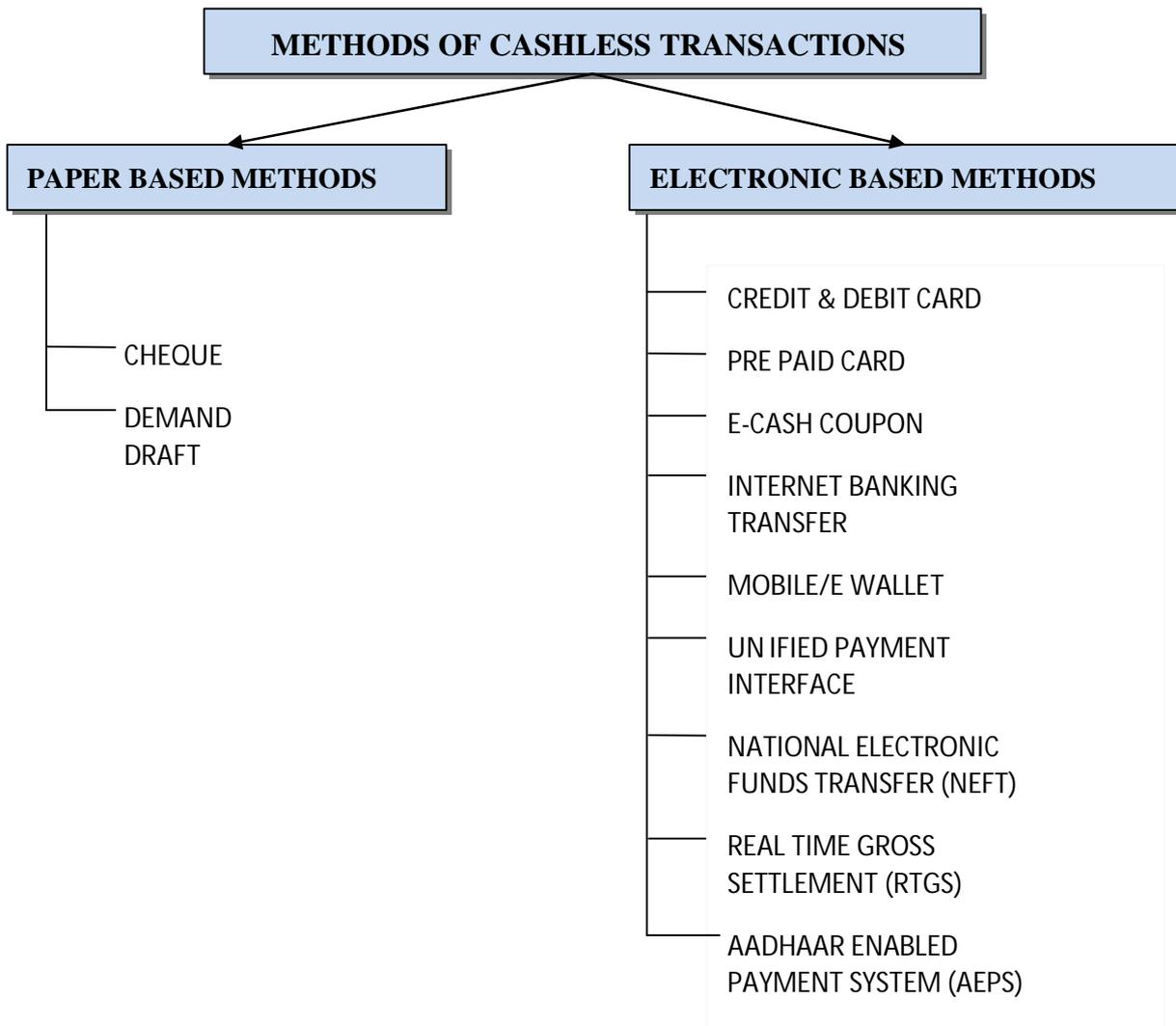
technology with most people preferring online shopping rather the traditional physical store shopping. The impact have been witnessed by corporate and retail sectors in India which is the shift in consumer behaviour in every product or service starting from groceries to commodities. Many studies have proved that factors for customer satisfaction are giving competitive advantage to the companies that are involved in cashless transactions or in providing solutions for cashless transactions. This shift in the paradigm is a result of the behaviour of consumers and their preferences for using methods of cashless transactions.

**REVIEW OF LITERATURE**

The main objective of the study by **Singhraul and Garwal (2018)** was to present the current status of India in usage of digital currency in comparison to other developed countries and find the challenges and opportunities which are associated with the cashless transaction in India. It was mainly conducted to unravel the challenges and opportunities of cashless economy. The data of different countries which are related to usage of digital currencies has been gathered. The finding of the study revealed that introduction of cashless economy in India is a right step with a right direction.

The study by **Kumari and Khanna (2017)** examined the effect of adopting cashless payment on economic growth and development of the developing countries. The results revealed that the adoption of the cashless economy can enhance the growth of financial stability in the country. The main point highlighted was the contribution of the cashless economy in reducing the risk associated with carrying cash.

The purpose of the paper by **Rajanna K.A ( 2018)** was to examine how growth can be achieved in India by cashless transaction. The challenges and the possible measures to overcome them were also focused. The suggestions indicated that certain hurdles like network problem, illiteracy etc. has to be overcome in order to make India a cashless economy. Jo



**OBJECTIVES OF THE STUDY**

- 1) To identify the factors responsible for cashless transactions.
- 2) To examine the challenges in cashless transaction methods in India.

**RESEARCH METHODOLOGY**

The study is based on secondary sources of data/ information. Relevant websites have been consulted in order to make the study an effective one. The study attempts to answer the question whether it is the right time for India to accept cashless transaction.

**NEED OF THE STUDY**

India has begun treading the path of digitalisation. Our study helps to realize the feasibility of becoming cashless at this very juncture in the light of Indian economic, political and social status. It will also help to focus on the factors that pose as barriers in realizing our vision to go cashless, besides highlighting on the areas that require attention.

**FACTORS DETRIMENTAL IN BRINGING ABOUT "THE CHANGE" IN INDIA**

India is a huge country in terms of the area/sq.mt and also its population. Studies show that India ranks 2<sup>nd</sup> with regards to its population. Also this population is unevenly distributed in its urban and rural areas (nearly 70% of Indian population lives in rural areas: according to the latest census of India's 2011 provisional population released by Union Home secretary RK Singh); both differing in its life style, standard of living, education and literacy level, access to developing technology and also the knowledge to use these technology.

The Urban India is more developed and has an easy access to the education - primary, higher and professional, new technology and knowledge to use the same; whereas Rural India is yet to overcome its problems of easy availability and accessibility of even primary schooling, let alone higher/professional education.

Also, because of illiteracy and its resulting problems of poverty, unemployment etc, the basic facility of uncut electric supply is yet to reach the interiors of Rural India making it difficult for the new technology to pave its way into their lives.

Apart from this, there are several challenges faced by both, Urban and the Rural areas, to undergo the 'change'.

- Though, Indian government has taken steps to generate bank accounts and made alternate methods of cashlite society available (cards, UPI etc.) for all citizens; majority are still unaware of the same.
- Banking or trips to banks are still considered "a task" in India
- People are apprehensive about using anything new involving money as they fear loss of their hard earned penny.
- Besides, digital /e banking has encountered a new problem of security - cyber security wherein PIN details can be leaked, accounts hacked and money is lost in the process within a span a few minutes.
- the alternate medium ( e banking/ m banking/ debit or credit card usage) require network connectivity 24/7; which many a times has been a failure. Servers of Banks crash down if overloaded leading to trouble in transaction to the consumer. Cashless banking is impossible without network connectivity.
- Internet connectivity comes with a price tag, which again is unaffordable to many. In Rural India, where people still await uncut electric power supply, internet connection, wifi is a distant dream.
- The gadgets used (smart phones, laptops etc) also are expensive and adds an extra burden on the people.
- Though these gadgets are user friendly, the senior citizens and the uneducated mass find it very inconvenient and have to rely on someone knowing how to use it.
- Technical illiteracy also hinders cashless transactions. Educated individuals who are unskilled to use smart phones, computers and internet prefer cash transactions over cashless ones.

Unavailability of updated technology deters transactions without cash

**GLOBAL COMPARISON OF CASHLESS TRANSACTIONS**

The cashless methods of transactions are more prominent in developed countries like Belgium, France, Canada, and the United Kingdom etc. The technological advancement has enabled improvement and innovation in electronic payment system, from the basic ATM card transaction to online credit transfer, direct debit, card payments. India is very famous for its development in the field of information technology and software

development but it is a mile stone question whether India can adapt cashless transactions compared to other countries. Certain initiatives have to be taken to bring India at the front line to make it at par with other countries in the adoption of these cashless transaction methods.

**Table No: 1 Total cashless transactions in developed and developing countries**

COUNTRIES	CASHLESS TRANSACTIONS
1-Singapore	61%
2-Netherlands	60%
3-France	59%
4-Sweden	59%
5-Canada	57%
6-Belgium	56%
7-United Kingdom	52%
8-USA	45%
9-Australia	35%
COUNTRIES	CASHLESS TRANSACTIONS
10-Germany	33%
11-South Korea	29%
12-Spain	16%
13-Brazil	15%
14-Japan	14%
15-China	10%

Source: Huge Thomas 2016, Measuring progress towards cashless society <sup>4</sup>

The table indicates, the massive adoption of digital technologies to generate process, share and transact information which has shook the entire world to adopt cashless transaction methods. India is a country where 98 per cent of total economic transactions by volume are done in cash. The behaviour of the Indian customers who think that cash is the best option and do not believe in credit or virtual payment methods might be responsible for this lack. However, this may no longer be the case in future as the government has already steered the country towards cashless society

**CONCLUSION**

Urban India has embraced the change, though there are several hitches still involved. Many people are adapting to the new change and digital transactions are taking place. We do see a shift in the transaction method from being cash centric to becoming cashlite society, thus living the dream of our prime minister to go digital. Yet, it cannot be concluded that it is the right time for the change as the major population of our country - the Rural India- has yet to achieve several milestones before turning cashless. The government has to implement radical changes in terms of infrastructure, availability and accessibility of technology, training and imparting skills to use new/ modern technology, empowering financial independence and moulding the people's psyche to perceive the benefits of becoming a cashless economy.

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**DIGITAL FINANCIAL INCLUSION IN INDIA: AN EXPLORATORY STUDY**

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**ABSTRACT**

*The concept of digital financial inclusion has been emerged in India after demonetisation, when the government move was towards making Indian economy on the path of cashless economy. To attain this motive govt. took several initiatives for making India a digital enabled country where people can switch over from offline mode of transaction to online mode transaction in order to ensure transparency. Here technology plays a vital role for making India a country of digitised economy, for this leveraging of technology is required in the field of financial system of our country along with safety and security, techno-infrastructure, efficient transaction mechanism etc.*

*The present study basically focuses on the emerging market of digitised financial system that can directly help to achieve the goal of financial inclusion in India.*

*Keywords: Digital financial inclusion, financial system, technology, regulation etc.*

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**INTRODUCTION**

Since India's independence, the biggest priority for the nation has been its economic growth, education for all and financial inclusion for the vast population of the country. While India has made some noteworthy progress in the past six decades and more, but on the aspect of financial inclusion, progress has not been satisfactory.

In a country where the vast majority of the population is still very poor, financial inclusion is of great significance to them. For the poor, access to finance and ensuring the optimum utilization of the resources they possess is a major challenge. Economic and societal uncertainties mean volatility in their income can have an adverse reaction on the financial stability. The question now is do we can either continue with our traditional ways of ensuring financial inclusion or look at new methods and opportunities that is available to us because of technology? One of the biggest components of financial inclusion is financial literacy. No matter how many banks you open and how many boots you have on the ground, if a person does not know about the financial options that are open to him, policies, schemes and financial instruments will mean little. It is important for a person to firstly know what to look for and only then think of the benefits that he can obtain from it? The digital economy can be strongly leveraged to spread financial literacy.

Financial literacy through the use of technology has to be based on three principles: to effectively use the power of mediums like a computer, mobile and Internet to enable people to have the skills, knowledge or information about financial instruments. Secondly, we must ensure people then have the ability to critically understand the content they have received through digital means and lastly apply it to the best of their knowledge and capacity.

India's population is over 1.2 billion; 70% rural and 30% urban population, 69% under poverty line, 60% below 25 years, \$3,910 GNI/Capita, 73% literacy rate (35% women), 40% access to financial services, 11.38 commercial bank branches / 11.21 ATMs per 100,000 habitants, 12 MNOs (10 private players representing 88% of the sector), 75% mobile penetration, 900 million mobile connections, 200 banks with 65 banks licensed for mobile banking and 59 banks live 60% of whom are under-banked, whilst 75% have mobile phone access. Around 67% of payments are still made in cash. Card penetration (debit and credit) is less than 10% and sending money through informal and expensive channels e.g. hawalas is commonplace. Given this context, the country presents a huge opportunity to tackle financial inclusion through the adoption of innovative digital financial services.

For a while now, the government has initiated a crackdown on cash, encouraging the use of digital payments, and especially mobile, as a cost effective, secure and reliable channel. Since the enactment of mobile banking regulation in 2008, mobile payments have scaled significantly. The acceleration of mobile transactions has been attributed to the introduction of IMPS (Immediate Payments Service) in 2010 which allows for interoperability between banks and Mobile Network Operators. In 2013, RBI registered 20 million users for financial transactions over the mobile and 1,194 million in transaction volumes.

By 2020, it is estimated that the mobile will have the potential to serve 250 million people for financial services in India. However, there is still a long way to go and a number of challenges to overcome. These largely pertain to the regulatory environment, service proposition, customer awareness, ecosystem dynamics and agent network management.

India is a young country and its large young population is more groomed to technology like the mobile, computer and the Internet. While it is desirable that everyone is attached to the banking system in some way, even if one member of the household has some level of financial literacy, the prospect of being inclusive raises that much more. Youth also have a large sway in influencing decisions and exposure to mass media and technology has gone a long way in making them informed.

This Brief aims to provide national and global policy makers with a clear picture of the rapid development of digital financial services for the poor and the need for their attention and informed understanding. It proposes a concise definition of “digital financial inclusion” and summarizes its impact on financially excluded and underserved populations; outlines the new and shifting risks of digital financial inclusion models that are significant to regulators, supervisors, and standard-setting bodies (SSBs); and concludes with observations on digital financial inclusion issues on the policy-making horizon.

Technology has started playing a very important role in financial inclusion. Indian banks are using all the avenues available to increase their reach and penetration. The detailed explanations of these technologies are as follows -

- a. Automatic Teller Machines (ATMs)
- b. Deposit taking Machines
- c. Hand held devices
- d. Computerised transactions in Kiosk
- e. White Label ATMs
- f. Internet Banking/ Mobile Banking

#### **REVIEW OF LITERATURE**

The use and promotion of digital financial services (DFS) for advancement of financial inclusion, the essential components of digital financial inclusion are a digital transactional platform, a device used by the customer to electronically connect to this platform and perform financial transactions, the use of retail agents for the customer to transact from and the provision of a wide range of financial products and services.

The broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. The digital financial services (DFS) concept includes mobile financial services (MFS). In this context, the term “digital channels” refers to the internet, mobile phones (both smart phones and digital feature phones), ATMs, POS terminals, NFC-enabled devices, chips, electronically enabled cards, biometric devices, tablets and any other digital system.

“Digital financial inclusion” can be defined as digital access to and use of formal financial services by excluded and underserved populations. Such services should be suited to the customers’ needs and delivered responsibly, at a cost both affordable to customers and sustainable for providers

According to the Planning Commission (2009), Financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products. The household access to financial services includes access to contingency planning, credit and wealth creation. Access to contingency planning would help for future savings such as retirement savings, buffer savings and insurable contingencies and access to credit includes emergency loans, housing loans and consumption loans. On the other hand, access to wealth creation includes savings and investment based on household’s level of financial literacy and risk perception.

GOI (2008) defines Financial inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. The meaning of financial inclusion is delivery of financial services to the low income groups especially the excluded sections of the population with the provision of equal opportunities. The main target is the access of financial services for better standard of living and income.

According to Chakraborty (2011), Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of society including vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. This issue started gaining importance recently in the news media.

**RATIONALE OF THE STUDY**

The literature reviews revealed that there is a gap in the literature and there are no much more studies found on a critical analysis on digital financial inclusion in India. The majority of the studies are only at macro level but not at the micro level with empirical studies. Those studies focused on business strategies and technology aspects. In this regard the present study assures importance and enumerating the need of digital financial inclusion in India. The main thrust of the study is to critically examine the status of digital financial inclusion in India and the need to consider the economic and social strategies to achieve overall goal of the country, especially in the wave of government move towards cashless economy after demonetisation.

A major cornerstone of inclusive growth is to ensure that the benefits and fruits of growth reach the bottom of the pyramid population especially, vulnerable social and sectoral groups. Inclusive growth in India hence remains a mirage, and will avoid us, save a radical transformation of the entire tools of how the Indian State functions in the grassroots.

India has sufficient schemes, rules, and directives aimed at expanding banking coverage and ensuring service to the unbanked population particularly social groups. There is no end of schemes, plans, and regulations aimed at providing financial services and products to the poor people. For the unbanked it is a challenge to gain access to banks and the services they offer. The unending stream of new initiatives and orders in this regard clearly demonstrates that all these have failed to achieve their basic objective of financial inclusion.

The review studies say “Why the majority of financial inclusion business strategies have not reached to the social vulnerable groups and sectoral groups”? The main cause is supply-side agenda fails to access and make available affordable products and services that acknowledge the lack of local demand in poor communities (The Guardian, 2012). However, to accept the fact that bottom of economic problem today is actually lack of effective affordable local business model and global demand. In that situation, we need policy changes with allocation of resources, but the existing conditions, in spite of huge unmet needs (especially in the poorest communities), would further expose to the poor, the fundamental and growing weaknesses of capitalism and markets.

The scope of this research will be bridge the gap of existing product strategies, technological model and credit delivery strategies for financial inclusion. This research may facilitate Self-Service technology solutions which are essential to address the scalability and sustainability challenges facing financial inclusion. The research will provide main key learning’s that policy makers, financial institutions, and technology providers can use to establish innovative economic strategies to fulfill the demand. Therefore, Innovative economic strategies will provide an economic framework that explains and helps support growth, with collaboration of all stakeholders to deliver digital Financial Inclusion objectives.

**OBJECTIVES OF THE STUDY**

Digital financial inclusion has gained increasing prominence in the past few years as national policy initiative for balanced regional & area development, policy guidelines of RBI to banking institutions and others in the development field. Accordingly, the present study has been undertaken with the following objectives:

1. To understand the nature and significance of digital financial inclusion in India.
2. To know the impact of digital financial inclusion in India.
3. To analyse the initiatives taken by government for attaining the goal of digital financial inclusion.

**RESEARCH METHODOLOGY**

The study used secondary sources for collecting required information pertaining to research problem. Secondary data was collected from the National Sample Survey organisation(NSSO) reports, Centre for Monitoring Indian Economy(CMIE) reports and statistical reports, Census of India, Economic survey, RBI bulletin, RBI occasional papers, and world bank working papers & reports, IBS reports, OECD reports, World Economic Forum reports, UNDP reports, AFFI reports, IFC & IBS reports, RBI Annual Reports, private companies white papers, international journal of articles, books, Economic Review, Indian Economic Journal, Financial Express, Internet documents and web reports etc.,

**PROGRESSION OF PAYMENT INITIATIVES AND DIGITAL CHANNELS IN THE COUNTRY**

- 2006: Business Correspondent Banking, a network “accredited” by banks to engage individuals, and for-profit or non-profit organisations as banking agents for the performance of some of the core banking functions

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- 2010: The Immediate Mobile Payment Service (IMPS), an instant interbank electronic fund transfer service allowing bank transfers to be instructed on mobile phones
  - 2012: White Label ATMs (WL-ATMs) offered by non-bank entities who recognise that investments in ATMs can be leveraged for delivery of a wide variety to customers and expanded the scope of banking to anytime, anywhere banking through interoperable platforms
  - Electronic Payment Processing
  - 2004: The Real Time Gross Settlement (RTGS) system which is similar to NEFT but operates in real-time on a transaction to transaction basis and is primarily meant for large value transactions. In 2013, RTGS system and regulations updated
  - 2005: The National Electronic Funds Transfer (NEFT) payment system to facilitate (in a batch-mode with netting) one-to-one funds transfer from an account in any bank branch to an account in any other bank branch in the country.
  - 2012: The National Electronic Clearing Service (NECS) to facilitate centralised processing for repetitive and bulk payment instructions
  - Prepaid Payment Instruments & Mobile Money Internet & Mobile Banking
  - 2009: Prepaid Payments Instruments (PPIs), a payments system for the issuance and operations of prepaid Instruments that can be issued by licensed banks and non-banks
  - 2009: Mobile Money: A system permitting banks and non banks to offer services to their customer over mobile phones
  - 1996: Internet Banking, offered primarily by banks for customers to access their accounts and make transactions over the net
  - 2008: Mobile Banking RBI published Mobile Banking regulations where banks could use the mobile as a channel for existing customers.

#### **OPPORTUNITY FOR DIGITAL FINANCIAL INCLUSION**

- There is a wide disparity across the nation.
- The Southern areas of the country have higher levels of financial inclusion in comparison to the North
- The South also has better credit penetration, the number of loan accounts per 100,000 of population at 17,142 which is nearly twice that of the all-India average.

#### **OPPORTUNITY WITH REGARDS TO THE YOUTH SEGMENT**

- Youth are most likely to adopt smart phones and mobile applications driven by a demand to be connected 24/7 and the availability of low cost smart phones:
- 92% of 21-35 year olds in urban areas use smart phones, and 44% use their phones more than laptops or computers to access the internet.
- Popular uses includes: social networking, mobile TV, banking, sports, news and emails
- Educational institutes may collaborate with portal and mobility solutions to get more engagement with students in both urban and rural areas.
- Preference of Indian youth to have advanced phones has resulted in intense competitiveness amongst manufacturers and this is being seen as an important engine of growth for the telecom industry.
- In India, the government benefits transfer market is worth \$55 billion.
- Branchless banking and mobile technology can make G2P payments more accessible while simultaneously decreasing costs and increasing the efficiency of the payment process.
- G2P Payments on the mobile channel will reduce funding leakages, procedural delays and corruption.

#### **OPPORTUNITY WITH REGARDS TO CREDIT, SAVINGS & INSURANCE**

- Close to 90% of small businesses have no links with formal financial institutions and 60% of the rural and urban population do not have a bank account.

- Bank credit to GDP ratio in the country stands at 70%, but in large states such as; Bihar, it can be as low as 16%. A large part of the economy is dependent on the informal sector for meeting its credit needs.
- Difficulties in accessing finance, and gaining a positive return on financial savings coupled with ill-adapted financial products has led the under banked to a move away from savings in formal financial institutions to more unregulated and informal means.
- Micro-insurance can serve as a powerful safety net for the poor to protect against illness, death, disability, property damage, catastrophes, weather and natural disasters. However, only 10% of the population have some form of insurance in the country.
- RBI proposes that by 2016, each district would have a total deposits and investments to GDP ratio of 15% and a total term life insurance sum assured to GDP ratio of at least 30%. Credit to GDP ratio is aimed at about 10%.
- Mobile and branchless banking can increase distribution of much needed credit, savings and insurance products to low income households and businesses whilst reducing interest rates and premiums.
- Average cost of a typical domestic remittance of Rs.2,000 through a hawala is 4.6% of the transfer amount, including formal fees and indirect costs, such as paying a bribe or travelling to the nearest payment outlet.
- Sending and receiving money through India Post is expensive: in addition to paying 5% of the total transfer amount, 1% is spent in bribes, tips, and other indirect costs.
- Banks offer the cheapest method for sending money but are difficult to travel to, require high KYC and take up a lot of time in travel and queuing.
- Mobile and branchless banking channels are significantly less expensive, especially for lower transaction values.
- Alternative channels to cash are not only more affordable, (especially for low income providers) but are secure, reliable and allow proximity payments, saving customers time and money.

#### **MEASURES TAKEN BY RBI AND GOVERNMENT OF INDIA UNDER FINANCIAL INCLUSION PROGRAMMES**

Several measures have been initiated by both the Reserve Bank of India and the Government to bring the financially excluded people to the fold of the formal banking services. The important financial inclusion initiatives of RBI are as under:

- i. Swavalamban
- ii. Swabhiman
- iii. Opening of bank branches
- iv. No-frills account Simplification of know your customer (KYC) norm
- v. Aadhaar - Unique identification authority of India (UIDAI)
- vi. Ensuring reasonableness of bank charges
- vii. Business correspondent model
- viii. ix. Setting up of ultra small branches (UBSs)
- ix. Expansion of ATM network
- x. General credit card
- xi. Pradhanmantri jandhanyojana (PMJDY)

#### **THE IMPACT OF DIGITAL INDIA ON FINANCIAL INCLUSION**

These are the initiatives taken under digital India for development of IT sector. With the development of IT sector the objective of digital financial inclusion can easily be fulfilled.

1. To provide internet connectivity, better access to government services, development of IT skills, government will invest USD 18.4 billion.
2. Setting up of a pan India fiber-optic network.

3. Provision of Wi-Fi services in cities where the population is more than one million and also in tourist centres.
4. Provision of broadband internet access at a cost of USD 5.9 billion to 250000 village clusters by 2019.
5. Digital lockers will be provided to all the citizens, so that they can store their documents and records.
6. Setting up of 40000 internet access points.
7. Creation of direct jobs in IT sector for 1.7 Cr. people.

**INSIGHTS ON EMERGING APPROACHES TO DIGITAL FINANCIAL INCLUSION**

Some of the most important challenges/emerging issues associated with digital financial services:

- Limitations around national identification systems.
- Bringing regulators and policy makers together to coordinate and ensure policy consistency.
- How to best implement proportionate regulation, especially for know-your-customer.
- How regulators are able to keep themselves informed of new financial technologies fast enough to avoid the creation of potential barriers to fetch.
- Determining when a payment provider crosses the line in managing payments and deposit taking to understand at what point the regulator needs to oversee these players.
- How to deal with new data privacy issues as fin-tech player's access more information and share data with others.
- Oversight of third-party agents, especially principal-agent regulations.
- Risks for digital financial services consumers
- Outsourcing and third party service providers
- Responsibilities of the digital financial services providers
- Responsibilities of the financial regulator
- Responsibilities of the digital financial services consumers
- The importance of adequate and complete information
- New technology as a source of risk
- Risks associated with agents providing digital financial services
- Challenges with new services and service providers
- Consumer privacy concerns with digital financial services

**SEVERAL FACTORS SUPPORTING THE ADOPTION OF DIGITAL FINANCIAL SERVICES ACROSS INDIA INCLUDE**

- Innovation and the adoption of mobile and digital technologies
- The importance of digital ecosystems
- Growing trust and transparency in the sharing economy
- The role of government, the private sector, and the regulators
- The importance of an appropriate policy and regulatory enabling environment
- Making government-to-person and person-to-government digital
- Innovation is not only about financial inclusion for lower-income groups, but also about greater participation of women is required.

**KEY DEVELOPMENTS TO INCREASING DIGITAL FINANCIAL INCLUSION**

- Identification and biometrics
- Faster payment infrastructure
- Digitizing government-to-person (G2P) payments

- New models of collaboration and partnership
- Customer-centric models
- Crowd funding
- Big data analytics
- Digital currency
- Block chain technology
- E-commerce
- Reg-tech (regulatory technology)

### CONCLUSION

India has a huge potential for digital financial inclusion is concerned, as the youth population is highest in the world who are using smart phones, basically these groups are technological friendly as the internet access increased in couple of years. In order to making India a digital hub focus should be given on developing infrastructure which are suitable to achieve the goal of digital financial inclusion in our country. It has been experienced that countries around the globe are in the move of transforming their economy on the path of digitalisation for the purpose of transparency and providing better and safe financial services to the citizen of their nations, also in the era of globalisation it becomes necessary to link the people of one nation to other with the help of technology.

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A PREDICTION STUDY ON IMPACT OF NEW FDI REGULATIONS ON E-COMMERCE INDUSTRY IN INDIA

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ABSTRACT

India is Fastest growing Market for E-Commerce Sector. Revenue from this Sector is Expected to Increase from US\$ 39 billion in 2017 to US\$ 120 billion in 2020, growing at an annual rate of 51 percent, highest in the world. In order to increase the participation of foreign players in the E-Commerce field, the Indian Government hiked the limit of foreign direct investment (FDI) in the E-commerce marketplace model for up to 100 per cent (in B2B models).

Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017 Online retail sales in India are expected to grow by 31 per cent to touch US\$ 32.70 billion in 2018, led by Flipkart, Amazon India and Paytm Mall.

During 2018, Electronics is currently the biggest contributor to Online Retail sales in India with a share of 48 per cent, followed closely by apparel at 29 per cent. This paper reviews the trend of ecommerce sales before the introduction of FDI and reasons for need for modifying the FDI policy, its impact on ecommerce.

Keywords: FDI, Growth Rate, Revenue, E-commerce

INTRODUCTION

E-COMMERCE INDUSTRY IN INDIA

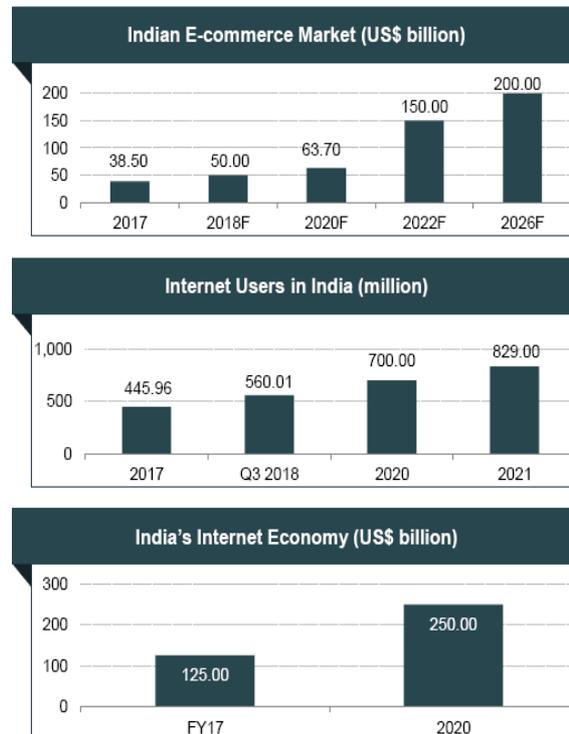


Figure 1: E-Commerce Industry in India

- Users Supporting E-Commerce Industry which is Highest in the World. Expected to surpass the US to become the Second Largest E-Commerce Market in the World by 2034. It is expected to reach US\$ 200 Billion by 2026 from US\$ 38.5 Billion in 2017.
- Each Month India is adding approximately 10 Million Daily Active Internet

ADVANTAGES TO INVEST IN E-COMMERCE INDUSTRY IN INDIA

- Initially, Most of the Companies Avoided Investing in E-Commerce but now they look it as an Opportunities in this Sector.

- Being driven by Young Demographic Profile, Increasing Internet Penetration and Relative Better Economic Performance, India’s E-Commerce Revenue is Growing at an annual rate of 51 per cent, the highest in the world.
- The Recent rise in Digital Literacy has led to an influx of Investment in E-Commerce Firms, Leveling the market for new players to set up their base.
- Government Initiatives like Start-up India & Digital India as well as rising Internet penetration is helping E-Commerce Sector to Gain its achievable growth.

**ONLINE RETAIL MARKET**

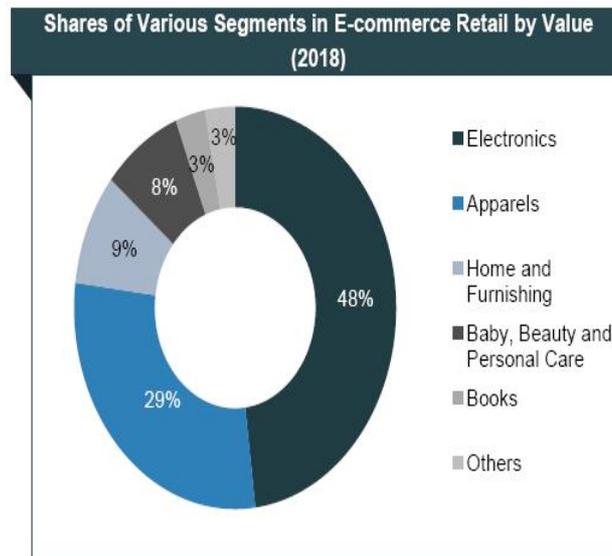


Figure 2: Various Segments in E-Commerce Retail By Value

- Electronics is currently the Biggest Contributor to Online Retail Sales in India with a Share of 48 per cent, followed closely by 29 per cent of Apparels. By 2025, Non- Electronics Categories are expected to take 80 per cent share in Online Retail in India.
- Around 1.9 Million Shipments are currently being handled everyday in metro cities contributing 50 per cent of this demand.
- Logistics is a major driver of the E-Commerce Retail Industry in India. Currently In-House (Captive) Logistics arms of Large Retailers execute the most Shipments having stake of about 49 per cent, Followed by E-Commerce Retail Focused LSP’s ( Logistics Service Provider’s) having an stake of about 28 per cent and than Traditional LSP’s having an stake of about 23 per cent.

**E-COMMERCE BUSINESS MODEL IN INDIA**

There are two Basic Models of Business in E-Commerce Industry in India, that includes:

1. Marketplace Model
2. Inventory-led Model

- **Market place Model** consists ofZero Inventory Model, in which Market place becomes a Digital Platform for Consumers and Merchants without actually warehousing the Products. For Example: Naaptol, eBay, Shopclues.
- **Inventory-led Model** consists of shopping websites where online buyers choose from among products owned by the online shopping company or shopping websites take care of the whole process end-to-end, starting with the product purchases, warehousing and ending with product dispatch. For Example: Jabong, Yepme and Latestone.com.

**OBJECTIVES**

1. To Study E-Commerce Industry & its Growth in India.
2. To Study How Governmental Policies/Decisions Affect the Business.
3. To Study Impact of FDI Regulations on E-Commerce Industry in India.

**LITERATURE REVIEW**

The Data Presented in this paper is referred from following Sources.

**1. Primary Data Source:**

- The Link below shows an Questionnaire that was prepared to receive Response from Respondents.
- <https://docs.google.com/forms/d/1u9CY8Cy53pTARNVn6owG4rHdshyvVSDKrDjTqOZ3WeM/edit>

**2. Secondary Data Source:****1. Reports Referred:**

1. Indian Brand Equity Foundation (ibef.org) E-Commerce Report of the Month January 2019.
2. Indian Brand Equity Foundation (ibef.org) E-Commerce Report of the Month December 2018.

**2. News Articles Referred:**

1. **“E-Commerce Policy to Have New FDI Norms” By KritikaSunejaPublished in Economic Times on 04<sup>th</sup>Febraury 2019.**

This News Article Focuses on Implementation of New Rules in E-Commerce Industry regarding FDI and has to be followed from 01<sup>st</sup> February 2019. Besides Amazon & Walmart owned Flipkart, which were the most Impacted by the Tighter Rules and had Sought an Ex-Tension of the Deadline, the Government had faced opposition from the American Chamber of Commerce in India, the Internet and Mobile Association of India & the US-Indian Strategic Partnership Forum.

2. **“Amazon, Flipkart Sales Fall a Third as FDI Norms Kick in” By AditiShrivastava&AlnoorPeermohamed Published in Economic Times on 04<sup>th</sup>Febraury 2019.**

**Bengaluru:** This News Article Focuses on dropdown of Sales Volume of E-Commerce Giants due to New FDI Policy. According to a Barclays Report in November Estimated Sales

by Amazon’s B2B Arm in FY18 at \$1.9 Billion, and that by Flipkart unit at \$3.3 Billion. As per the All India Online Vendors Association (AIOVA) said that they have not seen any upside or downside in sales post the implementation of the rules.

3. **“Amazon, Walmart Lose Over \$50 Billion in Market Value After E-tail Policy Change” By MadhavChanchani Published in Economic Times on 02<sup>nd</sup>Febraury 2019.**

This News Article Focuses on the Lose that were accrued by most of the Top Players of E-Commerce Industry in India. According to the Report of Naasdaq- Amazon Shares fell by 5.83% to \$1626.23, losing \$45.22 Billion in Market Capitalization. Walmart’s Share price fell by 2.06% to \$93.86 on NYSE, losing \$5.7 Billion in Market Capitalisation.

4. **“Smaller E-Commerce Players Like Snapdeal, ShopClues Back Febuary 1 Deadline” By Samidha Sharma & AlnoorPeermohamed Published in Economic Times on 28<sup>th</sup>January 2019.**

**Bengaluru| Mumbai:** This News Article Focuses on Most of Domestic E-Commerce Companies Snapdeal & ShopClues, Social Commerce Startups Including Shop102, and a bunch of online brands have come together to oppose any Extension of a February 1 Deadline. This is the First Time Smaller Online Retailers Have Voiced their Concerns to the Government After Last Month’s Review of Norms on Issues such as Inventory and Price Control & Equity Ownership in Vendors, which have hit their Biggest Rivals- Flipkart & Amazon the Most.

5. **“Offline Retailers Urge Members of Parliament Not To Extend Deadlines” By AlnoorPeermohamed Published in Economic Times on 29<sup>th</sup>January 2019.**

**Bengaluru:** This News Article Focuses on, As the February 1 Deadline for online marketplace to comply with the changes in FDI guidelines approaches, offline retailers are keeping up the pressure on the government, urging it not to give any requests for an extension by Flipkart & Amazon. Even All India Mobile Retailers (AIMR), which counts for 25,000 Mobile have written to Members of Rajya Sabha & Lok Sabha, accusing Amazon India and Flipkart. The Grouping has written to the Departmental of Industrial Policy and Promotion (DIPP) And Commerce Minister Suresh Prabhu at an Earlier Date. Flipkart & Amazon have written to the government asking for extensions ranging from Four to Six Months. As far as Smart phone Market in India is Concerned about 40% of Sales occurs by E-Commerce Platform. AIMRA has also claimed that Discounts

offered by these players to incentivize buyers and grow their market share have adversely affected small offline retailers.

**6. “FDI Rules May Affect 50 % of Amazon, Flipkart Businesses” By Alnoor Peermohamed & Biswarup Goptu Published in Economic Times on 01<sup>st</sup> February 2019.**

**Bengaluru | New Delhi:** This News Article Focuses on Impact of Newly Revised FDI Rules in E-Commerce Industry. The Top Players of this Sector Include Flipkart & Amazon having sales Driven Activities of about 50-60%. So, there will be Negative Impact on E-Commerce Industry considering Bulk of the Gross Sales driven by Flipkart & Amazon.

**7. “Flipkart Warns of More Customer Distruption if New India Rules are not Dealyed” By Reuters Published in Economic Times on 29<sup>th</sup> January 2019.**

This News Article Focuses on the Time Period that Flipkart Requires to meet compliance of Government and to be extended for next 5-6 Months eitherwise it may affect ‘Significant Customer Distruption’. As Government has bar E-Commerce Companies from selling products from firms in which they have an Equity Interest and also ban them from reaching deals with sellers to only sell on one platform.

**8. “Online Sales of Smartphones May Well be Off This Quarter” by Danish Khan Published in Economics Time on 12<sup>th</sup> February 2019.**

**New Delhi:** This News Article Focuses on Impact upon Sales of Smart phones, as in India Smart phones sales may drop down to 26-27% of Total Sales. There is already an Impact Typically, E-Commerce Contribution goes as high as 38-40% during the Festive Season, but in Q1-Q2, it hovers around 30-31%. This Time, it might fall by up to 4% because of the policy change. FDI Rules will Impact Model Exclusively for Brands on Online Channels as 35% of Online Sales are Triggered by Offers/Promotions & Discounts.

**RESEARCH METHODOLOGY**

The Detailed Survey of Customers (the Customers that do Online Shopping as well as Customers who prefer Retail Stores for Shopping) & Retail Stores was conducted. For the Customers Segment as well as Retail Stores Initially Awareness of Topic & its Impact were discussed. A Sample of **70** Customers and **10** Retail Stores were selected. The Results or Observations are Discussed in Data Analysis & Interpretation.

**RATIONALE**

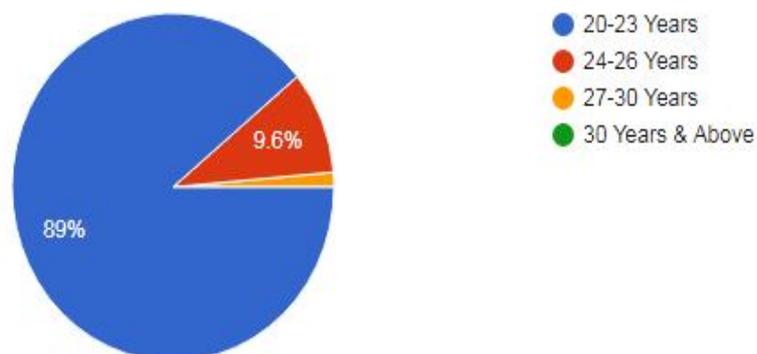
To understand the FDI and revision in policy on FDI in ecommerce, it would be worthwhile to understand the E-commerce market and introduction of FDI in India.

**DATA ANALYSIS & INTERPRETATION**

The following are the Observations found in an Survey.

**Age**

73 responses



1.

Figure 3: Age Group

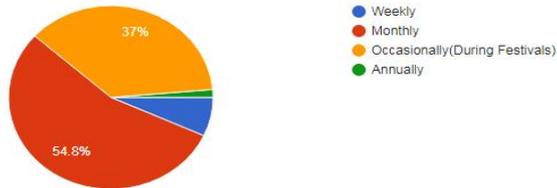
**Interpretation**

Majority of the respondents were between the ages of 20-23 years i.e. 89%, 9.6% of the respondents were in the 24-26 years of age group and 1.4% of the respondents were between 27-30 years of age.

Shopping Behaviour

How Often You Do Shopping?

73 responses



2.

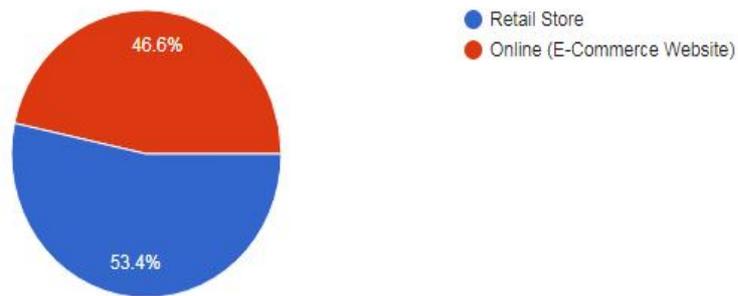
Figure 4: Shopping Behavior

Interpretation

54.8% of the respondents shopped on a monthly basis, 37% of the respondents shopped during festive seasons and 6.8% of the respondent's shopped weekly whereas 1.4% shopped annually

What Medium of Shopping Do You Prefer For Shopping?

73 responses



3.

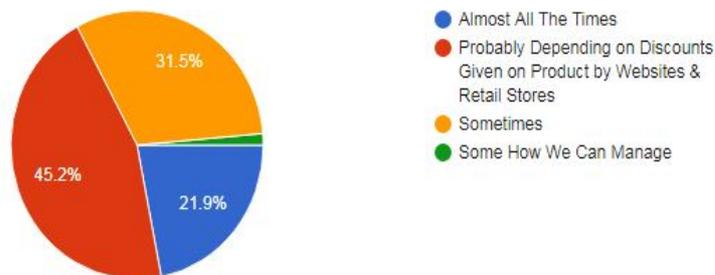
Figure 5: Medium of Shopping

Interpretation

53.4% of the respondents prefer shopping from retail stores whereas 46.6% of them prefer shopping from E-commerce platform.

How Much Do Discounts & Offers Influence Your Shopping Behaviour?

73 responses



4.

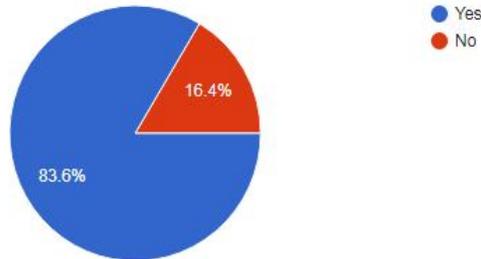
Figure 6: Do Discounts & Offers Influence Shopping Behavior

Interpretation

45.2% of the respondents said that discounts influence them to shop from a retail store or an e-commerce website, 31.5% say that they are influenced by offers and discounts sometimes whereas 21.9% of the respondents say that they are almost always influenced by offers and discounts while shopping. 1.4% respondents say that they would manage according to their preferences.

If Proper Discounts are not Provided on a Specific Site will You Shift to Next Website for Shopping?

73 responses



5.

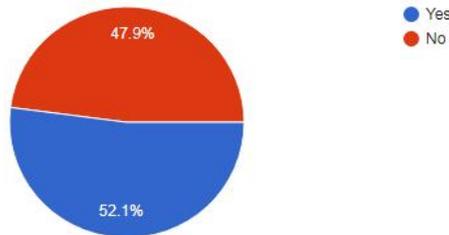
Figure 7: Switching to Other Sites

**Interpretation**

Majority of the respondents i.e. 83.6% say that they would switch between websites to avail the maximum benefit of discounts, while 16.4% say that they wouldn't shift to another website.

If you DON'T Receive any Discounts as Compared to Retail Stores, will you STOP Purchasing on E-Commerce Websites?

73 responses



6.

Figure 8: Purchasing Decision

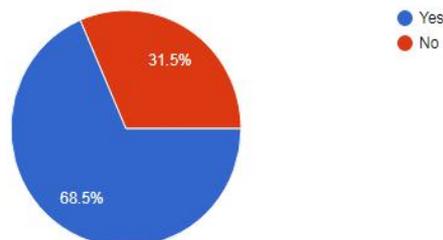
**Interpretation**

52.1% of the respondents say that they would stop purchasing from the e-commerce websites if they stop receiving discounts while 47.9% say they would continue shopping.

**Economical Awareness**

Are you Aware of New FDI Policy in E-Commerce Industry in India?

73 responses



7.

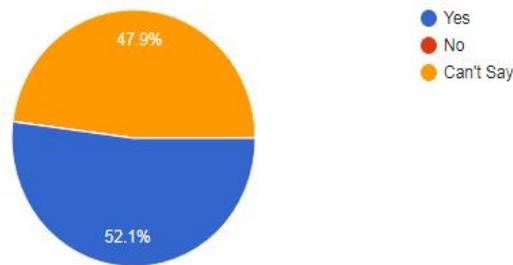
Figure 9: Awareness of Customers

**Interpretation**

Majority of the respondents i.e. 68.5% were aware of the new FDI policies for the e-commerce while 31.5% didn't know about them.

What Do you Think Such Decisions will Help the Growth of MSME's?

73 responses



8.

Figure 10: Will the Decision be Helpful for Growth of MSME's

### Interpretation

52.1% of the respondents said that the new FDI policy would help the growth of the MSME's while 47.9% of the respondents couldn't anticipate the aftereffects of the policies.

### KEY FINDINGS/OBSERVATIONS

- There are very less i.e. 1.4% respondents who shop on a daily basis and 54.8% respondents shop on a monthly basis.
- The distribution of preferred medium of shopping is almost equal with e-commerce leading with 54.6% and retail following closely with 46.6%.
- Discounts are the factor which influences the people to shop from a particular medium and/or a particular ecommerce platform.
- Majority of the respondents i.e. 68.5% were aware about the new FDI policies for e-commerce.
- 52.1 % of the respondents felt that new FDI policies would help in the growth of MSME's.

### PREDICTED IMPACT

- Many small sellers on Amazon have started quitting the platform in large numbers citing difficulty in managing logistics on their own. Amazon had as many as around 4 lakh small sellers on its platform but with the new rules in place its Cloudtail and Appario have become inactive.
- enforcement will affect the flexibility that e-commerce platforms had in doing business, and force them to be neutral to all vendors.
- mandating vendors to sell exclusively on their platforms may have a major impact on customer behaviour. Most customers shop online for deep discounts and exclusive offerings, which may not be available on other online platforms, or in offline stores.
- This will, in turn, have an impact on the revenue and growth of e-commerce companies in India
- Decline in the employment of associated workforces and businesses
- will also have an impact on private labels being sold by e-commerce companies. Over the last few years, companies such as Flipkart, Myntra and Amazon India, among others, have been introducing private label/in-house brands to garner more customers through exclusive offerings at lower costs and higher margins, so that their path to profitability is shorter and smoother
- Brick-and-mortar businesses are set to be big gainers from the changes.
- companies who have a sales presence (both online and offline) will not be affected as the store sales will continue as usual.
- Appliance makers who were primarily selling their products online are now looking for alternate channels as the revised policy for foreign direct investment (FDI) in e-commerce companies has done away with deep discounts.
- said the celebrity brands "will have to stop selling on Myntra and Jabong from 1 February unless online store operators sell their stakes in those labels."

**IMPACT FOR SHOPPERS**

1. Cheap deals on Flipkart and Amazon are set to dip sharply on a select range of products. In fact, some prices have been already revised by the major online marketplaces.
2. New purchases from either Amazon or Flipkart would also cost you more as the products will be sold directly via a third-party seller, who is likely to charge more than the existing inventory-based system.
3. Now the offline business may be more preferred as the discount of online shopping are not available
4. A bulk of customers on e-commerce websites seek to purchase electronic products including mobile phone, digital camera, laptops, video game consoles but the new FDI rules may lead to higher prices.

**RESULTS OF PILOT SURVEY****Industry Experts' Views**

1. it may kill competition
2. rather than protect the retail traders spread across the country, new initiatives to support the growth would have been progressive
3. this amounts to drifting away from globalization
4. government is changing position due to vote bank politics so as to appease the trader community which was largely hit earlier by the demonetization and the GST
5. Brokerage Morgan Stanley hints that Walmart would lower its profitability in the long run
6. Snapdeal and Shopclues have welcomed the step

**Views of the Public**

1. Government should have also thought of consumers who were getting good quality and price
2. Rather than Punishing the good performers, discounts and incentives should have been controlled
3. changes appear aimed at creating a level playing field among vendors and broadbasing of vendors in a marketplace, on the lines of Alibaba and eBay.

**LIMITATIONS**

The time frame for reflecting on the impact is quite short one. At least one quarter of performance will make the picture more clearer

**SUGGESTION**

If it is implemented in proper spirit, malpractices and predatory pricing policy and deep discounting of E-Commerce players will be a thing of the past.

**CONCLUSION**

- 1) Discounts govern the shopping behavior of the Customers.
- 2) Thus, it may be concluded that though the revision of the FDI policy aims to support the offline and small traders, it may be viewed as a hindrance to globalization, quality and performance of business.

**REFERENCES/BIBLOGRAPHY**

The Data Presented in this paper is referred from following Sources.

**1. Primary Data Source**

- The Link below shows an Questionnaire that was prepared to receive Response from Respondents.
- <https://docs.google.com/forms/d/1u9CY8Cy53pTARNVn6owG4rHdshyvVSDKrDjTqOZ3WeM/edit>

**2. Secondary Data Source****News Articles Referred**

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2. <https://timesofindia.indiatimes.com/business/india-business/amazon-walmart-lose-over-50-billion-in-market-value-after-e-tail-policy-change/articleshow/67804639.cms>
3. <https://timesofindia.indiatimes.com/business/india-business/e-shopping-to-cost-more-no-quick-deliveries/articleshow/67802658.cms>

4. <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/walmart-remains-confident-of-indias-potential-kalyan-krishnamurthy/articleshow/67877982.cms>
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**REPORTS REFERRED**

1. Indian Brand Equity Foundation([www.ibef.org](http://www.ibef.org)) E-Commerce Report of the Month January 2019.
2. Indian Brand Equity Foundation([www.ibef.org](http://www.ibef.org)) E-Commerce Report of the Month December 2018.

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**WORLD ROAD TO CASHLESS ECONOMY WITH RESPECT TO BANKING FINANCE AND INSURANCE SECTOR**

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**Dhriti Rathod**Assistant Professor, Jaihind College, Churchgate

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**ABSTRACT**

*Cash has always been a primary method of transacting in the economy. However, global technological advancement resulting in the introduction of several non-cash payment variants such as plastic money, mobile wallets, etc has opened up avenues to facilitate payments without the usage of physical currency. A Cashless Economy is an economy in which all types of transactions are carried out through digital means. It includes e banking (Mobile banking or banking through computers), debit and credit cards, card-swipe or point of sales (POS) machines and digital wallets. A major motivator of embracing cashless transactions is basically the ease and convenience of making transactions that it carries. The paper attempts to examine people's progress towards modern, efficient electronic payment mechanisms by analysing their frequency of digital transactions and the growth prospects of the cashless economy in banking an insurance sector.*

*Keywords: Cashless transaction, non-cash payments, digitalisation, digital literacy banking*

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**INTRODUCTION**

World road in Cash less economy helped in curbing generation of black money. As a result it reduces real estate prices because most of black money is invested in Real estate which inflates the prices of Real estate markets. 1 in 7 notes is supposed to be fake, which has a huge negative impact on economy, by going cashless, that can be avoided. An increased use of digital payment instead of cash would enable a more detailed record of all the transactions which take place in the society, allowing more transparency in business operations and money transfers which reduce tax avoidance and money laundering .Cashless Economy also reduces the cost of banking finance an insurance services an also helped them to maintain the record easily an understand the country cash flows better. It also improves monetary policy in managing inflation and increases economic growth in our country. Another benefit of cashless economy is that it discourages cash related robberies and other cash-related crimes.

**REVIEW OF LITERATURE**

Many research studies have been conducted on the subject of cashless in India and abroad. The major emphasis of research has been on various issues like cyber security, usage pattern, new emerging methods of epayment systems, etc. A paper by the Reserve Bank of India ("Concept Paper on Card Acceptance Infrastructure", RBI 2016) identifies and presents the broad contours of a multi-directional strategy to enhance the growth in acceptance infrastructure (ATMs, Points of Sale, Cards, etc) and usage of cards including further rationalisation and improvement of merchant discount rates or merchant fees for debit card transactions. The report has suggested ways to encourage banks to promote payments by cards. Besides mandating banks and rationalising charges, proposals include setting up a fund for investing in swipe machines. Security has always been the main concern the world over as it proves to be a threat on the digital payments ecosystem. The cyber infrastructure of the country has been examined in a research study by KPMG („Digital Payments – Analysing the Cyber Landscape“, 2017) that throws light on the digital payments infrastructure in India with respect to technology adoption, emergence of new companies like those in fintech, the required security measures that need to be taken care of by Indian consumers and businesses alike, and preventive steps for cyber frauds. With constant development plans and initiatives by the Government to strengthen digital transactions in the country, the scenario is likely in favour of digitisation of payments space. New methods of payments like mobile wallets, UPI/USSD-enabled payments have grown by a huge leap since the Demonetisation move of November, 2016. A study by Boston Consulting Group and Google in July noted that wallet users have already surpassed the number of mobile banking users and are three times the number of credit card users and is expected to grow at a steady rate in the coming days as well.

**OBJECTIVES OF THE STUDY**

- 1) To study awareness level of the various methods and digital modes of payments, increased financial inclusion, and digital literacy among the citizens.
- 2) To study the most preferred payment method/ preferred payment mode amongst the consumers.
- 3) To study the impact of economy turning cashless in banking an insurance sector

**RESEARCH METHODOLOGY**

**Sampling technique**

Convenience sampling technique will be used for collecting the data from different investors. The investors are selected by the convenience sampling method. The selection of units from the population based on their easy availability and accessibility to the researcher is known as convenience sampling.

**Sampling unit**

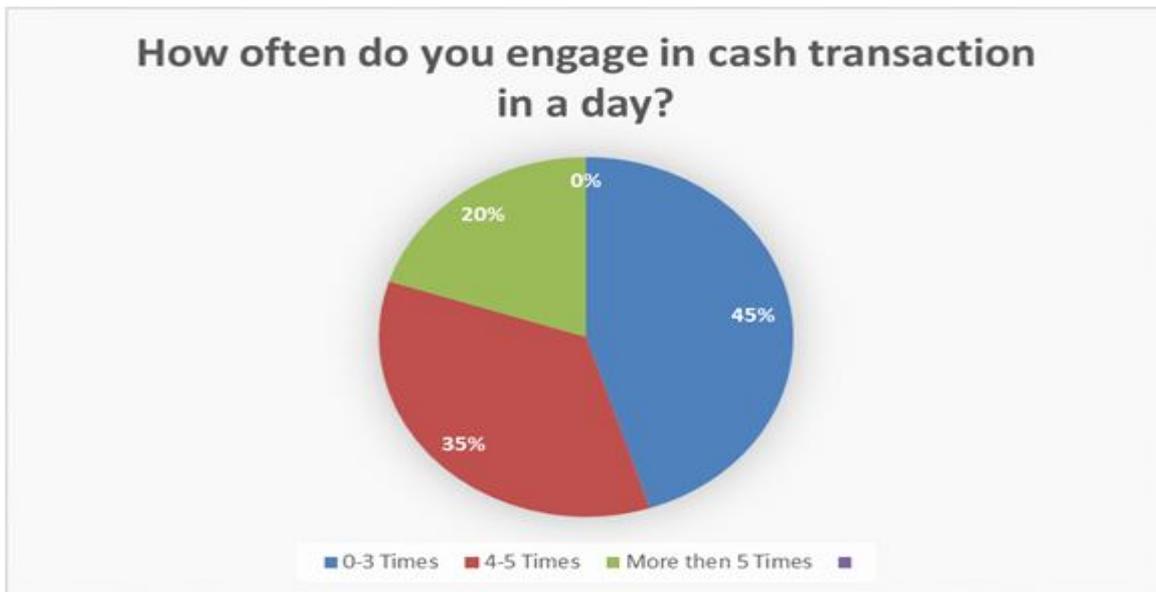
The respondents who will be asked to fill out the questionnaires are the sampling units. These comprise of employees housewives, self-employed, professionals & college students.

**Sampling size**

The sample size will be restricted to only 50, which comprised of mainly people from different regions of Mumbai city due to time constraint.

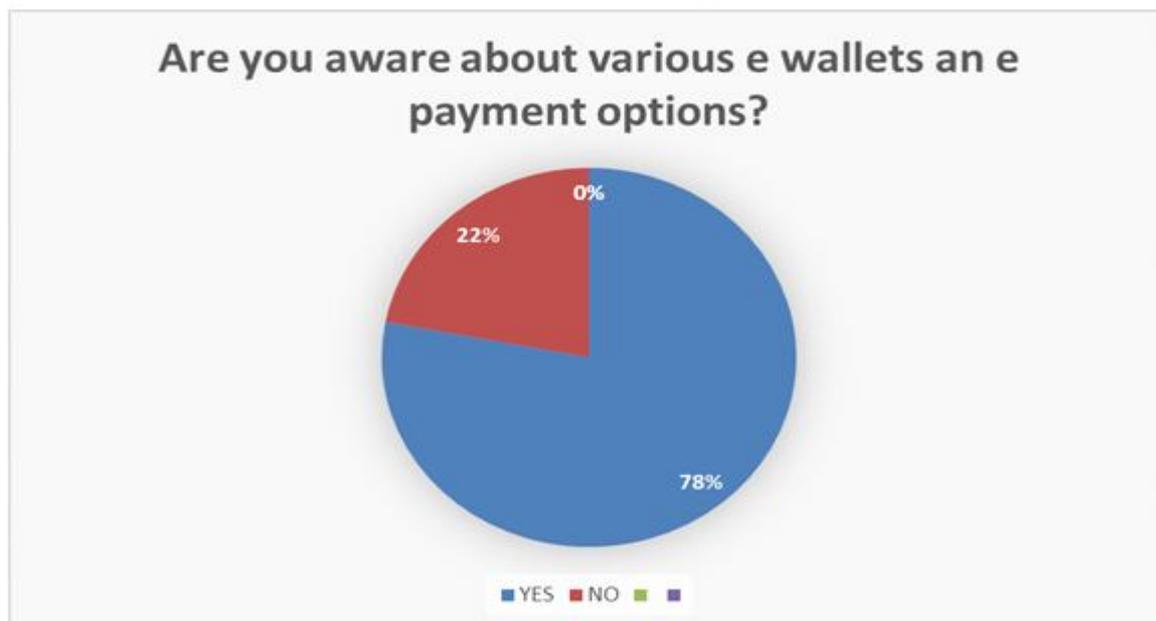
**DATA ANALYSIS**

**I.**



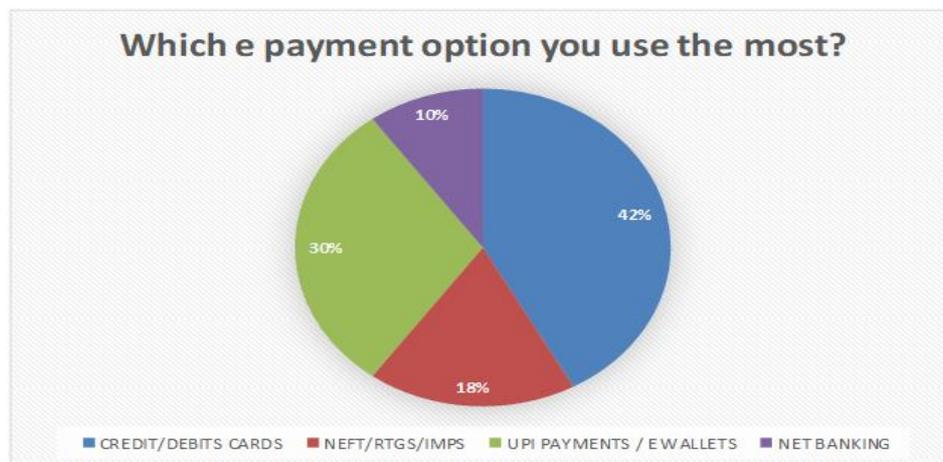
As a habit Indians tend to spend more in cash as compared to engaging in cashless transactions. Hence the frequency of cashless transactions is less as compared to cash transactions.

**II.**



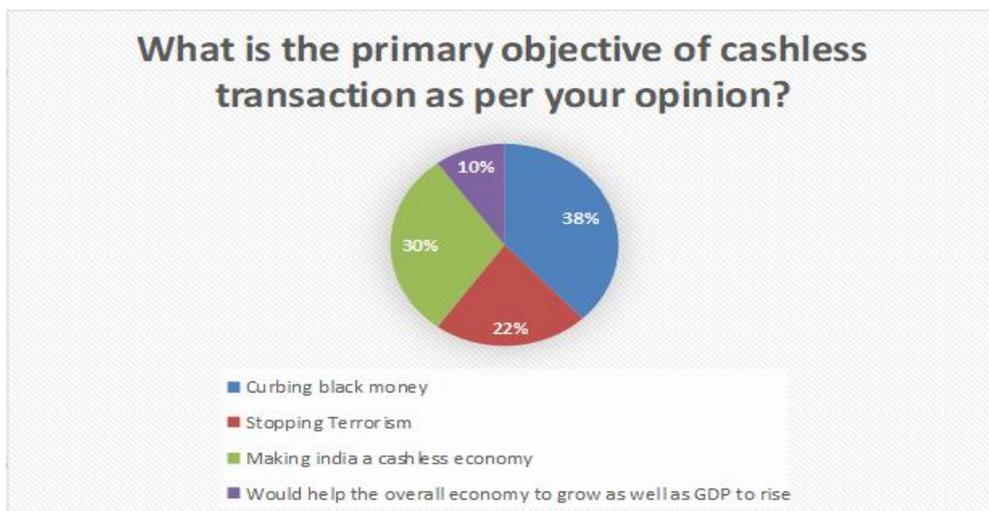
People are quite aware about various e wallet payment options available in the economy.

III.



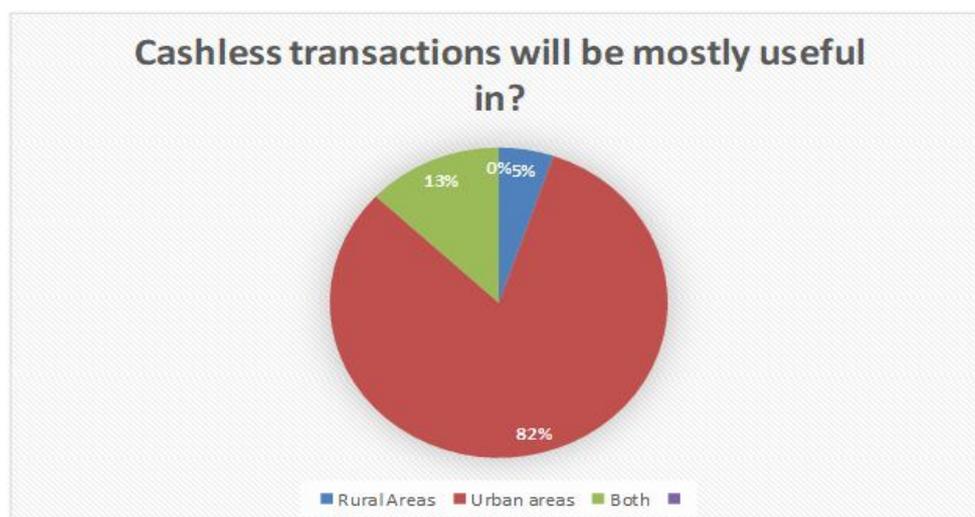
Online transfer of payments is more preferred compared to all other e payment options, as it is perceived to be the most convenient compared to all other options of payments.

IV.



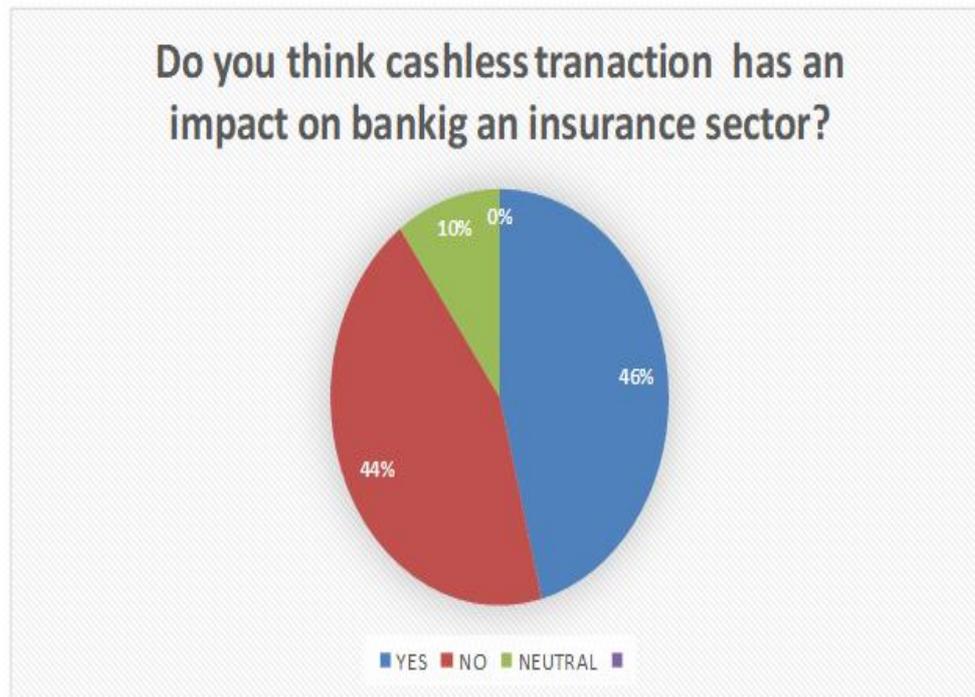
Curbing black money transactions and making India a cashless economy are two primary motives of cashless transactions.

V.



Population dwelling in rural areas prefer cash transactions more than cashless transactions as cash transactions are the easiest mode of payment.

## VI.



Cashless transactions has positively impacted the banking and insurance sector and has also led to a growth in the same.

**LIMITATIONS OF THE STUDY**

- 1) This study was conducted in Mumbai so the result obtained reflects the awareness level and opinions of people dwelling in this city only. The results cannot be generalized for other parts of the country.
- 2) Sample size is 50 which means that there exists a chance of sampling error.
- 3) The reactions of the respondents can be biased as they might be reluctant in disclosing the real information.

**CONCLUSION**

The initiative of a widespread digitisation of the transactional space by the Government is a commendable step. The past one year has seen growth of digital payments by leaps and bounds across sectors. This can be majorly credited to demonetisation that led to the multiplying of the digital transactions space almost overnight. The advantages and benefits of a cash-less economy are many and the same can be made all the more effective by tackling the problems that obstruct its growth prospects. Improving and setting up a robust cyber space to combat any attacks of fraud, malware, information theft and others is a prerequisite for a smooth digital transaction system. Awareness of the various methods and modes of payments, increased financial inclusion, and digital literacy among the citizens is also a key driver of the cash-less movement. The economy is a long way to go in terms of achieving high rural literacy rates and supportive infrastructure for digital transactions, including internet penetration as well as smartphone usage. The country has a long way to go to claim successful achievement of cash-less economy, and the citizens, businesses and the Government need to work in harmony and progressively to reach this milestone of a developed economy. Cashless economy will not only help banking and insurance segment to grow but also will help us in achieving higher GDP.

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**ROLE OF PROMPT CORRECTIVE ACTION (PCA) IN INDIAN BANKING INDUSTRY**

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**ABSTRACT**

*This research paper explains why the Prompt Corrective Action (PCA) framework of the Reserve Bank of India (RBI) is an essential element of its financial stability framework. It lays out the case for structured early intervention and resolution by regulators for banks that become under-capitalised due to poor asset quality or vulnerable due to loss of profitability. Detailing the mandatory and discretionary actions under the RBI's Revised PCA framework, it compares and contrasts these with the PCA framework operating in the United States. Finally, it documents empirically how Indian banks under the PCA framework are being restored back to health through better capitalisation, preservation of capital, and provisioning for losses. This paper is also disclose name of banks who are under PCA and due to which parameters they are under PCA list.*

*Keywords: PCA, NPA, CRAR*

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**1. INTRODUCTION OF PCA**

The Reserve Bank has specified certain regulatory trigger points, as a part of prompt corrective action (PCA) Framework, in terms of three parameters, i.e. capital to risk weighted assets ratio (CRAR), net non-performing assets (NPA) and Return on Assets (RoA), for initiation of certain structured and discretionary actions in respect of banks hitting such trigger points. The PCA framework is applicable only to commercial banks and not extended to co-operative banks, non-banking financial companies (NBFCs) and FMI's.

RBI has set trigger points on the basis of CRAR (a metric to measure balance sheet strength), NPA and ROA. Based on each trigger point, the banks have to follow a mandatory action plan. Apart from this, the RBI has discretionary action plans too. The rationale for classifying the rule-based action points into "mandatory" and "discretionary" is that some of the actions are essential to restore the financial health of banks while other actions.

**2. HISTORY:**

The 1980s and early 1990s were a period of great stress and turmoil for banks and financial institutions all over the globe. In USA, more than 1,600 commercial and savings banks insured by the Federal Deposit Insurance Corporation (FDIC) were either closed or given financial assistance during this period. The cumulative losses incurred by the failed institutions exceeded US \$100 billion. These events led to the search for appropriate supervisory strategies to avoid bank failures as they can have a destabilising effect on the economy. Due to the adverse impact on the economy, medium sized or large banks are rarely closed and the governments try to keep them afloat. Bank rescues and mergers are far more common than outright closures. If banks are not to be allowed to fail, it is essential that corrective action is taken well in time when the bank still has adequate cushion of capital to minimize the losses.

**3. OBJECTIVES OF STUDY:**

1. To understand the PCA parameters applicable to banks.
2. To know mandatory action taken on banks under PCA framework.
3. To know the Performance of banks under PCA list.

**4. PARAMETERS OF PCA**

RBI has issued a policy action guideline (first in December 2002 and revised in 2014 and 2017) in the form of Prompt Corrective Action (PCA) Framework if a commercial bank's financial condition worsens below a mark. The PCA framework specifies the *trigger points* or the level in which the RBI will intervene with corrective action. This trigger points are expressed in terms of parameters for the banks.

The parameters that invite corrective action from the central bank are:

1. Capital to Risk weighted Asset Ratio (CRAR)
2. Net Non-Performing Assets (NPA) and
3. Return on Assets (RoA)
4. Leverage ratio

When these parameters reach the set trigger points for a bank (like CRAR of 9%, 6%, 3%), the RBI will initiate certain structured and discretionary actions for the bank. As per the revised framework by the RBI, in April 2017, capital, asset quality and profitability continue to be the key areas for monitoring. Along with this, leverage of banks also will be monitored.

The some of the structured and discretionary actions that could be taken by the Reserve Bank are: recapitalization, restrictions on borrowing from inter-bank market to steps to merge/amalgamate/liquidate the bank or impose moratorium on the bank if its CRAR does not improve beyond etc.). The corrective actions are tough with worsening of the financials. The major trigger points in the original format were:

- **CRAR**

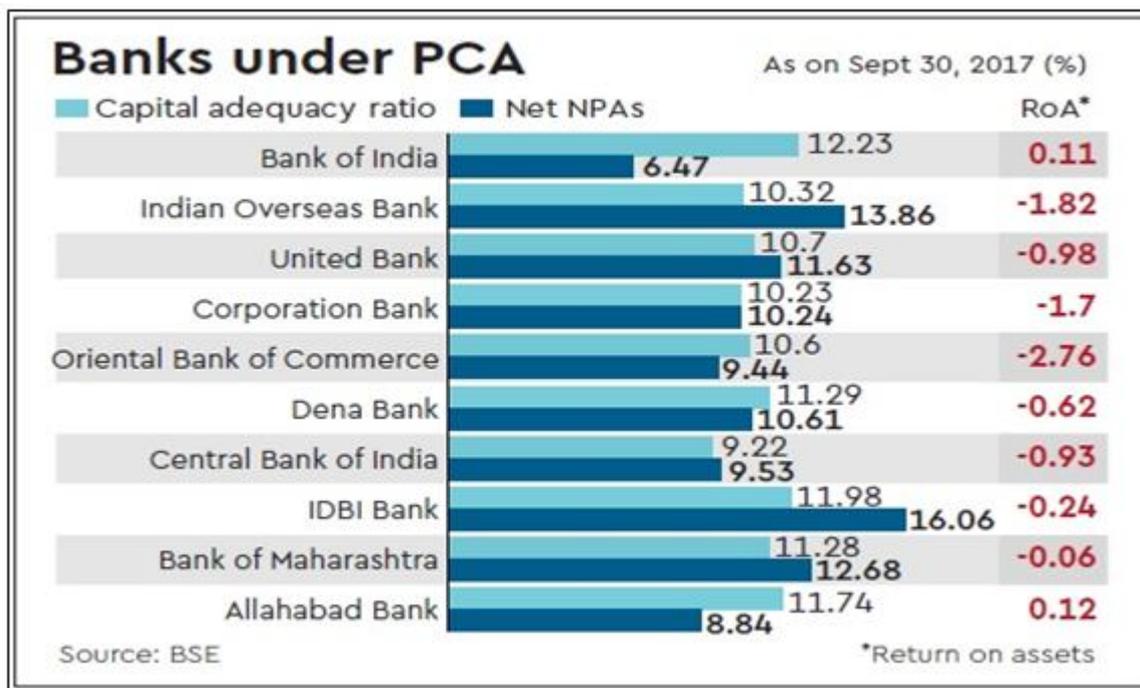
- (i) CRAR less than 9%, but equal or more than 6%
- (ii) CRAR less than 6%, but equal or more than 3%
- (iii) CRAR less than 3%

- **NPAs**

- (i) Net NPAs over 10% but less than 15%
- (ii) Net NPAs 15% and above

- **ROA below 0.25%**

The PCA framework is applicable only to commercial banks and not extended to co-operative banks, non-banking financial companies (NBFCs) and FMI.



### 5. MANDATORY ACTION TAKEN BY RBI

- Bank will not access/renew costly deposits and CDs.
- They will take steps to increase fee-based income.
- The Bank will take steps to contain administrative expenses Bank will launch a special drive to reduce the stock of NPAs and contain generation of fresh NPAs.
- The Bank will not enter into new lines of business.
- Bank will reduce/skip dividend payments.
- RBI will impose restrictions on the bank on borrowings from the interbank market.
- The Bank will not incur any capital expenditure other than for technological up gradation within Board approved limits.
- Bank will not expand its staff/fill up vacancies.

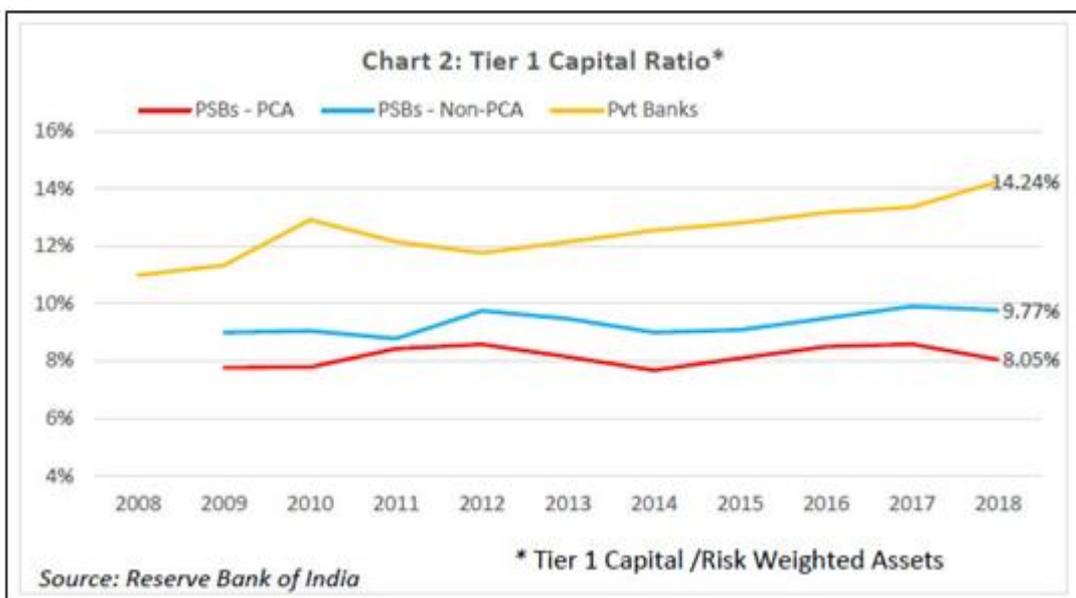
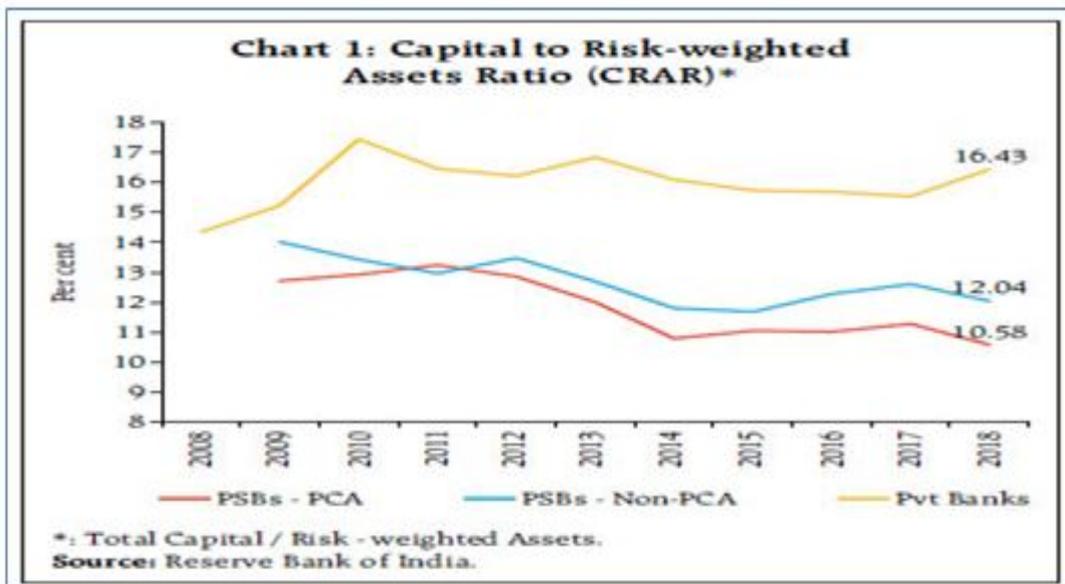
**6. PERFORMANCE OF THE PCA BANKS IN INDIA**

Let me now turn to some data. The goal of the exercise will be to help understand the ten-year performance (wherever data is available) of banks on which the Reserve Bank has imposed the PCA. The reason for examining the performance of these banks over a long time period is to appreciate the fact that the progress of banks under PCA cannot be judged over a relatively short time scale. The longer the under-capitalisation and asset quality problems have festered, the more patient one has to be during the rehabilitation process. There is no quick fix or overnight silver bullet here; the reforms have to be implemented and allowed to run their course; they can't be chopped or diluted mid-stream; the focus has to be on stability that is durable.

As I explain below, there are emerging signs that the performance of banks under PCA is slowly but steadily being restored. Presently, there are twelve banks, eleven in the public sector and one in the private sector, under the Reserve Bank's Revised PCA Framework, with PCA having been imposed on them between February 2014 and January 2018. I will focus below only on the eleven PSBs under the PCA. The share of these PCA banks in advances and deposits as on March 31, 2018 was 18.5% and 20.8%, respectively. The following trends emerge as one track the performance of these banks in terms of capitalisation and asset quality:

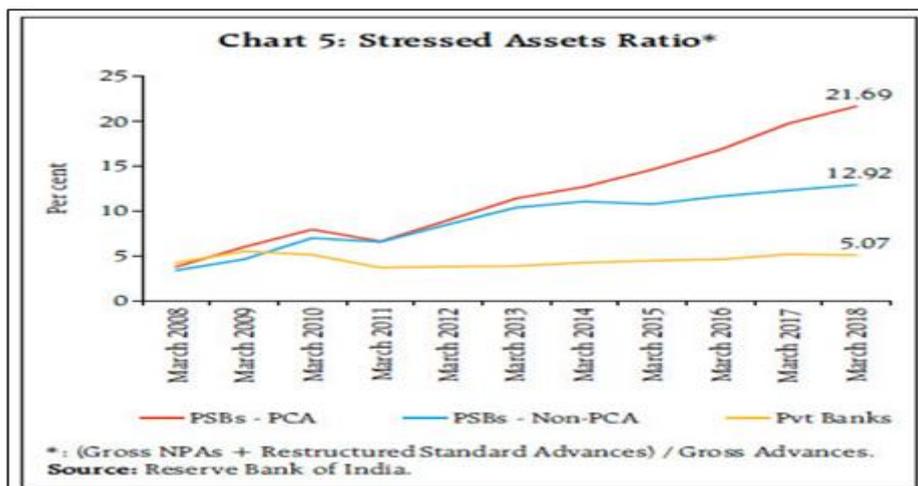
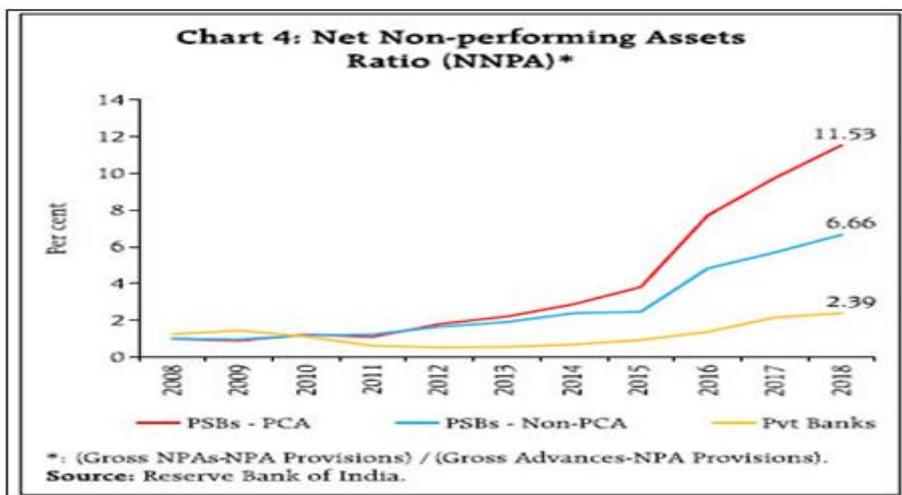
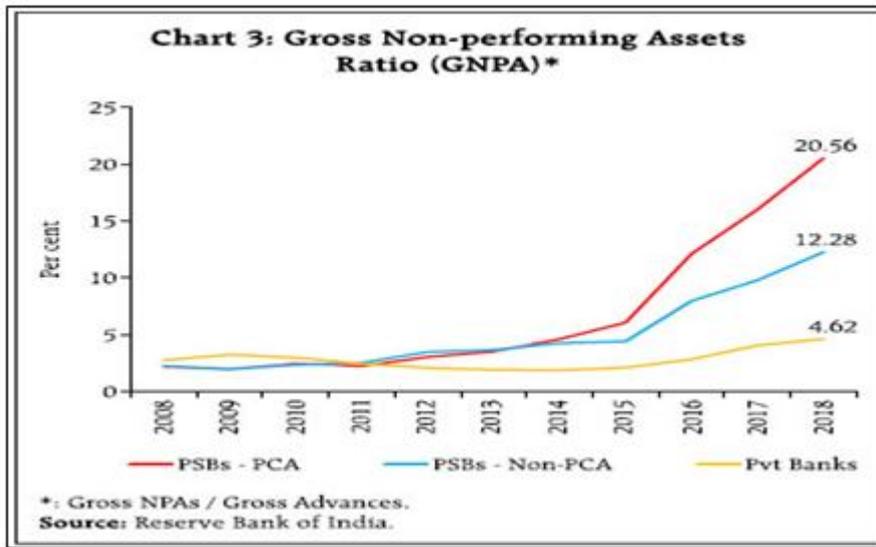
**I) Capitalisation**

(Chart 1, 2): The declining trend of CRAR and Tier-1 capital ratio for PCA banks that started in 2011 has been arrested and the ratio has been maintained steady since 2014 at or above internationally prescribed levels. It may, however, be noted that the PCA banks have had lower CRAR and Tier-1 capital ratios compared to non-PCA banks (barring 2011), and especially private banks (right since 2009)



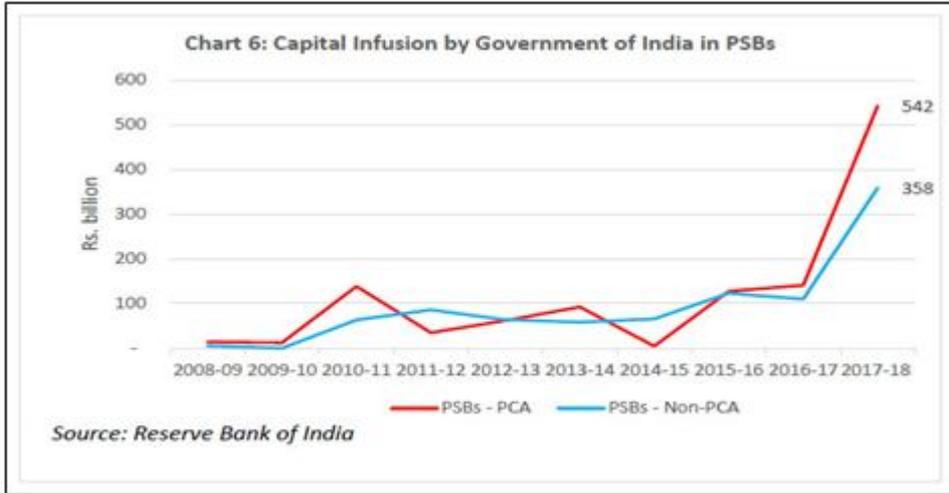
**II) Asset Quality**

(Charts 3, 4, 5): Both the gross and net NPA ratios of PCA banks mirrored those of non-PCA banks up until about 2014. However, post the Asset Quality Review (AQR) exercise, the NPA recognition at PCA banks has led to a sharper rise in both gross and net NPAs, relative to non-PCA banks, and especially relative to private banks. This does not mean that AQR caused the NPAs; it simply induced the long-overdue recognition of NPAs. Notably, the stressed assets ratio, which besides NPAs includes the Restructured Standard assets (that enjoyed the regulatory forbearance under the earlier guidelines), reveals that the underlying asset quality at PCA banks was deteriorating at a sharper pace compared to non-PCA banks right since 2011, which is now accepted as the time by which the lending boom of 2009-10 began to unravel.



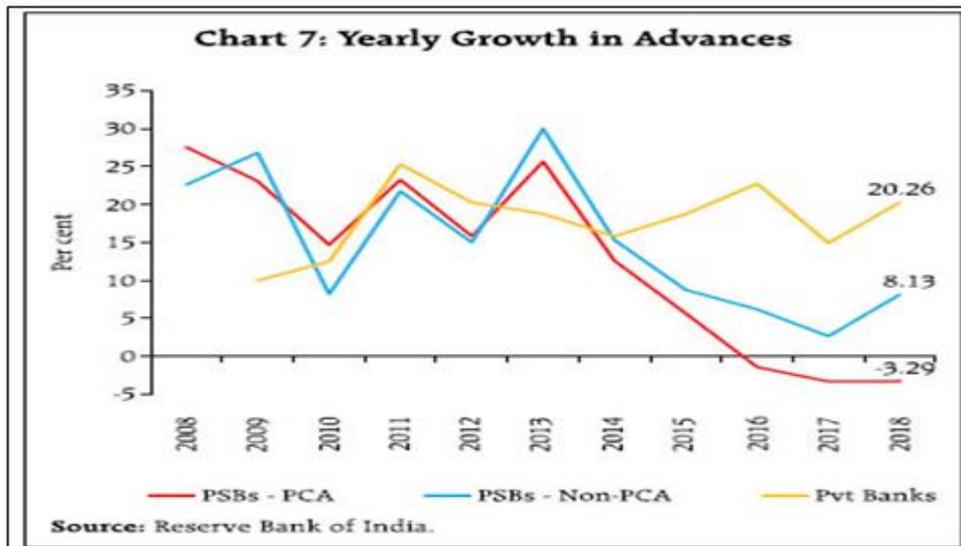
**III) Recapitalisation (Chart 6)**

The Government of India has infused more than Rs. 2,300 billion in public sector banks since 2005, more than half of which has gone into banks currently under PCA. Within PCA banks, almost half of the total infusion (*i.e.*, Rs. 635 billion) has occurred during FY2018 and FY2019, after the banks were classified under PCA. This recapitalisation has been an important contributor to financial stability of these banks and of the rest of the banking system they deal with:



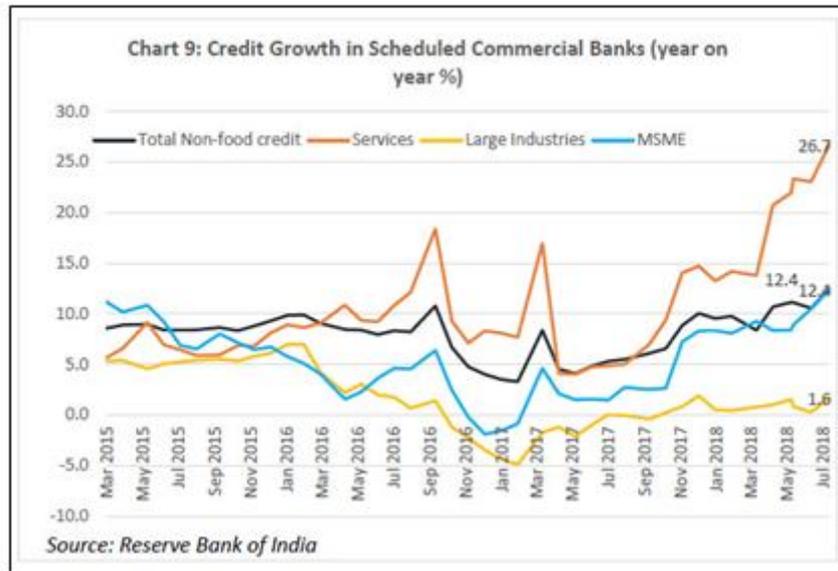
**IV) Preventing further deterioration (Chart 7)**

In spite of their worse capitalisation and stressed assets ratio compared to other banks, PCA banks had credit growth that was as strong as that of other banks up until 2014. However, since the AQR exercise and the imposition of PCA, the year on year growth in advances for PCA banks has declined from over 10% in 2014 to below zero (contraction) by 2016 and remained in the contraction zone since. Given the evidence presented above on PCA bank’s sustained problem of asset quality (Charts 3, 4 and 5), this is indeed the required medicine to prevent further hemorrhaging of their balance-sheets:



**V) CREDIT GROWTH**

There is an assertion being made in some circles that imposition of the PCA has starved the Indian economy of credit. There is little factual basis for this assertion, either for the overall economy or at sectoral level. While it is true as shown above that PCA banks are experiencing lending contraction on average (in terms of their year on year growth in overall advances), the nominal non-food credit growth of scheduled commercial banks has been close to or above double-digit levels, for past several quarters, and with a robust distribution across the sectors of the real economy (Chart 9). This is because the reduction in lending at PCA banks is being more than offset by credit growth at healthier banks. This is indeed what one wants – efficient reallocation of credit for the real economy with a financially stable distribution of risks across bank balance-sheets. Indeed, the funding for the economy as a whole has become diversified over this period, also due to the growth of capital markets:



There is also a call for more lending by PCA banks to large industries where the overall credit growth remains muted. Note that many of these industries are heavily indebted to start with and are going through a deleveraging process under the IBC (so that at present, their sectoral capacity is still somewhat in excess and credit demand itself weak). The key point is that PCA banks are de-risking the asset side of their balance sheets by moving away from riskier sector loans to less riskier ones and government securities; the first and foremost priority is to limit (effectively, taxpayer) losses at PCA banks and prevent further erosion of their capital .

**7. LIST OF BANKS IN PCA**

RBI had added 11 weak PSBs out of the 21 State-owned banks are under the PCA, which kicks in when banks breach regulatory norms on issues such as minimum capital, amount of non-performing assets and return on assets. The RBI enforces these guidelines to ensure banks do not go bust and follow prompt measures to put their house in order, the following is the list of 11 banks:

<b>Date of PCA invocation</b>	
<b>Banks</b>	<b>Date of imposition of PCA</b>
United Bank of India	Feb, 2014
Indian Overseas Bank	Aug, 2015
Dhanlaxmi bank	Nov, 2015
IDBI Bank	May, 2017
UCO Bank	May, 2017
Dena Bank	May, 2017
Central Bank of India	June, 2017
Bank of Maharashtra	June, 2017
Oriental Bank of Comm	Oct, 2017
Corporation Bank	Dec, 2017
Bank of India	Dec, 2017
Allahabad Bank	Jan, 2018

Source: Stock Exchange Filings

**8. CONCLUSION**

The central bank 01.02.2019 eased operational curbs on three state-run lenders, including Bank of India (BoI), referring to marked improvements in the capital positions and asset quality that would now allow these banks to open branches and extend loans freely. Bank of India (BoI), Bank of Maharashtra (BoM) and Oriental Bank of Commerce (OBC) are out of the prompt corrective action (PCA) framework, the Reserve bank of India (RBI) said in a statement on its Web site. The restrictions have been lifted after these banks provided a written commitment that they would comply with the norms of minimum regulatory capital, net NPAs(Non-performing assets) and leverage ratio on an ongoing basis and apprised the RBI of the structural and systemic improvements they have put in place.

The government has also assured that the capital requirements of these banks will be duly factored in while making bank-wise allocations during the current financial year. These three lenders were among the 11 public sector banks that were put under the so-called PCA framework that placed restrictions on extending big loans, distributing dividends, and expanding the branch networks. BoM was put under PCA in June 2017 after its net NPA rose to 11.76%: It reported a loss of Rs 1,372 crore in FY17, and return on assets declined to -1.09%. OBC was put under PCA in October 2017 after it reported a net loss of Rs 1,094 crore in FY17 and gross NPA rose to 8.9%. BoI was put under PCA in December 2017 after its net NPA rose to 6.90% and return on assets slipped to -0.24%. The latest statistics showed the capital position at these banks has improved. The common equity ratio (CET) for BoI in the quarter ended December was at 9.1%, for BoM at 8.93% and for OBC for 9.53%. Net NPA for all these banks was also down at 5.87% for BoI, 5.91% for BoM, and 7.15% for OBC. The RBI said that BoI and BoM meet the regulatory norms on capital and have net NPAs of less than 6%, as per the third quarter results.

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**A STUDY OF THE ROLE OF MONEY MARKET IN INDIA****Humera K. N. Quazi**Assistant Professor, G. S. College of Commerce, Wardha

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**ABSTRACT**

*The economic growth of nation is dependent on the capital formation. The process of capital formation requires a system which will create and channelize savings. This system is called the financial system. Money market is the part of the financial system which generates liquidity in the economy. Money market is a market for short term securities where borrowers and lenders exchange short term funds to solve their liquidity needs. It is the place where short term surplus investible funds at the disposal of financial and other institution and individuals are bid by borrowers comprising institutions, individuals and government itself.*

*The monetary policy of the central bank has great impacts on the economy. Money market plays an important role in the monetary policy of the country. Money market through its different players ensures liquidity in the economy and has the capability to prevent the economy from the tides of trade cycles. In the present research articles the effort are made to highlight the constituents, intermediaries and instrument of money market. Researcher endeavor is also to focus the contribution of money market in the development of Indian economy.*

*Keywords: Money Market, Economy, Liquidity.*

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**INTRODUCTION**

Money market basically refers to a section of the financial market where financial instruments with high liquidity and short-term maturities are traded. Money market has become a component of the financial market for buying and selling of securities of short-term maturities, of one year or less, such as treasury bills and commercial papers certificates of deposited etc. It is used by many participants, including companies, to raise funds by selling commercial papers in the market. Money market is considered a safe place to invest due to the high liquidity of securities.

According to RBI, “ the money market is the centre for dealing mainly of short character, in monetary assets; it meets the short term requirements of borrowers and provides liquidity or cash to the lenders. It is a place where short term surplus investible funds at the disposal of financial, other institutions and individuals are bid by the borrowers again comprising institutions and individuals and also by the governments.”

A well-developed money market is essential for the efficient functioning of a central bank. Money market is an institution through which surplus funds move to the deficit areas so that temporary liquidity crisis can be tackled. Money market enables inter-bank transactions of short-term funds. A well-knit money market acts as a ‘barometer’ for central banking operations. It enables the central bank to implement its monetary policy efficiently.

In the absence of a well-coordinated banking system and other constituents of money market, the central bank may not be able to achieve its desired goals. Above all, government deficits are financed in a non-inflationary way through the money market institutions. Thus, the existence of a well-developed money market is essential for an economy.

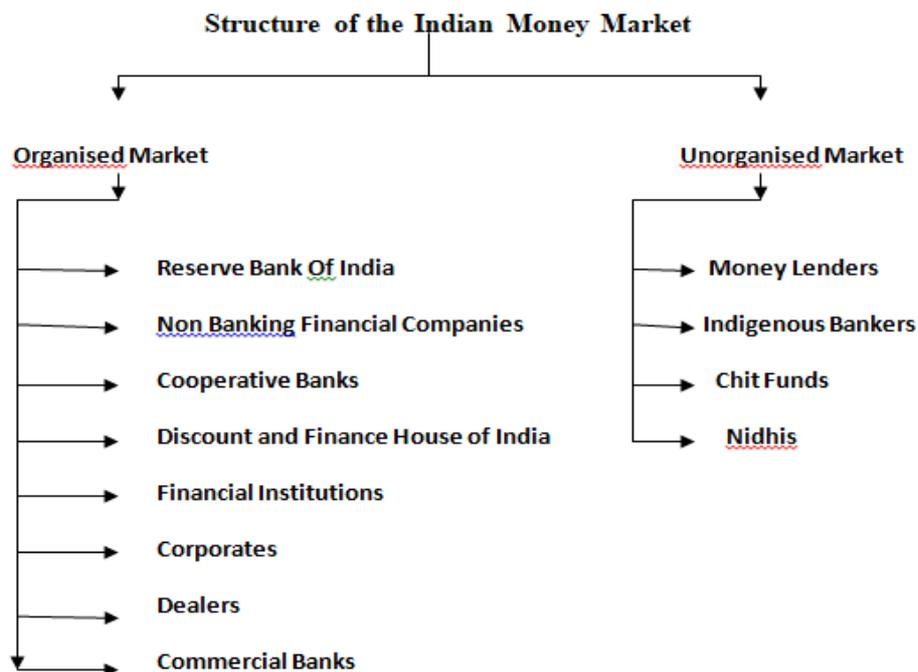
**INDIAN MONEY MARKET**

The India money market is a monetary system that involves the lending and borrowing of short-term funds. Indian money market has seen exponential growth just after the globalization initiative in 1991. It has been observed that financial institutions do employ money market instruments for financing short-term monetary requirements of various sectors such as agriculture, finance and manufacturing. The performance of the Indian money market has been outstanding in the past 20 years.

Central bank of the country - the Reserve Bank of India (RBI) has always been playing the major role in regulating and controlling the Indian money market. The intervention of RBI is varied - curbing crisis situations by reducing the cash reserve ratio (CRR) or infusing more money in the economy.

The Indian market can be classified into organized and unorganized sectors. The unorganized sector consists of money lenders, chit funds, and indigenous bankers. These people satisfy the credit requirement of a large section of the rural masses. The organized part comprises commercial banks in India both public sector and private sector banks and foreign banks. The Reserve bank of India the apex bank is the regulator of the money market in India. It regulates the flow of the credit and money in the economy.

Structure of the Indian Money Market



**MONEY MARKET INSTRUMENTS**

Money Market Instruments provide the tools by which one can operate in the money market. Money market instruments are used by corporations, governments and individual investors. Common types Of Money Market Instruments are:



**Money Market Instruments**

Source: Compiled by author

**(1) Call Money Market**

The call /notice money is a money market instruments for trading for very short period in liquid financial assets that are readily convertible into cash at low cost. The period of lending may be for a period of 1 day which is known as call money and between 2 and 14 days is known as notice money. Term money refers to borrowing/lending of funds for a period exceeding 14 days. The interest rates depend upon surplus funds available with the lenders.

Normally, scheduled commercial banks, Cooperative banks and the Discount and Finance House of India (DFHI) operate in this market and in a special situation; the LIC, UTI, the GIC, the IDBI and the NABARD are permitted to operate as lenders in this call money market.

### **(2) Treasury Bill Market:**

Treasury bill markets are markets for treasury bills. In India such treasury bills are short term liability of the Central Government which are of 91 days, 182 days and 364 day duration. Normally, the treasury bills should be issued so as to meet temporary revenue deficit over expenditure of a Government at some point of time. But, in India, the treasury bills are, nowadays, considered as a permanent source of funds for the Central Government. In India, the RBI is the major holder of the treasury bills, which is around 90 per cent of the total.

### **(3) Commercial Bill Market**

The Commercial bill market is a kind of sub-market which normally deals with trade bills or the commercial bills. It is a kind of bill which is normally drawn by one merchant firm on the other and they arise out of commercial transactions

### **(4) Certificate of Deposit (CD) Market**

The certificate of Deposit (CD) was introduced in India by the RBI in March 1989 with the sole objective of widening the range of money market instruments and also to attain higher flexibility in the development of short term surplus funds for the investors. Initially the CDs are issued by scheduled commercial banks in multiples of Rs 1 lakh

Banks normally pay high rates of interest on CDs. In 1995-96, the stringent conditions in the money market induced the bankers to mobilise a good amount of resources through CDs.

### **(5) Commercial Paper Market**

In India, the Commercial Paper (CP) was introduced in the money market in January 1990. A listed company having the tangible net worth of minimum Rs 4 crore in the audited balance sheet can issue CP. Again the CP can be issued in multiples of Rs 5 lakhs for a maturity period of minimum 7 days and maximum of 1 year from the date of issue.

### **(6) Money Market Mutual Funds**

In India, the RBI has introduced a scheme of Money Market Mutual Funds (MMMFs) in April 1992. The main objective of this scheme was to arrange an additional short term avenue for the individual investors. This scheme has failed to receive much response as the initial guidelines were not attractive. Thus, in November, 1995, the RBI introduced some relaxations in order to make the scheme more attractive and flexible.

### **(7) Inter-Bank Participation Certificates (IBPCs)**

IBPC is yet another short-term money market instrument whereby the banks can raise money/deploy short-term surplus. In the case of IBPC the borrowing bank passes/sells on the loans and credit that it has in its book, for a temporary period, to the lending bank. Only Scheduled Commercial Banks can issue IBPCs.

## **SIGNIFICANCE OF MONEY MARKET**

A well-developed money market is essential for a modern economy. Though, historically, money market has developed as a result of industrial and commercial progress, it also has important role to play in the process of industrialization and economic development of a country. Importance of a developed money market and its various functions are discussed below:

### **1. Financing Trade**

Money Market plays crucial role in financing both internal as well as international trade. Commercial finance is made available to the traders through bills of exchange, which are discounted by the bill market. The acceptance houses and discount markets help in financing foreign trade.

### **2. Financing Industry**

Money market contributes to the growth of industries in two ways:

(a) Money market helps the industries in securing short-term loans to meet their working capital requirements through the system of finance bills, commercial papers, etc.

(b) Industries generally need long-term loans, which are provided in the capital market. However, capital market depends upon the nature of and the conditions in the money market. The short-term interest rates of the money market influence the long-term interest rates of the capital market. Thus, money market indirectly helps the industries through its link with and influence on long-term capital market.

**3. Profitable Investment**

Money market enables the commercial banks to use their excess reserves in profitable investment. The main objective of the commercial banks is to earn income from its reserves as well as maintain liquidity to meet the uncertain cash demand of the depositors. In the money market, the excess reserves of the commercial banks are invested in near-money assets (*e.g.* short-term bills of exchange) which are highly liquid and can be easily converted into cash. Thus, the commercial banks earn profits without losing liquidity.

**4. Self-Sufficiency of Commercial Bank**

Developed money market helps the commercial banks to become self-sufficient. In the situation of emergency, when the commercial banks have scarcity of funds, they need not approach the central bank and borrow at a higher interest rate. On the other hand, they can meet their requirements by recalling their old short-run loans from the money market.

**5. Help to Central Bank**

Though the central bank can function and influence the banking system in the absence of a money market, the existence of a developed money market smoothens the functioning and increases the efficiency of the central bank. Money market helps the central bank in two ways:

- (a) The short-run interest rates of the money market serves as an indicator of the monetary and banking conditions in the country and, in this way, guide the central bank to adopt an appropriate banking policy,
- (b) The sensitive and integrated money market helps the central bank to secure quick and widespread influence on the sub-markets, and thus achieve effective implementation of its policy.

**REFORMS IN THE MONEY MARKET**

In recent years, serious efforts have been made by the Government and the RBI to remove the shortcomings of Indian money market. RBI, in the mean time has reduced considerably the differences between the various constituents of money market. Differences in the interest rates have also been reduced by the RBI and the monetary stringency has also been reduced by the RBI through open market operations and bill market scheme.

**Following are some of the important reform measures introduced to strengthen the Indian money market****(i) Stamp Duty Reforms**

In order to remove the major administrative constraint in the use of bill system, the Government has remitted the stamp duty in August 1989. However, the experts feel that unless the cash credit system is discouraged this government decision to remit the stamp duty is not going to favour the prevailing bill system.

**(ii) Deregulation of Interest Rates**

Another important step to strengthen the money market was to deregulate the money market interest rates since May, 1989. This will bring interest rate flexibility and transparency in money market transactions.

Again in November, 1991 as per the recommendations of the Narasimham Committee, the interest rates have been further deregulated and the banks and other financial institutions have been advised to determine and adopt market related rates of interest as far as practicable.

**(iii) Introduction of New Instruments**

The RBI has introduced certain money market instruments for strengthening the market conditions. These instruments are—182 days treasury bills, longer maturity treasury bills, Certificates of Deposits (CDs), Commercial Paper (CP) and dated Government securities.

Discount and Finance House of India (DFHI) promoted the 182-day treasury bills systematically and these bills were the first security sold by auction for financing the fiscal deficit of the Central Government. Again, the DFHI has also developed a secondary market in these bills and they become popular with the commercial banks.

**(iv) DFHI**

The Discount and Finance House of India (DFHI) was set up on April 25, 1988 as a part of the reform package for strengthening money market. The main function of DFHI is to bring the entire financial system consisting of the scheduled commercial banks, co-operative banks, foreign banks and all- India financial institutions, both in the public and private sector, within the fold of the Indian money market.

This House will normally buy bills and short term papers from different banks and financial institutions in order to invest all of their idle funds for short periods. DFHI has also started to buy and sell government securities from April 1992 in limited quantity with the necessary refinance support from the RBI.

**(vi) Repurchase of options of treasury bills to develop bill market**

RBI has introduced repurchase options of treasury bills to provide larger funds to the commercial banks. This increased the quantum of the bill market and thereby money market in India.

**(vii) Entry of Foreign institutions by the Government**

More relaxation for foreign institutions to invest foreign funds in the Indian money market. This brings in more liquidity during the peak season.

**(viii) Introduction of the credit rating for commercial papers and promissory notes**

For enhancing the credibility and business of the commercial paper and promissory notes the credit rating has been introduced. As a result of the creditworthiness of these instruments the growth of the Indian money has increased.

**(ix) Liquidity adjustment facility**

Through LAF the RBI remains in the money market continuous basis through the repo transactions. LAF adjust liquidity in the market through absorption or injection of financial resources.

**(x) Electronic transactions**

In order to impart transparency and efficiency in the money market transactions the electronic dealing system has been started. It covers all deals in the money market.

**CONCLUSION**

Indian money market is characterized by organized and unorganized one. It is one of the emerging developed money market across the globe with the number of instruments. The prominent feature is the control of the RBI and time to time monitoring of the performance of the money market different players and the framework of the stringent norms. There is much scope for further expansion of the Indian money market under the umbrella of RBI.

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**STUDY ON USAGE OF MOBILE BANKING APPLICATION AND ITS IMPACT ON USERS**

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**ABSTRACT**

*In the current scenario, digitalisation has revolutionised the entire Banking system. Cashless transaction is rising fast in our country. One of the most popular indicators of cashless transaction is Banking Sector. Banking sector profitability depends on better customer relationship. Banking Sector has shown tremendous growth in terms of technology to provide fastest services to its customers. Every bank has introduced their individual Mobile Banking Application to provide anytime anywhere services to their customers without visiting the bank branch. This saves customer's time at just one click anywhere anytime and also helps the bank in reducing the customer footfall in their branches. Although Mobile Banking App is very convenient and fast, to carry out banking transaction, one needs to know the usage and should feel safe in using such App in terms of security provided by specific Bank. In this context an effort has been made to find out the number of users of Mobile Banking Application, and their view in terms of security provided by App and cashless transaction. The present study was carried out with the help of Primary and Secondary data. Survey method was used to collect the primary data from 60 respondents and with the help of their responses analysis is made followed by some suggestions.*

*Keywords: Cashless transaction, Mobile App, Mobile banking Application*

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**INTRODUCTION**

Banking sector works as a channel in attracting savings and mobilising them in required areas. It works as a weapon of capital formation. As the world is growing fast and becoming innovative according to the latest technology, Banking Sector have also shown their innovation in their service providing technology.

The profitability of banking sector depends on better customer relationship. And nowadays Consumer banking needs are getting more complex and demands are for more innovative services. Therefore, to give better services banks have introduced a new technology called Mobile Banking, and other services like internet banking, ATM, debit card, credit card etc. Mobile banking services provided by banks that allows its customer to conduct financial transaction remotely using a mobile device such as Smartphone. Unlike internet banking uses software, usually called as app provided by the specific bank for the purpose. Every bank has its individual app and website in order to serve its customer's needs.

Mobile banking app is usually available for 24-hours. It depends upon the availability of an internet or data connection to the mobile device. The transactions depend on the features of the mobile banking app provided and includes obtaining account balances, lists of latest transactions, electronic bill payments, fund transfer, downloading of statements etc.

Mobile Banking has started taking roots in a number of developing countries, including India. Mobile Banking is a service of banks to make available, the facility of banking wherever the customer is and whenever he needs.

Over the last few years, the mobile and wireless market has been on the fastest growing markets in the world and it is still growing rapid pace. And also spread of mobile phones across the developing world is one of the most remarkable technology stories of the past decade. Mobile Banking is enjoying a rapid growth in India. Mobile banking can be said to consist of three interrelated concept Mobile Accounting, Mobile brokerage, Mobile financial information.

Technology will not just help banks to reach out customers better but also help them to cut the costs and improve efficiency. Hence by adopting right mobile banking regulation and mobile security standards the banks can reach the whole population which results in economic growth of the country.

**REVIEW OF LITERATURE**

**Gamoorthy Avinaya, Sha and Sankar. C., Sangeeta M. 2012, "Mobile Banking – An Analysis",**

The study focuses on M-banking performance with the help of special programme called clients downloaded to the mobile device. Paper also explains mobile technology, trends its model's importance and services, issues in security and suggests possible solution. The services offered by Mobile Banking included getting account information, transferring funds, sending cheque book request, managing deposits, checking transactions and so on.

**Singh PreetiBamoriya, Sharma prerna, 2011 “Issues and Challenges in Mobile Banking in India: A Customer’s Perspective”**

This Paper identifies challenges of M-banking in India. Customers are facing many problems in using M-banking and in mobile handset operability and also various issues regarding security in m-banking transaction. Paper focus on issue and challenges in m-banking in India form customers perspective. The study identified certain issues to banks, mobile handsets and telecom operators that is mobile handset operability, security or privacy, standardization of services quality. Study shows mobile banking handset operability is an important issue in mobile banking, due to availability of various handset models in the market. Privacy and security are another critical issue for the customers.

Objective of this study is to study the selected issues in mobile banking from customers perspectives and explore the perceived utility of mobile banking in comparison to retail banking and online banking among the mobile banking users and non-users.

**Uppal R K, 2010, “Emerging Issues and Strategies to Enhance M-Banking Services”,**

This study focuses on M-banking benefits to customers and bankers and also explains M-banking is the best alternative for banks and customers. For banks it helps in increasing profit motive, other hand for customer M-banking is time and money saving services. M-banking not only help bank to reduce cost but also help it to retain its valuable customers, this facility enables the customers to bank, “anywhere anytime banking”.

**STATEMENT OF PROBLEM**

In the present state of affairs banking sector is tremendously flourishing in terms of technology by providing mobile banking apps to their customers. The benefits of the mobile banking apps are convenience and undeniable, but it is utilized by very few customers. The reason for minimum usage of this app is lack of security like hacking or fraudulent transactions, non- tech savvy and lack of standardization by bank. However, to carry out banking transaction through mobile banking app, one needs to know the usage of such app and specific bank should provide all the required securities to create trust among the users of app. If this is possible then one can believe in cashless transaction and feel safe to use this Mobile Banking Applications. Which leads to Cashless Economy in Country. Thus, it is also inferred that in a way that cashless economy means knowledge economy.

**OBJECTIVE OF STUDY**

1. To Study the usage of mobile banking application in terms of number of users using the Applications.
2. To understand how safe the users of mobile banking application feel while transacting on it.
3. To Study the views and reviews of an Individual on cashless transaction.
4. To provide suggestion for encouraging to go cashless.

**RESEARCH METHODOLOGY**

The purpose of this study is to explore the usage of mobile banking apps. This study is based on both Primary and Secondary Data. The primary data is collected through the survey with the sample of 60 respondents. The secondary data sources include journals and articles.

**DATA ANALYSIS AND INTERPRETATION**

The study is conducted on the working-class individuals, to find out the number of users of Mobile banking apps, and their views regarding cashless transactions. This section describes about the results of survey conducted. The study collected responses from 60 respondents, from the age group of 18 to 60.

Table 1: Showing Gender and Annual Income of Respondents

<b>Gender</b>		<b>Annual Income</b>	
<b>Category</b>	<b>%</b>	<b>Category</b>	<b>%</b>
Male	62.5%	2-4 Lakh	61%
Female	37.5%	4-6 Lakh	16.9%
		6-8 Lakh	8.5%
		Above 8 Lakh	13.6%

Table 1 above shows that out of total respondents 62.5% are Male and 37.5% are Female. It also indicates that maximum respondents are from the Annual Income category of 2-4 Lakh.

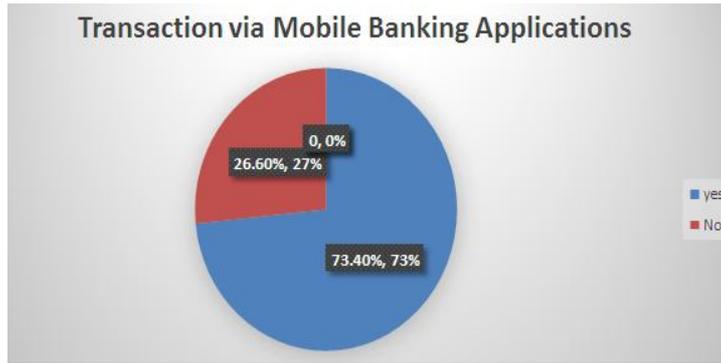


Figure no.1

Figure no.1 indicates that out of the respondents 73% are using Mobile Banking App for their transactions whereas only 27% are not transacting through Mobile Banking Application. Here we can conclude that most of the people use their Mobile Banking Application for their daily banking transactions.

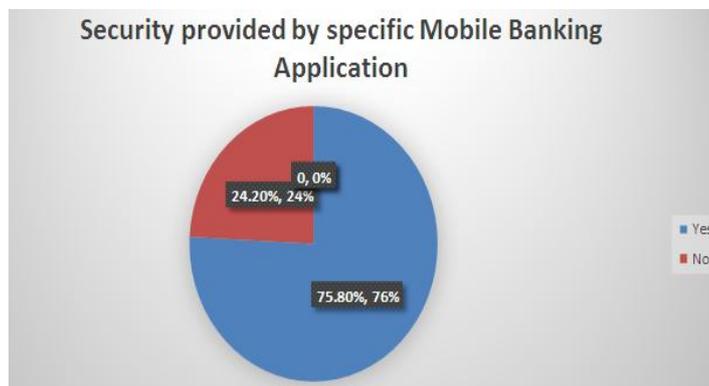


Figure no. 2

Figure no.2 shows that 76% out of the respondents agree that security is provided by their specific banking Application whereas only 24% says that there is lack of banking security. Hence, we reach to the conclusion that Most of the Banks are providing all the security measures to use their specific Mobile Banking Application.

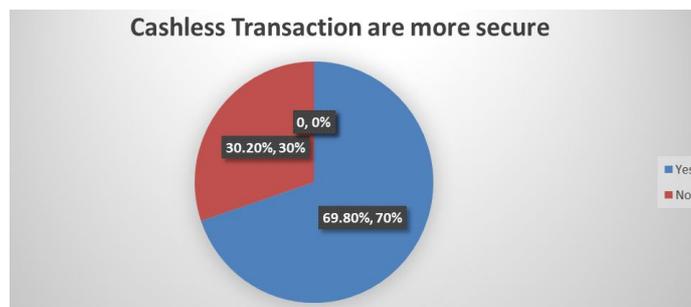


Figure no. 3

Figure no.3 indicates that 70% of respondents feel that cashless transaction is more secure whereas only 30% feels that cashless transaction is less secured.

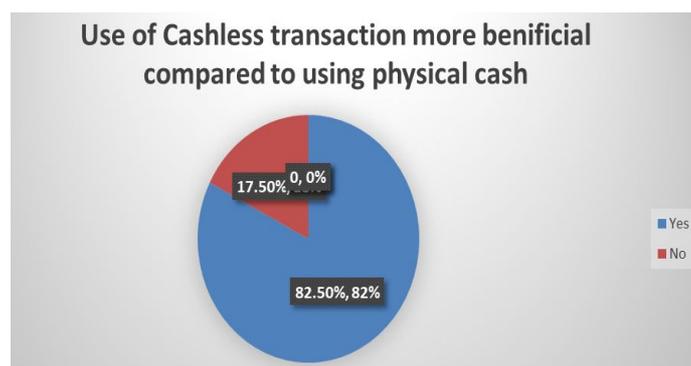


Figure no. 4

Figure no. 4 shows that out of the total respondents 82% says that use of cashless transaction is more beneficial than physical cash, but only few that is 18% feels that using physical cash is beneficial. Hence, we conclude that users feel safe and ready to go cashless, to use Mobile Banking Applications.

### **FINDINGS**

- The study shows that Mobile Banking Application is widely used by the majority of working-class people, to conduct their Banking transactions. Availability of Mobile handset or Smart phones helped the Banking sector to provide wide range of services to its customers with a single click of a button.
- The study also shows that, most of the respondents feels safe for using mobile banking apps because of the security measures taken to prevent from hacks and frauds by providing OTP at every transaction. This has created confidence among the users for using this App.
- The study reveals that majority of the users feels cashless transactions more beneficial than physical cash due to convenience and time saving. This show that majority of users in our country is ready to accept the cashless system of economy.

### **SUGGESTION**

- **Adaptability of Mobile Handsets to Mobile Banking Applications:**

Various mobile companies in India need to ensure that their handset and the operating system is adoptable to all banking Applications.

- **Confidentiality of customer data:**

Banks and financial institutions should make aware to the customers and build trust in them that data uploaded on their bank app is absolutely safe and cannot be misused.

- **Standardisation of Mobile Banking Applications:**

All banks, financial institutions, mobile wallet providers need to make sure that their mobile banking applications follow the same standards, this helps customer to understand and operate easily.

- **Convenience of Mobile banking Applications:**

At a click of a button one can transfer money and also able to operate other banking activities anywhere and anytime in the world.

### **CONCLUSION**

Along with Smart phones the Mobile Banking Application has also fast gained popularity in India. When Banks introduced their mobile Banking Applications the entire scenario changed. Today we carry the bank in our pocket. The mobile banking application gives the power to operate our account as and when required. Indian dream of 24 hours banking has also turned real because of the Mobile banking Applications. Mobile Banking Application are soon taking over the activities which would happen only in the bank branches. Thus, reducing customer footfall and saving customer service cost for the bank. Mobile Banking Applications also have their safety layers. In case of any transaction that are done on Mobile Banking Application will be required to provide an OTP which is a One-time Password that comes to the registered mobile number. Convenience at finger tips is what the Mobile Banking Applications have achieved and in the past years there has been a drastic growth in the users of mobile banking application. This supports the government's idea of cashless economy and helps to eradicate the black money from the economic system. However, awareness amongst the people regarding the feature and benefits should be spread and mobile banking App users should be encouraged in order to multiply the success.

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**A STUDY OF SOCIO-ECONOMIC AND CULTURAL IMPACT OF TOURISM**

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**ABSTRACT**

*Tourism is one of the most advantageous human activity; which is capable of changing the socio-cultural, economic and environmental expression of the World. Tourism is one of the major and fast-growing industries in the world; it has the potential to influence the living pattern of communities. It is the journey for happiness or business; also the theory and perform of touring, and the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. It is one of the most significant channels of intellectual exchange which breaks down the barriers between people of different parts of the world. It is the mixture of actions like services and industries that obtain a travel experience as well as transportation, housing, eating and drinking establishments, amusement business, retail shops and other warmth services provided for individuals or groups traveling away from home. Tourism not only generates a lot of employment but also adds to the country's GDP and helps to see the citizens living mirthfully. Therefore, the tourism sector can be influential in the sustainable development of national wealth. It has the ability to encourage other economic sectors through its backward and forward linkages and cross-sectoral synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, floriculture etc. Tourism has been making a radical and noteworthy impact on the world economic scenario. It has become the fastest growing service industry in the country with great potentials for its further extension and diversification, it has direct and indirect chain link with several sectors of an economy. Tourism has both the positive and negative far-reaching impact on economic, social, political and environment face of India.*

*Keywords: Tourism, GDP, Economic Development, Environment, Employment.*

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**INTRODUCTION**

Tourism science or studies has been taught at the higher level because it could contribute to customer satisfaction and the competitiveness of tourism business. There were increasing number of universities in the world which focus on hospitality and Tourism Programs. Tourism education were developed for preparing the human resources at the tourism business/industries. Thus, many universities have attempted to link and match the curriculums and modules with the industrial needs. Hjalger(2003) have studied the students motivation in learning tourism and hospitality management. The result indicated that there were three motivations, such as: 1) going to school to gain the work experience 2) increasing value programs in tourism industries and 3) preference to work people. The students also wanted to be more professional in the tourism work environment.

Tourism is the basic term to cover both the demand and supply that has been adopted in different forms and used all over the World. Tourism is defined as the behavior of persons recognized as visitors. A tourist is an important person who is making to visit a main destination outside his/her usual environment for less than a year for any main purpose including holidays, leisure and recreation, business, health, education or other purposes. This scope is much wider than the conventional perception of tourists, which included only those traveling for relaxation. Tourism has developed to be the world's largest industry, generating prosperity and employment, opening the minds of both visitors and the visited different ways of life. India has physically powerful signs of becoming one of the most emerging giants in world tourism. The mainly essential factors for victorious tourism development include product enhancement, marketing, regulations and human resource development. India's tourism is one of the flourishing sectors in terms of its scope. Tourism in India is growing continuously to generate employment and earn a large amount of foreign exchange in order to stabilize the country's economic and social development. It also helps in preserving and sustaining the diversity of India's natural and cultural environments. We should develop tourism industry with government supports, new initiations, actions and plans to influence foreigners to sustain our position strongly. The tourism industry is accountable for 6.1 percent of India's GDP, as of 2011. The tourism industry employs, directly and indirectly, more than 26 million citizens, which represents 5.7 percent of the country's total employment, according to the World Economic Forum. The additional jobs related to tourism total over 37 million, or 7.5 percent. In the year 2010, the tourism industry brought in more than \$14 billion and experienced an annual growth rate of 24.6 percent and this revenue directly impacts the economy, especially in the sectors such as the horticulture, agriculture, hospitality, construction, handicrafts, and hotels. The hotel industry alone employs 150,000 people.

The Macmillan Dictionary defines tourism as the business of providing services for people who are traveling for their holiday. Wikipedia defines tourism as the travel for recreational, leisure or business purposes. The

statistical terms of OECD glossary defined tourism as the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

Tourism has grown to be a thriving global industry with the power to shape developing countries in both positive and negative ways. No doubt it has become the fourth largest industry in the global economy. Similarly, in developing countries like India tourism has become one of the major sectors of the economy, contributing to a large quantity of the National Income and generating vast employment opportunities. Tourism has become the greatest growing service industry in the country with great potentials for its further extension and diversification.

### **TOURISM IN INDIA**

India's Tourism is economically important and is growing very fast. The World Travel & Tourism Council calculated that tourism generated ₹ 14.02 lakh crore (US\$220 billion) or 9.6% of the country's GDP in 2016 and supported 40.343 million jobs, 9.3% of its total employment. The sector is foretold to grow at an annual rate of 6.8% to ₹ 28.49 lakh crore (US\$450 billion) by 2027 (10% of GDP). In October 2015, India's medical tourism sector was estimated to be worth US\$3 billion and in 2020, it is predictable to grow \$7–8 billion. In 2014, 184,298 foreign patients traveled to India to seek medical treatment.

Concerning 88.90 lakh (8.89 million) foreign tourists arrived in India in 2016 compared to 80.27 lakh (8.027 million) in 2015, recording an expansion of 10.7%. Domestic tourist visits all the states and Union Territories numbered 1,036.35 million in 2012, an enlarge of 16.5% from 2011. In 2014, Maharashtra, Uttar Pradesh, and Tamil Nadu were the most part and admired states for the tourists. Chennai, Delhi, Agra, and Jaipur have been the five most visited cities in India by foreign tourists during the year 2015. At the global level by the number of foreign tourist arrivals Delhi is ranked at 28, while Chennai is ranked at 43, Mumbai at 30, Agra at 45, Jaipur at 52 and Kolkata at 90.

The Travel & Tourism Competitiveness Report 2017 India ranks 40<sup>th</sup> out of 136 countries on the whole. The report ranks the price competitiveness of India's tourism sector 10<sup>th</sup> out of 136 countries. It mentions that India has quite good air transport (ranked 32<sup>nd</sup>), mainly given the country's stage of development, and reasonable ground transport infrastructure (ranked 29<sup>th</sup>). The country also scores high on natural and cultural resources (ranked 9<sup>th</sup>). Several other aspects of its tourism infrastructure remain to some

extent underdeveloped, however. The country has very a small number of hotel rooms per capita by international comparison and low ATM saturation. The World Tourism Organization reported that India's revenue from tourism during 2012 ranked 16<sup>th</sup> in the world and 7<sup>th</sup> among Asian and Pacific countries.

The Ministry of Tourism designs the national policies for the development and promotion of tourism. In this method, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Combined efforts are being made to encourage the new forms of tourism such as rural, cruise, medical and eco-tourism. The Ministry also maintains the Incredible India campaign focused on promoting tourism.

**PRESENT CIRCUMSTANCES AND ASPECTS OF TOURISM IN INDIA :-**Nowadays tourism industry is the most important service in our country, with an input of 6.23% to the national GDP and provided that 8.78% of the total employment. India witnesses more than 5 million yearly foreign tourist arrivals and 562 million domestic tourism visits and also the tourism industry of India creates the 100 billion US\$ in 2008 and that is anticipated to increase the US\$275.5 billion by 2018 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the enlargement and encouragement of tourism in India and maintains the "Incredible India" campaign.

According to the report of World Travel and Tourism Council, "India will be a tourism hotspot from 2009-2018, having the maximum 10-year growth potential". According to the Travel and Tourism Competitiveness Report, 2009 by the World Economic Forum, India is ranked 11<sup>th</sup> in the Asia Pacific region and 62<sup>nd</sup> on the whole, moving up three places on the list of the world's beautiful destinations. India is ranked in the 14<sup>th</sup> best tourist destination for its natural resources and 24<sup>th</sup> for its cultural resources, with many World Heritage Sites, mutually natural and cultural, rich fauna, and strong creative industries in the country. Moreover, India bagged 37<sup>th</sup> rank for its air transport network. The India travel and tourism industry ranked 5<sup>th</sup> in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019. The 2010 Commonwealth Games in Delhi are predictable to considerably improve the tourism in India more.

Our country has been ranked at the "best country brand for value-for-money" in the Country Brand Index (CBI) survey conducted by Future Brand, India moreover claimed that the second place in CBI's "best country brand for history", as well as appears with the top 5 in the best country brand for validity of art & culture, and the fourth best new country for business. India prepared it to the list of "rising stars" or the countries that are probable to suit main tourist destinations in the next five years, led by the United Arab Emirates, China, and Vietnam.

Tourist Attractions in India:- India is a country recognized for its abundant dealing to all the visitors, no issue where they come from. Its visitor-friendly traditions, diverselifestyles and cultural heritage and colorful fairs and festivals held enduring attractions for the tourists. The other attractions contain beautiful beaches, forests and wildlife and landscapes for eco-tourism; snow, river and mountain peaks for exploration tourism; technological parks and science museums for science tourism; centers of pilgrimage for spiritual tourism; heritage, trains, and hotels for heritage tourism. Yoga, Ayurveda and natural health resorts and hill stations also be a focus for tourists.

The Indian handicrafts mostly, jewelry, carpets, leather goods, ivory and brass work are the foremost shopping items of foreign tourists. It is anticipated through a survey that nearly forty percent of the tourist expenditure on shopping is spent on such items. Although the economic retard, medical tourism in India is the fastest growing segment of the tourism industry, according to the market research statement "Booming Medical Tourism in India". The statement adds that India offers a great perspective on the medical tourism industry. Factors such as low cost, scale, and range of treatments provided in the country add to its pleasant appearance as a medical tourism destination.

Initiatives to Boost Tourism:- A number of the recent initiatives taken by the Government of India to boost the tourism comprise a grant of export house status to the tourism sector and incentives for promoting private investment in the form of Income Tax exemptions, interest subsidy, and condensed import duty. The hotel and tourism-related industry have been stated a high priority industry for foreign investment which entails automatic endorsement of direct investment up to 51 percent of foreign equity and allowing 100 percent non-resident Indian investment and simplifying rules concerning the grant of approval to travel agents, tour operators and tourist transport operators.

On January 25, 1998, the first Indian Tourism Day was celebrated. Besides the Year 1999 was celebrated as the Explore India Millennium Year by presenting an impressive montage on the cultural heritage of India at the Republic Day Parade and organizing India Tourism Expo in New Delhi and Khajuraho (M.P). Besides, the campaign 'Visit India Year 2009' was launched at the International Tourism Exchange in Berlin, intended to project India as a beautiful destination for holidaymakers. The government of India joined hands with the leading airlines, hoteliers, holiday resorts and tour operators, and obtainable them a wide range of incentives and bonuses throughout the period between April and December 2009.

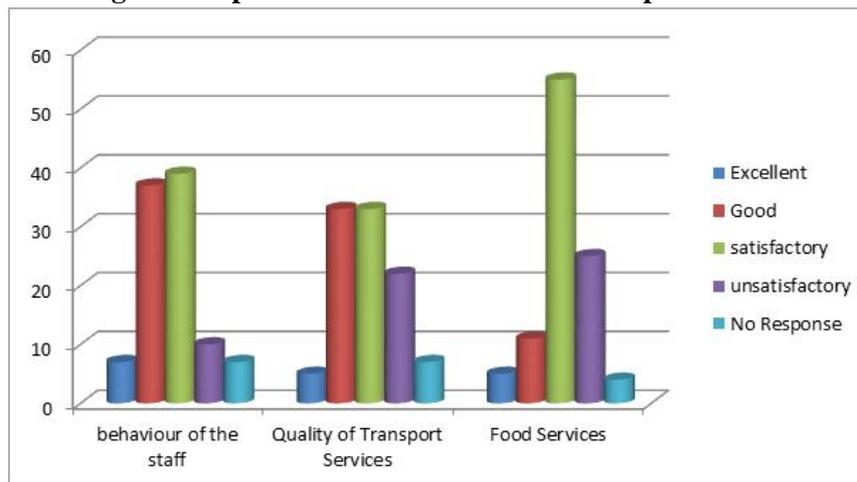
Result on the Observations and their Satisfaction Levels :- Finance is lifeblood of any business.

It is important for tourists to see the cost, and the comparative analysis of it. The comparative analysis may consist of: cost of transport, cost of stay, food, purchase and other emergency needs during the tour. There are many options available. So the tourist will have to consider it according to the financial aspect of family's income source.

**Table: Responses of the tourists on various parameters**

S.No	Parameters	Excellent	Good	Satisfactory	Unsatisfactory	No response
1	Behaviors of the Staff	7	37	39	10	7
2	Quality of transport service	5	33	33	22	7
3	Food Services	5	11	55	25	4

Source: primary Data

**Figure: Responses of the tourists on various parameters.**

Source: Primary Data

**ENVIRONMENTAL IMPACT OF TOURISM IN INDIA :-The tourism industry in India has several positive and negative impact on the environment which is are as under:**

#### **POSITIVE IMPACTS**

1.Improved Environmental Management and Planning:-Sound environmental management of tourism amenities and especially hotels can expand the benefits to the natural environment. By planning early for tourism development, damaging and expensive mistakes can be prevented, avoiding the gradual deterioration of environmental assets significant to tourism. The tourism development has stimulated the Indian government towards the track and leading to improved the environmental management.

2.Direct Financial Contributions: Tourism can contribute openly to the conservation of sensitive areas and habitat. Revenue from park-entrance fees and similar sources can be owed specifically to pay for the protection and management of environmentally sensitive areas. Particular fees for park operations or maintenance activities can be collected from tourists or tour operators.

3.Assistance to Government Revenues: The government of India collects money through the tourism department in more far-reaching and indirect ways that are not linked to specific parks or conservation areas. User fees, income taxes, taxes on sales or rental of recreation equipment, and license fees for activities such as rafting and fishing can provide governments with the funds required to manage the natural resources and such funds can be used for against the maintenance programs and activities, such as park ranger salaries and park maintenance.

4.Raising Environmental Awareness: Tourism has the ability to increase public approval of the environment and to spread alertness of environmental problems when it brings people into closer contact with nature and the environment. This confrontation heightens awareness of the value of nature among the community and leads to environmentally mindful behavior and activities to preserve the environment.

5. Protection and Preservation of Environment: The tourism can greatly contribute to the protection and renovation of biological diversity, environmental protection, and sustainable use of natural resources, because of their pleasant appearance, perfect sites and natural areas are recognized as precious and the need to keep the attraction alive can lead to the creation of national and wildlife parks. In India, new laws and regulations have been enacted to preserve the forest and to protect native species. The coral reefs around the coastal areas and the marine life that depend on them for survival are also protected.

#### **Negative Impacts**

1.Depletion of Natural Resources:- Tourism development can put pressure on natural resources when it increases consumption in areas where resources are already scarce.

(i) Water resources ([www.gdrc.org/uem/eco-tour/envi/index.html](http://www.gdrc.org/uem/eco-tour/envi/index.html)).

(ii) Local resources

(iii) Land degradation ([www.gdrc.org/uem/eco-tour/envi/index.html](http://www.gdrc.org/uem/eco-tour/envi/index.html))

2.Pollution:-Tourism can cause the same forms of pollution as any other industry: air emissions, noise, solid waste and littering, releases of sewage, oil, and chemicals, even architectural/visual pollution.

- (i) Noise Pollution
- (ii) Air Pollution
- (iii) Solid waste and littering
- (iv) Sewage

3. Destruction and Alteration of Ecosystem:-An ecosystem is a geographic area with all the living organisms (people, plants, animals, and micro-organisms), their physical background (such as soil, water, and air), and the natural cycles that sustain them. Good-looking landscape sites, such as sandy beaches in Goa, Maharashtra, Kerala, Tamil Nadu; lakes, riversides, and mountain tops and slopes, are often transitional zones, characterized by species-rich ecosystems. The intimidation to and pressures on these ecosystems are often severe because such places are very attractive to both tourists and developers. Examples may be cited from Krushedei Island near Rameswaram. What was once called paradise for marine biologists has been abandoned due to massive destruction of coral and other marine life. Another area of concern which emerged at Jaisalmer is regarding the deterioration of the desert ecology due to increased tourist activities in the desert.

In addition to that habitat can be ruined by tourism leisure activities. For example, wildlife viewing can bring about stress for the animals and alter their natural behavior when tourists come too close. Safaris and wildlife surveillance activities have a shameful effect on habitat as they often are accompanied by the noise and uproar created by tourists.

### **SOCIO-ECONOMIC AND CULTURAL IMPACT OF TOURISM**

Undesirable Social and Cultural Change :Tourism sometimes led to the destruction of the social fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the State leading to a rise in the use of drugs, prostitution and human trafficking. This had a ripple effect on the country.

Increase Tension and Hostility :Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists. The recent crime committed against Russian tourist in Goa is a case in point.

Creating a Sense of Antipathy :Tourism brought little benefit to the local community. In most all-inclusive package tours more than 80% of travellers' fees go to the airlines, hotels and other International companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government. Sociology is the science of society, social institutions, and social relationships. Visitors to a community or area create social relationships that typically differ greatly from the affiliations among the indigenous population. The main purpose of tourism is to become better acquainted with people in other places and countries because this furthers the understanding and appreciation, and help to build a better world for all. International travel also involves exchange of knowledge and ideas which is another worthy objective. Travel raises levels of human experiences, recognition and achievements in many areas of learning, research and artistic activity. Tourism and Environment are much closer to each other because many tourists' centers are located in the natural condition. Human activities also depends on the environment because man as started himself. Day by this activity is increasing because a large number of tourists are travelling different land, especially places having important historical and cultural places.

Adverse Effects on Environment and Ecology :One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilisation of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on bio-diversity, ambient environment and general profile of tourist spots.

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**LEGAL IMPACT OF TOURISM**

The Tourism industry is a one of the world's great industries. Large industries mean that there are large cash flows and large amounts of cash often mean multiple lawsuits and other legal problems. One of the main thing is local tourism offices are unaware of their own Nation laws and obligations. This ignorance of the law can be very costly.

Now a days criminal and a terrorist acts are increasing in tourist places, these two negative events have very specific definitions in different Nation laws and the legal consequences are determined by how the courts may define the event. It is essential that court should take action about this problem and protect the rights of tourists. There are no adequate laws for protecting tourists in India, although there are some policies available for protecting and promoting tourism industry. Tourism is big sector but India still there is no single law at the central level, but some States in India enacted own laws for Protection tourism industry as well as tourist. There is need some laws in this sector because some tourists are easily cheated with some guides and some other persons take advantages in these areas.

**FINDINGS**

Tourism is environment driven. Present emphasis strives to develop a properly thought-out management strategy as part of tourism development; to prevent fall outs which might lead to damage to the environment. The general awareness of environmental problems created by tourism and the understanding of the forms and sources of fall-outs can provide logical clues to better development and management of tourism.

Tourism, at the business level and, especially international tourism, is still at its infancy in some States in India.

Great potentials exist for development of a viable tourism industry in India. Vast tourism potentials lie yet untapped; which can be harnessed into destinations capable of attracting local and international tourism. Further, as India moves away from a subsistence economy towards an industrial society, tourism is expected to grow in the country.

There has been a recent corresponding increase in the development of natural and man-made resorts in India, so there is a need to add and increase sensitization of the relevant stake holders to the rich potentials of the country in the tourism industry.

**CONCLUSION**

Tourism is one of the growing sectors in the world economy and so is true with pilgrimage tourism. It is concurred that such research efforts would help tourism practitioners and planners to have a better understanding of pilgrimage tourism and to formulate improved strategy and planning about pilgrimage tourism destinations. There is no denying of the fact that Jammu and Kashmir has immense potential and tourists are satisfied at various pilgrimage destinations in Jammu and Kashmir. Hope, Jammu and Kashmir will receive more domestic and international tourists in the near future, so that it will become one of the leading providers of the flavor of faith based tourism in the world. Tourism in India has a brawny significance to the economic development, cultural growth, and national integration. India is a gigantic country of great beauty and diversity and her tourist potential is evenly enormous. The tourism industry in India is emergent and it has huge potential for generating the employment opportunities and earnings on a large amount of foreign exchange besides giving a fillip to the country's overall economic and social development. The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism is also a potentially large employment originator besides being an important source of foreign exchange for the country. It has happened to the fastest growing service industry in the country with great potentials for its further growth and diversification, besides it has direct and indirect chain link with several sectors on an economy. Therefore tourism has both positive and negative far-reaching impact on economic, social, political and environment face of India. In developing countries like India tourism has become one of the major sectors of the economy, contributing to a large proportion of the National Income and generating huge employment opportunities.

Tourism industry in India is growing and it has vast potential for generating employment and earning large amount of foreign exchange. Eco-tourism needs to be promoted so that tourism in India helps in preserving and sustaining the diversity of the India's natural and cultural environments. Tourism in India should be developed in such a way that it accommodates and entertains visitors in a way that is minimally intrusive or destructive to the environment and sustains & supports the native cultures in the locations it is operating in. Moreover, since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourism industry.

**SUGGESTIONS**

The following measures are thus suggested to ensure the development of sustainable tourism in India: Compatibility must be drawn between the two competing and opposing interests inherent in tourism development namely: The commercial, profit-oriented interest of resorts and mega-resorts which tend to be carried away by short term financial gains at the expense of ecological and aesthetic concerns, and long-term environmental considerations. Environmental impact assessment should thus precede all development programmes, whether inside or outside of the tourism sector because of the interdependence of elements within any given environment. Proper evaluation of the ecological value and fragility of India's tourism sites, especially in natural settings should be undertaken before the pressures of tourism start to weigh on them. This will ensure that a firm foundation for sustainable/green tourism is laid in India; this being the advocacy of contemporary tourism.

In order not to allow development programmes and other economic activities to take over the great proportion of India's natural environment, areas rich in tourism potentials should be constituted into protected areas such as national parks, game reserves, municipal parks, marine reserves etc. Also, features of historical or architectural interest, or rich in biodiversity should be protected from over development whether for tourism or other commercial interests.

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**IMPACT OF DEMONETISATION ON POWER LOOM SECTOR WITH RESPECT TO BHIWANDI MAHARASHTRA**

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**ABSTRACT**

*Demonetization is the act of stripping a currency unit of its status as legal tender. A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. A power loom is a mechanized loom, and was one of the key developments in the industrialization of weaving during the early Industrial Revolution. The first power loom was designed in 1784 by Edmund Cartwright and first built in 1785.*

*This paper highlights the major impact of demonetization which took place on 8th November, 2016 which is base of cashless economy. Secondary data is used for study and authentic fact has been collected to analyse the information collected. The basic objective of this paper is to understand the term demonetization, correlation between demonetization and cashless economy, impact of demonetization on powerloom sector in Maharashtra. This paper tries to achieve its objective at significant level.*

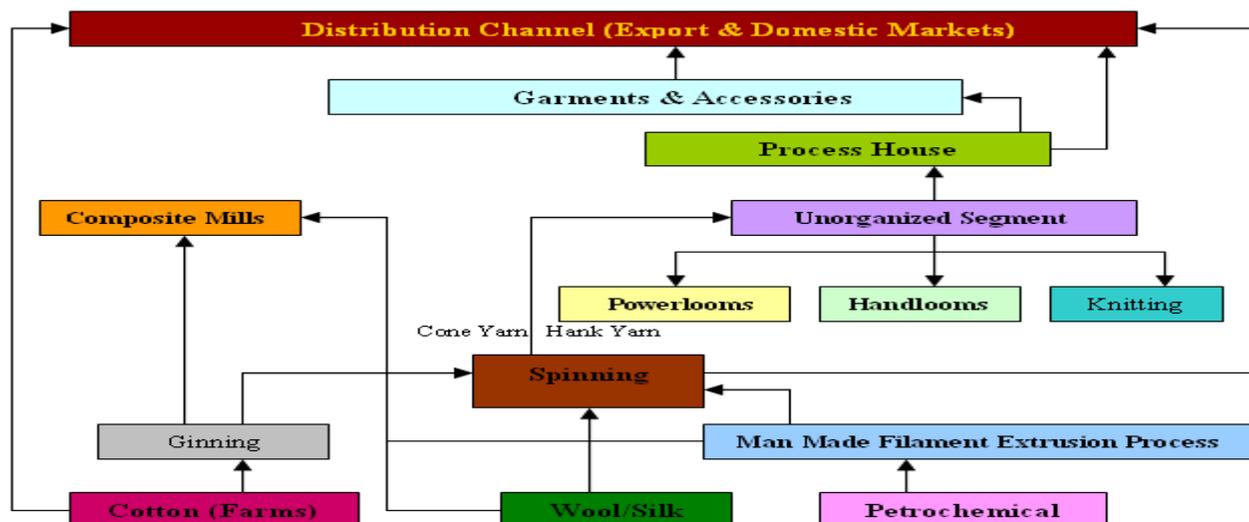
*As powerloom is unorganized sector of textile industry and it is second largest employment generating sector, and contributes approximately 14% of GDP to India thus any policy change in Indian economy will be affecting entire economic system of nation in chain pattern.*

*Keywords: Demonetization, Cashless economy, Textile industry, Powerloom sector, Unemployment, Illiteracy*

**INTRODUCTION**

Economy operates in three sectors that is primary, secondary as well as tertiary sector. Primary sector is all about agriculture, secondary consists of industrial manufacturing sector and tertiary sector is service sector. Industry is all about goods and services in economy. Manufacturing industry plays vital role in generating revenue for economy and providing employment opportunity.

Textile industry is one of the oldest industries and continues to generate maximum employment opportunity after agriculture.



Above structure of textile industry is taken from A Digital Web Solutions Pvt. Ltd. Showing flow of organized and unorganized sector textile industry.

The textile industry is the second largest employer in India, after agriculture, employing more than 25 million workers, according to the 2015 annual report of the textile ministry. The textile industry, of which decentralized power looms and knitting are the largest components, contributes 2% of India's gross domestic product. Maharashtra, with over 1.1 million power looms, is one of the largest power loom hubs in the country. The textile industry is the second largest employer in India, after agriculture, employing more than 25 million

workers, according to the 2015 annual report of the textile ministry. The textile industry, of which decentralised power looms and knitting are the largest components, contributes 2% of India's gross domestic product. Maharashtra, with over 1.1 million power looms, is one of the largest power loom hubs in the country. Most of the transactions in the power loom sector are in cash – power loom owners buy raw material in cash, disburse wages in cash, and sell in cash. While many owners tried to work on credit, they couldn't sustain the same level of production without cash for long, they told India Spend. The decentralized powerloom is source of employment to millions of people the technology level of the power loom sector varies from obsolete plain looms to high tech shuttleless looms. Powerloom sector is important segments of the textile industry that can engage in bulk production.

**Demonetization** is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency: The current form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency.

In 2016, the Indian government decided to demonetize the 500- and 1000- rupee notes, the two biggest denominations in its currency system; these notes accounted for 86 percent of the country's circulating cash. With little warning, India's Prime Minister Narendra Modi announced to the citizenry on Nov. 8, 2016 that those notes were worthless, effective immediately – and they had until the end of the year to deposit or exchange them for newly introduced 2000 rupee and 500 rupee bills.

**Cashless economy:** After demonetization central government is pushing for achieving maximum share of cashless transaction in our economy. Cashless economy is economy when cash within the economy is negligible and country is transacting through e-transactions. The birth of cashless economy took place on 8th November, 2016.

#### **NEED OF THE STUDY**

1. Small businesses have borne the brunt of the government's demonetisation scheme
2. The power loom industry located in Bhiwandi near Mumbai has been hit badly
3. Powerloom owners complained that they aren't able to pay their employees
4. Powerloom workers lost their job

#### **OBJECTIVE OF STUDY**

1. To understand the concept of demonetization
2. To know the extent of correlation between demonetization and cashless economy
3. To find the impact of demonetization on powerloom sector with respect to Maharashtra
4. To make people aware about government measures to prevent cash crunch

#### **HYPOTHESIS OF STUDY**

1. Demonetization is one of the factor responsible for cashless economy
2. Unorganized sector like powerloom got affected due to demonetization
3. Government tried to curb the negative impact of demonetization on powerloom sector by some measure

#### **Impact of Demonetization on Powerloom**

1. Eighty percent of the Indian textile and clothing industry is in the decentralized sector, in the SME sector, and that tells the story of the impact that demonitisation is having on the country's second largest industry. 70-75% of powerloom units stopped production in the various textile clusters, as most of the transactions happening were in cash.
2. Traders and manufacturers found liquidity crisis in a pile up of stocks across the value chain. Retailers were not able to create demand due to no cash running in economy.
3. Most of the workers in unorganized sector like powerloom are illiterate migrant from less developed states, due to cash – strapped company owners were unable to pay their wages some of workers are daily wage earners. Many of them went back to their native place due to less productivity which happened due to less demand in the market for their product. In general demonetization affected economy in channel on size of production, wages and but obvious profitability in adverse form.

4. Inside a power looms in Bhiwandi, about 70 percent of the 1.2 million power looms here had to down their shutters post demonetization (Abdul Mannan Siddiqui, a power loom owner and president of the industry body ShantinagarPowerlooms Association)
5. Till November 8, power looms in Bhiwandi, a town 20 km north-east of Mumbai, worked in two shifts of 12 hours each. That changed in India's Manchester of the West after demonetisation came into effect.
6. Business slowed because of fewer orders and the cash crunch prevented owners and workers from completing the limited work they had.
7. Bhiwandi's power loom industry, which weaves a third of the cloth that India wears, had been struggling on account of high electricity rates, dumping by China and administrative hurdles, demonetisation dealt a crippling blow for many here.
8. The Markets demand decreased, marketing stalled
9. In Mangaldas market, the biggest textile market in Mumbai—a city once known for its textile mills and labour unions, both now relics of history—N Chandrakant said business was 20% less than normal for the winter-and-wedding-shopping season, which runs from November to February. There was no business in the first week of notebandi.
10. The Workers With business down, work became hard to find in Bhiwandi
11. Limited cash withdrawals have hampered operations.
12. Close down of power loom for want of cash and inability to source raw materials
13. Most of migrant worker have already left for their homes in Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal.
14. If the situation does not normalise soon, forced to sell loom at scrap value."

### **Government Measures**

To ease the woes of demonetisation, the government and the RBI have since introduced a slew of measures to aid the cash-starved public. Here's a look at the key measures implemented:

- ATMs being recalibrated across the country
- The cash holding limit of banking correspondents (BCs) - representatives authorised by banks to deliver banking facilities at people's doorstep - has been increased to Rs 50,000 each.
- The government has allowed withdrawal of Rs 2.5 lakh for weddings.
- Business entities having current accounts -- that have been operational for three months or more -- will be allowed to draw Rs 50,000 a week.
- Micro ATMs will be deployed to dispense cash against debit/credit cards, for upto the cash limits applicable for ATMs.
- Relief for small borrowers
- To help small borrowers (people taking loans worth up to Rs 1 crore), the RBI has decided to give 60 days more time for repayment of dues. This will be applicable for personal and crop loans - including housing and agricultural loans taken from banks, NonBanking Financial Companies (NBFCs), NBFC-Microfinance Institutions, DCCBs, or PACS.

### **RESEARCH METHODOLOGY**

**Secondary Data:** The study focuses on extensive study of secondary data collected from government websites, various national and international journals and articles, publications, conference papers, government reports, newspapers, magazines which focused on various aspects of impact of Demonetisation on Powerloom sector.

### **FINDINGS AND SUGGESTIONS**

This paper is based on the secondary data through journals and articles newspaper and various other sources of information and in its finding it is found that demonetization has major impact on performance and productivity of powerloom sector because it is totally unorganized sector. In unorganized sector major transactions are through cash, we can say it is cash based rather cashless sector. So this paper suggests keeping mixed system like what is the current phenomenon of cash and also e-transactions for smooth operations so that GDP will not

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decline. Gradually the cash based powerloom sector can move to cashless transactions rather than a sudden change. Cashless transactions are becoming popular due to certain advantages of using digital payments i.e. low cost, save time, convenience, low risk, user friendly and providing discounts.

**LIMITATIONS**

This paper is based on particular district of Thane i.e Bhiwandi in Maharashtra and secondary data has been chosen for study.

**CONCLUSION**

A primary assessment of the trend in various segments shows that the demonetisation of Rs 500 and Rs 1,000 notes has certainly caused a spike in digital transactions in the immediate months (December 2016 in particular), as people rushed to alternative channels to do transactions in the wake of a sudden cash crunch and some are sticking to those channels. However, the level of usage of these channels hasn't stayed at the peak levels seen in the subsequent months of the demonetisation. Thus from this paper it is concluded that demonetisation had adverse effect on powerloom sector. Any policy change in economy should take into consideration about pros and cons to economic condition and also its effect on the masses of country.

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**THE JOURNEY TOWARDS GOING CASHLESS: A CASE STUDY OF V.E.S. INSTITUTES****Samhitha Sharma Kain<sup>1</sup> and Richa Sharma<sup>2</sup>**HOD & Associate Professor<sup>1</sup>, V. E. S. College of Arts, Science and Commerce, Chembur, Mumbai<sup>2</sup>Student, Department of Economics, S. N. D. T. Women's University, Mumbai**1. INTRODUCTION**

On 6th November 2016 when the Prime Minister announced demonetisation of all ₹ 500 and ₹ 1000 banknotes of the Mahatma Gandhi Series, the nation was apprehensive about the road ahead. This stemmed from the *illegal tender* i.e. huge amount of purchasing power now rendered useless, the inevitable delay in printing new notes and installation of the corresponding ATMs. A deadline till 30th December 2016 was given to the public to deposit all *illegal tender* cash in banks which required one to stand in long queues. Adding to the chaos was the limitation imposed by the government on the maximum cash withdrawal in a day. At this juncture, the importance of being able to manage one's affairs while 'going cashless' dawned upon the clueless public. Using e-wallets, mobile apps, bank to bank transfer, etc., became a necessary, reliable and easy alternative to using cash. And so the coming months saw the masses adopting these cashless alternatives with a vengeance.

In this melee, educational institutions also found themselves joining the bandwagon. Various examples of educational institutes adopting cashless ways for fees and miscellaneous charges collection from across the nation, came forward. Extending a helping hand, the Human Resource and Development Ministry launched 'VittiyaSakshartaAbhiyan' (VISAKA) in December 2016. This enabled Universities/ Colleges to send their volunteers for training to learn how to use the BHIM App and to gather other basic/ important information. This training could further be used by all of them to educate their immediate society. In this way, the idea was to spread the importance and modes of usage of cashless transactions, thus helping the society move forward in the direction of a cashless economy.

**2. VIVEKANAND EDUCATION SOCIETY**

This study focuses on Vivekananda Education Society (VES) as both the authors are associated with one of its institutions. VES was founded in 1959 by Shri. Hashu Advani, along with ten other members, who shared the dream of providing qualitative education to the youth of our country. In the beginning, Vivekanand Education Society had a very modest launch, with just 256 students and six classrooms, in the humble barracks of Chembur Camp. But today, it proudly boast of having 3, 75, 000 sq. ft. land, housing 12 buildings and 28 Institutions, ranging from a crèche to Ph.D. Centers. It has over 2000 teaching and non-teaching staff, and more than 20,000 students who pass through its hallowed portals each year.

The institutes of VES covered in this research study are:

1. V.E.S. College of Arts, Science and Commerce, Sindhi Society, Chembur.  
(Henceforth VESASC)
2. V.E.S. College of Law, Sindhi Society, Chembur.  
(Henceforth VESCL)
3. V.E.S. Institute of Technology, Collector Colony, Chembur.  
(Henceforth VESIT)
4. V.E.S. Institute of Management Studies and Research, Collector Colony, Chembur.  
(Henceforth VESIM)
5. V.E.S. Junior College, Sindhi Society, Chembur.  
(Henceforth VESJC)
6. V.E.S. Polytechnic College, Sindhi Society, Chembur.  
(Henceforth VESP)

All these institutes are located in close vicinity of each other in nearby campus blocs.

**3. REVIEW OF LITERATURE**

Jain's (2017) research paper titled "Cashless system of colleges in India" studies the impact of 'cashless college system' on government and private colleges. The views of students and parents were taken and assessed. Results indicate that in private colleges, 68% students and in government colleges, only 27% students feel comfortable with the cashless system. College administrators expressed their comfort with the cashless system. However, it appeared that while people were gradually trying to change and adopt the cashless system, they

were actually fearful of the system, largely due to lack of knowledge and security issues involved in online transactions.

Saez, Megan E. (2009), in her quantitative study titled, "Cashless college: Credit card debt among college students and the leadership role of academic institutions", surveyed students to determine a correlation between the student's demographic background, attitudes, and knowledge on the one hand; and their financial management of credit card debt on the other hand. The survey results show that a correlation does exist between these two sets of variables.

B. Mukhopadhyay (2016), in his research study: "Understanding cashless payments in India", analyzed the key steps which were helping India gradually migrate towards a cashless economy. In doing so, the study estimated the amount of cashless transactions prevalent in India, and identified what is functioning and what requires improvements. It was found that, a significantly higher proportion of individuals made cashless payments in 2014 than in 2011. (12.61% in 2014 as compared to 3.47% in 2011).

Gupta Dinesh (2017) studied the impact of "Demonetization in India 2016 -- Mother Tongue Friendly E - Delivery Banking Channels for Cashless Growth". The research paper studied the impact of decision taken by banks to use alternate delivery services in Hindi or mother tongue friendly mode. It was understood that the transactions via e-banking, post launch of this service, increased manifolds.

ShulkaUpendra (2017), in his study titled, "An Empirical Study on Future of Mobile - Wallets in India : A Gateway for Cashless Payments", attempted to explore the future of m- wallets in India by accessing the intent of existing debit card users to use m-wallets for cashless payments. The study concluded that, debit card users who were upto 45 years of age had fewer handling problems related to debit cards and were more inclined towards adopting m-wallets, post demonetization in India.

TusharChaudhari (2017), in the research study titled "The critical analysis of cashless transaction" post demonitisation, tested three important statements to be true; they are, a) fear of technology is the biggest challenge in cashless transaction; b) there is no significant difference between the use of cashless transaction between male and female; c) Irrespective of the various educational levels of the people, the benefits of cashless transaction are same

#### **4. OBJECTIVES OF THIS RESEARCH STUDY**

1. To understand the difficulties/ challenges faced by educational institutes in going cashless post demonetisation.
2. To understand the different modes of transactions and their ease in use in these institutions with focus on a comparison between VESASC and VESCL
3. To assess the level of 'cashlessness' achieved in these institutes.
4. To check the use made (if any) of VittiyaSakshartaAbhiyan (VISAKA) launched by HRD Ministry for facilitating the learning of BHIM App; or create an awareness about a possible use of the same.
5. To use the insights of this research to make recommendations to the VES society and our institute VESASC towards becoming cashless as well as resolve some other related issues.

#### **5. RESEARCH METHODOLOGY**

To collect the requisite information from the VES Institutes, two modes were used:

1. **Interview method:** This mode was adopted to understand the different challenges faced by institutes in 'going cashless' post demonetisation. The Administrative Heads of the respective campuses were interviewed to find the different modes of transaction facilities available, status quo of digitalisation implemented, and the future plans on going cashless.
2. **Survey method:** A suitable questionnaire was made and circulated via the internal social media of the respective institutes to understand the popular modes of payments in vogue as well as the ease with which they were used by the students. The response being better from VESASC and VESCL, a comparison of these two institutes is taken up. As these two institutes are practically located face to face with a number of shared facilities and greater interaction among personnel, there were similarities expected in the progress to cashless transactions.

Thus, while the interview method was used to gather information from all Administrative Heads of the various institutes, this information was supplemented by the student survey forms that could be circulated in

some institutes only. For e.g. the VES polytechnic and Junior College are “No Cell-Phone Campus”, thus this was not possible and time was limited for an optional mode. The data so collected was pooled and analyzed to test the conjectures or hypothesis initially assumed.

## 6. HYPOTHESIS

1. As all the surveyed institutes belong to the same education society and are under the same management, they have progressed to the same level of ‘going cashless’.
2. Similar cashless payment modes are in vogue in VESASC and VESCL
3. Seeing the obvious connection between these institutes, one/ a few payments service providers would be becoming popular and cutting into the market share on campus.
4. While there is a universal desire to go cashless, fear of technology comes in the way.

## 7. DISCUSSION AND ANALYSIS

The one-to-one **interviews with the authorities**’ revealed information that was summarized for analysis in a two way table that facilitated a bird’s eye view. To get an idea of the student stakeholder experiences and also to tally the same with the claims of the authorities, a student survey was conducted for VESASC (116 responses, of which roughly half were from aided and unaided sections) and VESCL (85 responses), especially as these institutes are in the same campus. These results were also tabulated for analysis.

**Hypothesis 1: As all the surveyed institutes belong to the same education society and are under the same management, they have progressed to the same level of ‘going cashless’.**

The following points emerged on scrutiny of the data collected:

- While the old faithful and yet comparatively more tedious cashless mode of **DD** continues to be accepted as a usual practice by VESASC, VESCL, VESCP and VESIM, it has maximum presence in VESASC for paying **annual fee**. The annual fee payment via DD is as high as 74% in VESASC and 77% in VESCL as per the student survey while about 10-11% in both institutes use plastic money and 2-4 % use mobile apps for fee payments, remaining using cash. Also while VESASC so far only has a pilot online (fully online by 2019-20), the other institutes have majorly gone online with VESIT becoming completely online to receive annual fee. The service charges associated with EDC use has prevented the authorities from using this mode for accepting large payments of fees. However, this fear is unwarranted as actually even DDs have a charge involved for the payer.
- For small **miscellaneous fees**, VESASC and VESCL are mostly using cash (about 85%), VESIM is using cash/ EDC, and all others are using EDC machines. In view of this, it is not surprising that in the immediate aftermath of **demonetization**, VESASC faced some initial cash management issues while the other institutes had no such problems.
- In the **subsequent period**, while VESASC is facing no specific problem, other institutions are facing some issues in going cashless. Issues faced by VESCL include no permanent I.T. personnel, high fee by external I.T. Expert, office staff unfamiliar with apps etc. VESP is facing data tracking issues as parents details are received with payments instead of the students and the follow-up is time consuming. Having become practically cashless and with streamlined systems, VESJC, VESIM and VESIT are facing no issues.
- **Attendance app** that *could* be used for fee payment is being used in VESASC and is underway in VESCL. The other institutes use manual attendance (VESP and VESIT) or biometric attendance (VESJC and VESIM). VESIT and VESIM are considering attendance app for fee payment, but *fear receiving high fees with data tracking issues*.
- VESASC, VESCL and VESIT have recently **tied up with ICICI** for facilitating payment apps on campus. VESIM has tied up with PayTM. But the process is yet to be completed.
- Regarding **alumni registration**, only VESASC has an online portal (also accepting cash), while all other institutes do this work offline, either as compulsory deduction from caution money (VESCL, VESJC and VESP) or as part of the annual fee structure (VESIT). VESIM is planning to go online for alumni registration from 2019-20. So far, alumni registration is not compulsory in VESASC and VESIM.
- **Sale of Prospectus/ Admission forms** is offline for VESASC (Rs 100) and VESCL (Rs. 300), offline and online for VESIM (different rates for different courses) and online for VESJC and VESP (forms issued by the govt.).

- The **canteen** uses both cash and PayTM modes in all institutes except on VESJC where it accepts only cash.

From the above, what emerges is heterogeneity in the institutes in their endeavour to go cashless. On an ascending scale of going cashless, VESASC, VESCL and VESP are at the lower end of the spectrum while VESIT, VESIM and VESJC are at the higher end in this order. So our hypothesis stands rejected. There remains a lot of scope for the authorities to interact and reduce these differences in the level of going cashless.

### **Hypothesis 2: Similar cashless payment modes are in vogue in VESASC and VESCL.**

Both the institutes use EDC Machines/ Online Gateways for a) sale of forms b) alumni registration, and c) annual fee payment. PayTM is popular in canteen while swipe machines are used for small payments. It was also understood that tie-up with their partner bank ICICI for QR Code generation are under talks. The given hypothesis thus stands accepted.

While about **68% of VESASC students used mobile apps, 77% of VESCL students** used these. This is a significant percentage. Also while 41% of VESASC students used such services on a daily/ weekly basis, the figure for VESCL was higher at 60%. The figures for VESASC is lower perhaps as half of these students are from aided section with a significant number from poorer backgrounds.

The most **popular modes of cashless payment were PayTM and Plastic Money** (Credit and Debit Cards). Their usage was significant in VESASC (62% PayTM and 56% Plastic Money) and VESCL (49% PayTM and 76% Plastic Money). So while PayTM was most significant for VESASC, Plastic Money was the most significant for VESCL. This is also perhaps due to different economic backgrounds of students enrolled with the cash backs and other privileges of PayTM perhaps being more attractive to VESASC. Google Pay is another popular app.

### **Hypothesis 3: Seeing the obvious connection between these institutes, one/ a few payments service providers would be becoming popular and cutting into the market share on campus.**

With introduction of EDC Machines and option of payment by PayTM app in canteen area, payment by cash is reducing. Thus these two different modes are becoming popular and more sought out option for payment on campus. The hypothesis thus stands accepted.

### **Hypothesis 4: While there is a universal desire to go cashless, fear of technology comes in the way.**

The cashless modes of transactions are in operation in both the campuses from the beginning of the current academic session. The response is good, but small especially in fee payment: 10% in VESASC and 11% in VESCL opted for plastic money payment modes, also, just 04% in VESASC and 02% in VESCL used Mobile apps for fee payment purposes. S mentioned earlier, most prefer the age old safe mode of DDs. Even the authorities are fearful of making mistakes while tracking online payments. Thus the hypothesis stands accepted. The institution can take a lead role in dispelling these fears through compulsory awareness programmes for staff and students.

## **8. CONCLUSION**

There is heterogeneity in the institutes in their endeavour to go cashless. On an ascending scale of going cashless, VESASC, VESCL and VESP are at the lower end of the spectrum while VESIT, VESIM and VESJC are at the higher end in this order. There remains a lot of scope for the authorities to interact and reduce these differences in the level of going cashless.

Students in both VESASC and VESCL institutes still largely prefer paying their annual fee through Demand Draft facility; 74% in VESASC and 77% in VESCL and not by other cashless modes. The main reason can be, the Electronic Data Capture machines have been recently introduced as an alternative payment option in the campus. However, about 2/3rds of respondents here would use cashless (other than DD) over cash based modes if given an option and educated about the same.

The educational institutes did not face any major difficulties/ challenges in going cashless post demonetisation. The only issue was initial confusion of using the cashless modes. Different bank accounts were linked with similar QR code, thus problem in data tracking.

Both the institutes, VESASC and VESCL have similar modes of transaction options available. The Electronic Data Capture machine are put on duty on full-time basis. Apart from that, the annual fees collection mode, i.e., Demand Draft and Online gateway is common in both the institutes. Due to small amount, 86% respondents in VESASC and 82% respondents in VESCL still prefers cash payment for paying miscellaneous fees. Institutes can tie-up with mobile apps such as PayTM, GooglePay, PhonePe, etc which provides attractive cashback offers. Thus, encouraging students to use those modes.

Both the institutes have taken the initial steps of going cashless. It has not only made transactions convenient for students but also administration. The load of collecting cash and later depositing them in bank is almost gone from the institutes. With ongoing talks for generation of QR Code the journey towards cashless-ness can be achieved sooner. A push/support from the management level at this stage will prove to be very beneficial.

The institutes had no knowledge about the 'VittiyaSakshartaAbhiyan' (VISAKA) launched by HRD Ministry for facilitating the learning of BHIM App. A tie-up with this scheme can be useful to educate the students coming from the vernacular medium or economically weaker section with little to no exposure to the technological advancement. This awareness about a possible use of the same was made in all the institutes. On their part, 11.2% OF VESASC students and 4.7% of VESCL students reported to be using the Bhim app.

## 9. SUGGESTIONS & FURTHER SCOPE FOR STUDIES

### Some suggestions/ comments by the institutes

Institute	Suggestions/ Comments
V.E.S.A.S.C.	--
V.E.S. Law	<ol style="list-style-type: none"> <li>1. A compulsory seminar for the teaching and non-teaching staff to improve their I.T. Knowledge to reduce dependency on external help.</li> <li>2. Will be cost effective and less time consuming.</li> </ol>
V.E.S. Polytechnic	<ol style="list-style-type: none"> <li>1. Problem of data tracking. Proper system must be in place before implementation of such cashless policy throughout the campus.</li> </ol>
V.E.S. Junior College	<ol style="list-style-type: none"> <li>1. No phone campus, students have less opportunity to use cashless modes.</li> </ol>
V.E.S. Management Studies and Research	<ol style="list-style-type: none"> <li>1. Different accounts for different courses are a big issue in going cashless.</li> <li>2. It will involve getting different QR Codes for different courses.</li> <li>3. Tracking data will thus be an issue.</li> <li>4. Students will have to come and report to the administrative department after every payment.</li> <li>5. Or another account will have to be made and set-up of another department to keep a track on transactions happening in the QR Code linked account.</li> <li>6. Can set up a branch of some bank which can tie-up with our institute and help students on campus.</li> </ol>
V.E.S.I.T.	<ol style="list-style-type: none"> <li>1. Use of Swipe Machine has reduced the workload on the staff.</li> <li>2. Regular reports from bank about the payments and transactions help in easy tallying with the account books and are thus very convenient for the office staff.</li> </ol>

### Some suggestions/ comments by the researchers

1. Availability/ free access to **high speed wifi at especially touch-points** to facilitate easy transactions.
2. While 3 institutes are tying up with ICICI, one is associating itself with PayTM. To negotiate a better deal and facilities, it may be better for **all institutes to collectively tie-up with ICICI** that is a bank of national standing. The foregone paybacks from PayTM can be replaced with other benefits like more swiping machines and even opening a branch of ICICI on campus. This can also go a long way in helping in the process of easing fee payments.
3. Attendance app via the student **Identity Cards can be used to make small payments**. Using I cards as a payments mode can also be used by staff members at the canteen. This is possible by using the app to

facilitate transfer of money onto the card or get it deducted from their salary in case of staff members. Such a method is currently in use in many IITs and institutes like BARC.

4. The institution can take a lead role in dispelling the common fears of online payments and also educate the staff and students through **compulsory awareness programmes** for them.

**Limitations of this study:**

1. Coverage of students only from VESASC and VESCL and not the other VES institutes.
2. Unequal participation of students from VESASC and VESCL institutes.
3. Only interview and survey methods were used and no tests of significance conducted.

Further research can take care of these limitations. Also a comparative study of institutions across Mumbai with insights into their problems and functioning can help in bridging the gap in 'going cashless'.

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**A PARADIGM SHIFT IN THE DEVELOPMENT AND MANAGEMENT OF WATER RESOURCES  
IN INDIA**

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**ABSTRACT**

*Agriculture is the main occupation of majority of the people in rural areas. It depends on the mercy of rainfall. Rainfall in India is very scanty, uncertain and unevenly distributed throughout the country. Irrigation is one of the basic inputs to boost agriculture development from subsistence to the commercial one. Scarcity of water is a global problem and resulted from global warming and global environmental crisis. The situation in India is very grave due to uncertain rainfall, vast arid and semi-arid areas, increasing population and ever increasing demand for water for various purposes.*

*Irrigation is the basic input for the development of agriculture from subsistence to the commercial one. The progress made by the country in respect of development of water resources, creation of irrigation potential and its utilisation is very dismal. The actual utilisation of the available potential is less than 80 per cent, leaving a huge gap between creation and utilisation of the irrigation potential.*

*The main causes of under utilisation of irrigation potential are incomplete land development works, non-maintenance of distribution system, heavy transit and seepage losses, water logging and salinity, unrealistic cropping pattern, inadequate supply of credit and other farm inputs. There are various measures suggested for conjunctive and judicious use of irrigation water such as harvesting of rain water, reduction in transit and seepage losses, lining of canal and distribution system, implementation of rotational water supply system, use of micro irrigation methods, use of modern technology and land and water management practices.*

*Keywords: Irrigated area, irrigation potential, irrigation potential created micro irrigation, transit and seepage losses and rotational water supply system.*

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**INTRODUCTION**

Agriculture still occupies a pre-dominant place in India's economic development. It provides livelihood to fifty six per cent population, employs over fifty two per cent of the labour force and contributes about 15 per cent of the national income. Additional areas could be brought under crops only by encroaching upon country's valuable but already depleted forest resources. If the requirements like food, fibre and employment of an ever increasing population of the country are to be met, there is no other alternative but to increase the productivity of the agriculture. Irrigation is considered as one of the basic inputs to augment agricultural productivity and to achieve agriculture development.

The flood-drought-flood syndrome still haunts a large part of the country and brings in heavy destruction of crops, wealth and life every year. More than 58 per cent of the country's cropped area is exclusively dependent on the mercy of rainfall, this makes the Indian agriculture extremely vulnerable- a gamble in rain. About 326 talukas in 61 districts are chronically drought prone areas which comprise 16 per cent area and 11 per cent population of the country. As irrigation averts famine and scarcity conditions, the first priority must unquestionably be assigned to development of water resources and irrigation to protect the country directly from droughts and scarcity conditions.

**OBJECTIVES OF THE STUDY**

The objectives of the study are as under:

- To study total available and useable water resources in the country.
- To find out the ultimate irrigation potential and potential created in the country.
- To examine the extent of under-utilisation of created irrigation potential and reasons thereof.
- To investigate the changes in the government policy towards irrigation development and utilisation.

**METHODOLOGY**

The present paper is primarily based on secondary sources of data. Information is collected from published sources such as reports of irrigation commission, reports of committees and study groups, documents of five year plans, economic survey and other government publications. Research articles published in journal and

available on websites are also referred. Simple statistical techniques like tabulation, classification and calculation of percentage are used for interpretation of data.

**WATER RESOURCES AND FUTURE WATER REQUIREMENTS**

The average rainfall is about 120 cm. and the average annual precipitation is 400 Mham. India has abundant water resources. It is endowed with 14 major and 44 medium river basins viz., Ganga, Brahmaputra, Godavari, Krishna, Mahanadi, Cauvery, Tapi, Narmada and Indus valley which contribute to over 90 per cent of the total run-off in the country. Total water resources of India are assessed at 185 Mham. Out of which 135 Mham. are surface water and 50 Mham. as ground water resources. Due to the limitations of topography, physiography, geology and dependability, all water resources can not be utilised for irrigation purpose. The aggregate utilisable water resources have been estimated at 105 Mham. comprising 70 Mham. of surface and 35 Mham. of underground water resources.

All the existing water resources would not be available for irrigation alone as it has to be utilised for other purposes. Apart from irrigation, the demand for water has been increasing rapidly for various purposes such as domestic, industrial use and hydro-electric power generation. The estimated future water requirements for various purposes as given below.

It is evident from the above data that about 73 per cent of the total water will be required for irrigation and rest 27 per cent for other non-irrigation uses.

**Table 1:** Projected Water Requirements for Different Purposes

Sr. No.	Purpose	2000 (Km3)	2025 (Km3)	Percentage (%)
1	Domestic Use	33	52	4.95
2	Irrigation	630	770	73.33
3	Energy	27	71	6.77
4	Industrial Use	30	120	11.43
5	Others	30	37	3.52
	Total:	750	1050	100.00

Source: Y.K.Murthy, Development of Water Resources in India, MIT Journal, Vol.III, No.9-10, Feb.-July 1994, pune, p.21.

**INVESTMENT IN IRRIGATION SECTOR**

The government has placed first priority for irrigation development during the planning period. It reveals from the data that the direct investment in irrigation sector has increased steadily from Rs. 446 crore in the First Plan to Rs. 211700 crore at the end of Eleventh Plan. The average annual outlay on major and medium projects including CADA increased from Rs. 75 crore to Rs. 32000 crores during the same period. Similarly, the average cost per hectare of potential created has risen steeply around Rs. 1060 in the First Plan to over Rs. 75000 in the Eleventh Plan. This increase in cost of completion attributed to delays in completion of irrigation projects within stipulated period, non-availability of better sites for construction, inadequate preparatory surveys and investigations resulting in substantial modifications, thin spreading of financial resources due to taking of too many of projects, extension of distribution system, larger provision for rehabilitation of project affected people and environmental and ecological preservation and adoption of more sophisticated but expensive technology for the construction, execution and completion of irrigation projects.

**Table 2:** Investment in Irrigation Sector, Irrigation Potential Created and Utilised

Sr. No.	Plans	Total Expenditure (Rs. Crore)	Potential Created (Mha.)	Potential Utilised (Mha.)	Percentage
1	First (1951-56)	446	22.60	22.60	100.00
2	Second (1956-61)	541	26.25	25.06	95.47
3	Third (1961-66)	1024	29.09	28.05	96.46
4	Fourth (1969-74)	2411	33.57	32.20	95.92
5	Fifth (1974-78)	3975	44.21	42.20	95.45
6	Sixth (1980-85)	11275	52.02	48.50	93.23
7	Seventh (1985-90)	18961	67.53	60.58	89.71
8	Eighth (1990-95)	34957	78.12	70.89	90.74

9	Ninth (1995-2000)	83049	92.90	84.52	90.87
19	Tenth (2002-07)	100106	93.95	81.00	86.22
11	Eleventh (2007-12)	211700	102.77	87.23	84.88
	Total:	468445	109.77	90.42	82.37

Source: Data compiled from XI Five Year Plan, 2007-2012, Vol. II p.47 and Report of the Working Group on Major and Medium Irrigation and CADA for the XII Five Year Plan, 2012-17, Ministry of Water Resources, GOI, New Delhi, pp. 18-19.

### ULTIMATE IRRIGATION POTENTIAL, POTENTIAL CREATED AND ITS UTILISATION

The ultimate irrigation potential of the country is assessed at 113.5 million hectares of which 73.5 million hectares are from surface water and 40.0 million hectares from ground water. This 113.5 Mha. irrigation potential comprises 58.5 million ha. from major and medium projects and the rest 55 million ha. from state sector minor projects.

There has been remarkable development of irrigation potential from major, medium and minor irrigation projects during various five year plans. The cumulative irrigation potential created from all projects has increased from 22.60 million ha. to 109.77 million ha. during 1951-52 to 2011-12. The irrigation potential created from major and medium projects increased from 9.70 Mha. in the First Plan to 47 Mha. In the Eleventh Plan, whereas the irrigation potential created from minor projects increased from 12.9 Mha. to 62.82 Mha. during the same period.

The gap between the irrigation potential created and utilised has continuously been increasing and the underutilisation of created irrigation potential has now become a serious problem particularly in respect of major and medium irrigation projects. For instance, by the end of Eleventh Plan, utilisation of created irrigation potential was 90.42 million ha. against a created potential of 109.77 million ha. It means there was a gap of 20 million ha. of underutilised potential. The pace of utilisation has been far too slow as the rate of utilisation declined from 100.0 per cent in 1951-52 to 82.0 per cent in 2011-12. This underutilisation has been attributed to delays in construction of distribution network such as distributaries, water courses and field channels, development of on-farm works, heavy transmission and seepage losses, cultivation of heavy water consuming crops like sugarcane, adoption of flood system of water distribution, water logging and salinity problem, development of new cropping pattern and also long time taken by farmers in switching over to from rain fed farming to irrigated farming.

### CADWM PROGRAMME

Problems of major and medium project in the country are delayed schedules and completion, cost escalation, and underutilisation of created potential. Therefore, a centrally sponsored CADA programme was launched in 1974-75 with the basic objective of reducing the gap between the irrigation potential created and utilised on major irrigation projects.<sup>11</sup> This programme envisages construction and lining of field channels and water courses, construction of field drains, introduction of Warabandi/RWSS, on farm development, adoption of suitable cropping pattern, conjunctive use of available water, education, extension and training for farmers, timely supply of inputs and credit. At present, all the major and medium irrigation projects are covered under this programme to achieve fuller utilisation of irrigation water. This programme was restructured in 2004 and renamed as Command Area Development and Water Management Programme. The cumulative progress of this programme is given below.

**Table-3: Physical and Financial Achievements of CADWM Programme**

Sr. No.	Period/Plan	Central Assistant Released (In Crores )	Field Channels (In M/ha )	Field Drains (In M/ha )
1	1974-75 to 1996-97	1688.11	13.95	0.77
2	IX Plan (1997-2002)	751.66	1.80	0.35
3	X Plan (2002-07)	818.57	2.31	0.64
4	XI Plan (2007-12)	1471.53	1.96	0.49
	<b>Total:</b>	4729.87	20.02	2.25

Source: Twelfth Five Year Plan, 2012-17, Planning Commission, GOI, New Delhi, P. 184.

Since 1974-75, an amount of Rs. 4730 crores has been spent under this programme, covering 20.0 M.ha. and 2.25 M.ha. of area under field channels and field drains respectively.

**INTERLINKING OF RIVERS IN THE COUNTRY**

The central and southern states of India often experience famine to scarcity conditions, while northern and north-east states face frequent floods and heavy damage to lives and properties. South India has deficient and north India has surplus water resources. Hence, interlinking of rivers will help in preventing floods in North India and also will distribute surplus water to other states of India to mitigate famines and scarcity conditions. Huge amount of fertile soils and precious nutrients are washed out every year due to overflow of water, floods and soil erosion. Like control of floods, reforestation of degraded forest areas and development of wastelands through afforestation are helpful in soil and water conservation. The Government of India has prepared a plan of interlinking of rivers in the country and is very keen in implementing it. Under this project, perennial rivers in the north like Ganga, Yamuna, Chambal, Narmada, etc., are interlinked with Tapi, Godavari, Krishna and Cauvery rivers in the south. This is a very ambitious project of the central government which will achieve the second green revolution in the country.

**TWELFTH PLAN AGENDA AND OUTLAYS**

The Twelfth Plan proposed a paradigm shift in the approach, formulation of plan, and strategies of water development and management. The main thrust areas in MMI sector are: completing ongoing projects, undertaking selected new projects, reducing the gap between IPC and IPU through investments in CADWM projects, introducing deep reforms in irrigation sector, promoting research, training and capacity building, strengthening water record and information system and restructuring AIBP programme. The outlays earmarked by Twelfth Plan for Water Resources Sector is Rs. 422012 crore, of which the central sector outlay is Rs. 18118 crores.

The proposed plan outlays will be distributed as follows: 65 per cent and 15 per cent of total outlays will be earmarked for completing the backlog of ongoing projects and for CAD&M and ERM projects respectively. The rest 20 per cent will be for new projects in underdeveloped states in respect of irrigation development. It is also proposed to set up a National Irrigation Management Fund to support institutional and management reforms.

**CONCLUSION**

There should be an integrated and multi-disciplinary approach to the planning, formulation, and execution of irrigation projects. It should include development of command area, the construction of drainage system, management of environmental and ecological aspects, and the rehabilitation of project affected people. While creating additional water resources, the government should accord the highest priority to physical and financial sustainability of existing facilities. It is necessary to prevent water crisis by augmenting and conserving water resources, adopting the latest water saving technologies and making the efficient use of available water for various purposes. The orientation, awareness and active involvement and participation of farmers and other stakeholders in management and distribution of irrigation water is a pre-requisite for efficient, conjunctive and judicial use and conservation of irrigation water.

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**STUDY ON OPINION OF RESPONDENT TOWARDS PROBLEMS/ISSUES IN CASHLESS ECONOMY**

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**ABSTRACT**

*In India almost 98 per cent of the economic transactions were cash based. This is too high percentage. This has paved number of evils like black money which was running a parallel economy, corruption, counterfeit currency etc. In India the campaign for cashless economy was a fall out of demonetization of Rs.1000 and Rs.500 denomination notes and the government's failure to replenish the same with the new notes. Therefore, in order to reduce the sufferings of the public the government pushed this campaign. The govt. also took several initiatives. As this was not a planned initiative there were several problems in its introduction. Even the industries which manufacture the Point of Sales machines were not prepared to meet the demand for it. The public adopted these machines and the other modes PTM, etc. to carry out their businesses. In the urban and metropolitan area the public response was good. In order to reduce the hardships of the rural people the Govt. of India supplied PoS machines in the villages. There are pros and cons of cashless economy. The cashless economy will bring transparency which will help the govt. to administer the taxation and increase its tax payer's base. However, it will not be possible to totally reduce the cash transactions. The govt.'s approach should be to have a fair proportion of cash and cashless transactions to have smooth development of the economy The main objective of this research is to study opinion of respondents towards problems and issues in cashless transaction in Thane region. To this end; a survey was conducted and the some questionnaires were distributed and are analyzed by percentage method; chart analysis w.r.t Gender, Education and financial of respondents*

*Keywords: Upi, Safe Finance, Direct Transaction, Cashless Economy*

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**INTRODUCTION**

A cashless society describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties In a cashless economy most of the transactions will be made using digital means like e banking, debit and credit cards, point of sales machines (PoS) and digital wallets. In simple way cash less economy means an economy wherein most of the transactions are without the use of physical cash i.e. paper currency. In these transactions the money is vested with a third party either bank or payment banks. In effect these cashless transactions are beneficial because it reduces the risks involved in physical handling of cash. Cashless doesn't mean 'without cash economy' rather it means least or less cash into economy. It is a step towards the digital economy because it ensures that the digital fingerprints of all the transactions are available. In a cashless economy most of the transactions will be made using digital means like e banking, debit and credit cards, point of sales machines (PoS) and digital wallets. In simple way cash less economy means an economy wherein most of the transactions are without the use of physical cash i.e. paper currency. In these transactions the money is vested with a third party either bank or payment banks. In effect these cashless transactions are beneficial because it reduces the risks involved in physical handling of cash. Cashless doesn't mean 'without cash economy' rather it means least or less cash into economy. It is a step towards the digital economy because it ensures that the digital fingerprints of all the transactions are available.

The researcher has find out certain problems related to cashless economy. They are

1. Possibility of forgery
2. Unsecured website are using for fraud
3. By the new research who all are using the cashless economy that they are facing the fake server issue
4. Issue of fake id
5. Cashless fraud

**REVIEW OF LITERATURE**

➤ cash less policy literature review. literature review. View Homework Help - cash less policy literature review. literature review from BUSINESS MAR2300 at Everest College. CHAPTER TWO LITERATURE REVIEW 2.0.

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- The cashless economy helps to many sector to maintain there financial progress. It also helps to our country to increase our GDP.
- It also helps to increases our value worth of money. It will increases with the help of cashless economy through online transaction

**NEEDS AND IMPORTANCE**

The cashless economy needs to be present as the financial year of 2015 experienced the hefty amount of rs. 21,000 cr just on the printing of the cash into the economy

The other need for the cashless economy is that every shady transaction that is left unrecorded will now comes into the picture making India one of the fastest-growing economies in the world.

A cashless economy is required to make the transactions more convenient for the layman rather than carrying the bulk of cash in the wallet along with plastic money.

**OBJECTIVES**

- To understand the concept of cashless economy
- To know about the impact of cashless economy
- To find out the problem against cashless economy

**HYPOTHESIS OF THE STUDY**

- H0 : There is a awareness about Cashless economy
- H01: There is no awareness about Cashless economy

**RESEARCH METHODOLOGY**

RESEARCH UNIVERSE	THANE REGION
SAMPLE SIZE	74
METHOD OF SAMPLING	CONVENIENCE SAMPLING
METHOD OF DATA COLLECTION	QUESTIONNAIR
METHOD OF DATA	PRIMARY & SECONDARY
DATA ANALYSIS TECHNIQUES	GRAPH & PERCENTAGE METHOD

For the research we have taken a thane region and we have get a result positive in thane region. As shown in table we have taken a research universe as Thane region. No of people responded on our sample research are 100. In thane region with the help of Google Form we have taken a convenience sampling by questioner method. In this we have used a primary & secondary data and to represent the all the question (?) in graph and percentage method as data analysis techniques.

**ANALYSIS & INTERPRETATION OF DATA**

**1. Are you aware about cashless economy?**



As we have taken a sample survey we found that the 10% of people are not aware about cashless economy in banking and financial sector. But the 90% of people are aware about cashless transaction of banking and financial sector. As we have shown in chart the blue color contain yes we aware about and orange color contain we not aware about cashless economy.

2. Do you feel that cashless transaction is safe than cash transaction?



3.

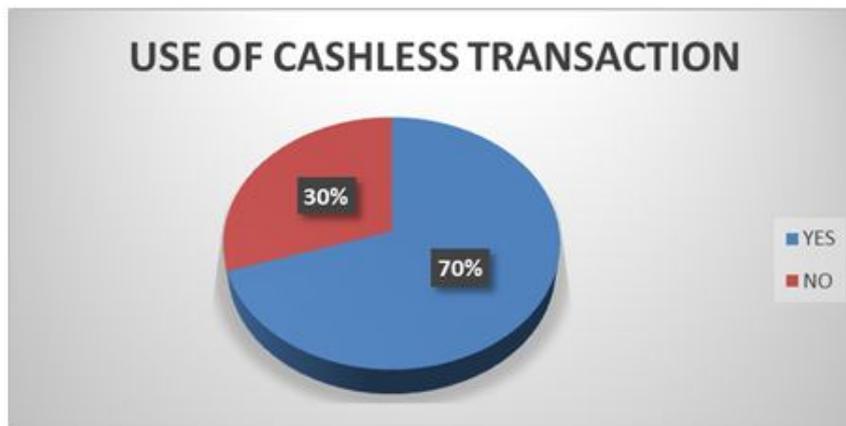
As by the survey we found that 52% of people are saying cashless is more safe than cash but the 23% of people saying that the cashless of not safe only cash transaction is safe. By the survey we also find that 25% of people says that may be cashless is safe than cash transaction

The blue colour indicate yes,

The orange colour indicate no &

The gray colour indicate may be.

4. Do you use cashless transaction?

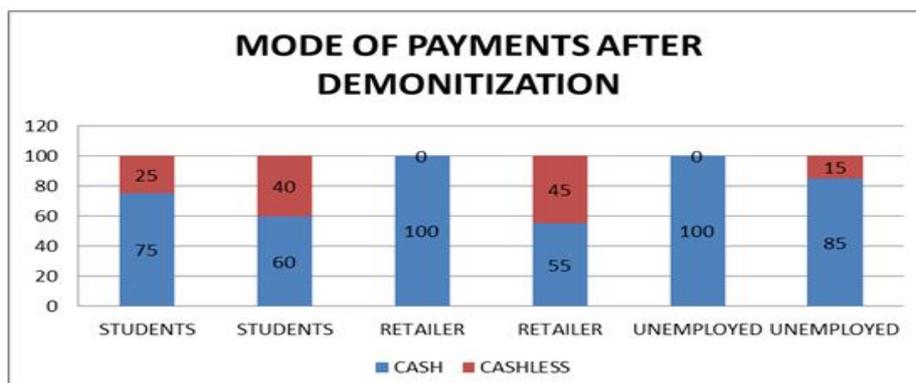


As we have seen that 90% of people are aware about cashless transaction but the 70% of people are taking advantage of cashless economy. 30% of people are no using cashless economy just because of fear of losing money.

Blue colour indicate yes &

Orange colour indicate no.

5. MODES OF PAYMENTS OF CASHLESS



As we can see in chart we have taken this chart from survey method. So in this survey we have taken (students, retailer, unemployed) so we can see that before the demonitization 75% of student is paying through cash but after demonitization 40% of student is paying through cashless. The retailers is paying full cash payment only but after demonitization 45% of retailers is paying there payments through cashless but the unknown people or unemployed people is also paying there payments cashless 15% only.

### **TYPES OF CASHLESSECONOMY**

#### **► UPI System**

Unified Payments Interface is a real time inter bank payment system that allows sending or requesting money. Any UPI client app may be used and multiple bank accounts may be linked to single app. Money can be sent or requested with the following methods:

- Virtual Payment Address (VPA): Send or request money from/to bank account mapped using VPA.
- Mobile number: Send or request money from/to the bank account mapped using mobile number.
- Account number & IFSC: Send money to the bank account.
- Aadhaar: Send money to the bank account mapped using Aadhaar number.
- QR code: Send money by QR code which has enclosed VPA, Account number and IFSC or Mobile number

#### **► Plastic Money (Cards)**

Plastic money is a term that is used predominantly in reference to the hard plastic cards we use every day in place of actual bank notes. They can come in many different forms such as cash cards, credit cards, debit cards, pre-paid cash cards and store cards.

#### **► Bhim Upi Payment**

Bharat Interface for Money is a mobile app developed by National Payments Corporation of India, based on the Unified Payment Interface. It was launched by Prime Minister Narendra Modi, at Digi Dhan mela at Talkatora Stadium in New Delhi on 30 December 2016.

### **FINDING AND CONCLUSIONS**

Following are certain findings from the primary data collected through questionnaire

The problems are categorized in five problems

- The first problem we have find in this survey is the cashless transaction is not useful for unknowledgable person (who does not have any knowledge about cashless transaction)
- Sometimes a frauds is taken place under banking sector in cashless transaction
- By the survey there is 10% of people doesn't know about cashless transaction so there is big problem to undertake those people cash to cashless transaction.
- By new technology some fraud website are attracting to customer to transact money from there un secured website.
- By the survey of 100 people responded we found that 50% of people are saying that the cashless transaction is safe and the 50% of people are saying its unsafe.

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**A STUDY ON AUTOCRATIC LEADERSHIP STYLE AND DEMOCRATIC LEADERSHIP STYLE AND ITS IMPACT ON ORGANIZATIONAL EFFECTIVENESS**

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**ABSTRACT**

*Leadership has existed for as long as people interacted, and it is omnipresent. It's present in all the cultures. From ancient times to present times not only the mankind evolved but also the style of leadership also evolved. This research paper targets two types of leadership style Autocratic and Democratic and studies its impact on organisational effectiveness. Organisational effectiveness refers to the efficiency of an organisation to meet its goals and targets. In this research paper secondary data is used with critical thinking and deductive logic applied by the researcher.*

*Keywords: Autocratic, Democratic, Leadership, Organisational Effectiveness.*

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**INTRODUCTION**

Leadership is the art of influencing others to their maximum performance to accomplish any task, objective or project. An effective leader can always influence the subordinates in a desired manner to achieve desired goals. In today's world organisations need leaders who can keep up with rapidly changing environment and can earn profits for the organisation. To earn profits leadership style plays a crucial role, how a leader exerts his influence will in turn determine the effectiveness of the organisation. This research paper summarises and analyses the two forms of leadership Autocratic and Democratic and its effect on Organisational Effectiveness.

**REVIEW OF LITERATURE**

- Rukmani, K., Ramesh, M., & Jayakrishnan, J. (2010) talks about the impact of various types of leadership and its impact on employees. In this research paper the authors collected primary data of 300 people and analysed it. The paper found out that motivation and inspiration drive the employee to do work and the transformational leadership is the best fit for it.
- Klein, A. S., Wallis, J., & Cooke, R. A. (2013) studies the impact of leadership styles on two fronts, the first one being Organizational culture and the second front is firm effectiveness. In this paper the researcher collected data from 311 organisations and 2662 individuals working in that organisation. The study finds out that the leadership style and skills of managers are critical to achieve firm effectiveness.

**OBJECTIVES**

1. To study Autocratic and Democratic leadership style in detail.
2. To study the impact of Autocratic leadership style and Democratic leadership style on Organizational Effectiveness.

**RESEARCH METHODOLOGY**

For this study, the doctrinal method of research is utilized. Technique of deductive logic and analogy are applied in this study. To meet the objectives in this study the researcher has used the secondary mode of research. In which the researcher has referred to theoretical materials found on the internet and in the books.

**SIGNIFICANCE AND IMPORTANCE**

This study will be useful to the students who are looking for a topic on effect of autocratic and democratic leadership style on organizational effectiveness. This paper can also be useful for the companies and the managers who work in the companies to understand what type of approach is suitable for the employees in the company and how will autocratic or democratic leadership style will leave an impact on organisational effectiveness.

**AUTOCRATIC LEADERSHIP STYLE**

It is a style of management where a single person (individual) controls all the decisions and only takes little or no input from his subordinates. These types of leaders make choices on the basis of their ideas and their beliefs that they have. The autocratic leadership style typically involves absolute and authoritarian control of group.<sup>[1]</sup> Some of the key primary characteristics of this type of leadership are a) The leader makes all the decisions, b) The leaders always dictate all the tasks to be done and how they should be done and most importantly c) In autocratic style of leadership creativity or out-of-the-box thinking is often discouraged. This is primarily because the work done by these leaders include regular, mundane tasks which come under ordinary course of

action. Although the autocratic leadership style is often perceived as negative one by people, in reality it is not in some organisations if applied appropriately it can increase the overall effectiveness of organisation. An Autocratic leadership is effective when there is a great deal of pressure or stress involved, and there is need to take urgent decisions. An autocratic leader will do better in these circumstances as he can assign work and set the deadlines which everyone has to adhere to. But like every coin has two sides the same goes with Autocratic style of leadership as it can be problematic at sometimes, the people who are working under autocratic leader may feel unwanted and disconnected from the boss as well as the company and instead performing all the tasks efficiently they could lag behind. Which in turn can lead to decrease in the group morale and can affect group efficiency.

### **DEMOCRATIC LEADERSHIP STYLE**

It is where each member of a group takes more participative role in the decision-making process. In this style of leadership, the ideas are taken from every person in the group and discussed. This type of leadership style suits the dynamic environment where things are changing and there is a need to come up with new ideas, democratic style of leadership brings flexibility in organisation. This style provides ample room for creative and out of the box thinking, the voices and ideas of different members of the group are heard and talk about. This type of leadership can be used in every organisation irrespective of the type of organisation, from private business to government offices; from hospitals to school this type of leadership can do wonders in many situations.<sup>[2]</sup> The main features of democratic style of leadership are a) Encouragement of sharing ideas and freedom to voice their opinion, b) Group members or subordinates feel more connected to the organisation and lastly c) in the democratic style of leadership creativity and out of the box thinking is not only appreciated but rewarded too. As in the democratic style of leadership group members or subordinates are encouraged to share their ideas, views and thoughts which could in turn lead to creative solution of the problem. It is highly motivating as people or group members are encouraged to share their ideas and thoughts, which in turn make them, feel more connected to the organisation and their boss/leader.<sup>[3]</sup> This positive attitude of members or subordinates helps to increase the productivity and effectiveness of organization. But like any other leadership style the democratic style of leadership also has flaws, like in a situation where completion of work on time is the highest priority or the organisation where time is of the essence the democratic style of leadership will fail terribly. Another drawback of this style of leadership is that sometimes only the ideas and views of certain people are taken into account, and the people who are left behind might feel like their thoughts and ideas have no place in the organisation which could in turn lead to lowering of employee satisfaction.<sup>[4]</sup>

### **ORGANISATIONAL EFFECTIVENESS**

It can be defined as the efficiency an organisation to meet its goals and targets, the time taken by the organisation and the amount of resources utilised to achieve the goal also come under the ambit of organisational effectiveness. At this juncture the difference between a) Effectiveness of the organisation and b) Efficiency of the organisation is important. Effectiveness of the organisation means that every individual who is employed in the organisation know what are they doing, how to do the task at hand and how to do the task well and how to complete the task before deadline. On the other hand, efficiency of the organisation means the ability of an organization to produce the desired result with minimum expenditure of time, money, energy and resources - both human as well as material resources. If the organization has achieved both organisational efficiency and effectiveness, it will achieve its objective of maximisation of profits. The main measure of calculating organisational effectiveness is the comparison between the set target and the total produce. For example, if a company has set a target earning 1000 crore profit this year and it has only got 800 crore as profit at the ending of the year, It means that the company hasn't achieved organisational effectiveness. While dealing with organisational effectiveness one has to understand that no two companies can have the same set of criteria to achieve organisational effectiveness as every company is unique in itself and it constitutes different number of factors which affect the company. So, company can only measure organisational effectiveness with its past record.

### **LEADERSHIP STYLES AND ITS IMPACT ON ORGANISATIONAL EFFECTIVENESS**

The two types of leadership styles discussed here have different impacts on organisational effectiveness. The autocratic leadership style which is more centralised form of style is concerned with setting parameters and deadlines for the work. This type of leadership style can create order in the organisation which would ultimately lead to organisational effectiveness as every person who is an employee in the organisation will know the work he is supposed to do, how to do the work and how to complete it before deadline.

On the other hand, the Democratic style of leadership offers freedom of expression and creativity in the organisation. The out-of-the-box ideas of employees can be used to tackle a problem in a new and creative

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manner which in could turn increase the efficiency of organisation as optimum utilisation of resources would be there. With the increase in efficiency the effectiveness of the organisation will also increase as efficiency will only come when people know how to do the work assigned to them in an efficient manner.

### **CONCLUSION**

In conclusion, Autocratic form of leadership can be used when the time is of essence and immediate actions are needed to be taken whereas the democratic leadership can be used in dynamic environment where things are changing every moment and there is a need for new ideas and creative thoughts to tackle the problem. Autocratic leadership is used to set forth goals and objectives and decides which role would be performed by whom, whereas in Democratic style of leadership the problems that came forward are discussed and out of the box ideas are used to tackle the problem. It leads to increase in efficiency of the employees, which in turn increase the overall effectiveness of the organisation. To conclude, both the leadership styles are vital for growth of an organisation and these styles of leadership can be used in different circumstances to achieve maximum output and profit.

### **SUGGESTIONS**

1. Autocratic style of leadership should be used when the size of the firm is small and the time is of essence.
2. Autocratic leadership style often leads to lack of confidence in employees, to curb that effect an autocratic leader should try to be open to new ideas.
3. Democratic style of leadership should be used in the organisations which needs new ideas to keep up with the everchanging environment.
4. Democratic style can often lead to slow decision making progress, there should be a mechanism installed by organisations which monitors the decision making progress.

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**THE ROLE OF ICT IN HIGHER EDUCATION**

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**ABSTRACT**

*ICT is today playing an important role in production and relevant learning. Internet and World Wide Web are the two most significant technologies one refers to while talking of ICT. It has been recognized by the global community that the Internet is the most transforming invention in the human history. It has changed and continuous to change everything at far greater speed than the descriptive technologies of the previous millennium such as raily's, electricity, telephone, radio, automobiles, satellite, communication, and computer. Information and Communication technologies ICT is facilitating the development of new methods of teaching and learning. In India ICT has entered a point of rapid growth. It is being used with good results in higher education.*

*The adoption and use of ICTs in education have a positive impact on teaching, learning, and research. ICT can affect the delivery of education and enable wider access to the same. In addition, it will increase flexibility so that learners can access the education regardless of time and geographical barriers. It can influence the way students are taught and how they learn. It would provide the rich environment and motivation for teaching learning process which seems to have a profound impact on the process of learning in education by offering new possibilities for learners and teachers. These possibilities can have an impact on student performance and achievement. Similarly wider availability of best practices and best course material in education, which can be shared by means of ICT, can foster better teaching and improved academic achievement of students. The overall literature suggests that successful ICT integration in education. Information and communications technology (ICT) is a comprehensive term used for information technology. It includes devices such as computers, network, hardware and software and satellite systems as well as the various services and applications associated with them. Hence, the term ICT is also called the union of audio-visual and telephone networks with computer networks. Examination mechanism is an effective tool for assessing the quality of knowledge and skills of the students during a course of study. The university examinations can motivate both the students and teachers. They encourage students towards study. For teachers examination gives goal oriented stimuli. Success rate has now considered the significant criteria for teacher's performance. Hence, examination reforms have become inevitable. ICT plays an important, valuable and critical role in the higher education of every country. ICT has become one of the very significant tools for creating good governance. Every university has now adopted ICT as a basic tool for good governance. The ICT used governance is also called a "E-governance". Initially, the university examinations were largely managed manually. But the manual examination system faced many evils such as ineffective coordination, lack of accuracy, overlapping, high inefficiency, delay in declaration of results, a number of mistakes in results declared and so on. These drawbacks created stress among the students which ultimately lead to students' agitations. Today, for bringing efficient, transparent, reliable and strong examination system, ICT is considered as an effective tool. Increasing number of students registered and the numbers of courses started have increased the complexity of examination work on a large scale. This increasing burden of examination is leading to inefficiencies. We can minimize human intervention by adopting ICT. Therefore, in this research paper, I have tried to analyze the emerging role of ICT in Higher Education system.*

*Keywords: ICT. e-learning, higher education.*

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**INTRODUCTION**

Recently there is very increasing trends in the uses and application of the internet in the administration of the higher education as it helps to provide the effectiveness and quickness in the education. Moreover, it is very beneficial in Formal as well as in the informal education. The Information Communication Technology is always developed rather upgraded due to the successful administration of the higher education. It is found that the use of the Information Communication Technology in the combination of another technique is more beneficial rather appreciable in the community of the students. The administration of the Kothmale Community Radio Internet had very successfully used both the radio broadcasts and the computer and Internet technologies in the education so as to make easy sharing of the information. It facilitated the sharing of the information more quickly and easily in the rural students. Indira Gandhi National Open University in India combines the use of print, recorded audio and video, broadcast radio and television, and audio conferencing technologies in the administration of the higher education. The Information and Communication Technology (ICT), tools can

transform the learning process and can make it simpler and more interactive for the students. The use of ICT tools Multimedia, Desk Top, Laptop, Notebook, Tablet, CDS, DVDS, Android phone, Handy Cam and Still Camera are decisive digital teaching aids. It can radically change and replace the traditional approach. Teachers in the newer setup will be enjoying firsthand knowledge of technology and freedom in subject presentation. He can combine variety of methods for teaching such as discussion, synopsis or communicative, intended primarily to mobilise them. With the help of LCD projector he can create common virtual book; supported with the audio mode wherever necessary. The teacher occupies main place in the process of imparting knowledge as he is equipped with power of the technology. The topic presentation would be more colourful and specific. Audio setting will make him audible in the large classes. More effective voice more face to face teaching will be. It will contribute in creating a potent learning environment for participants. Net connected classes would transform the process. The four basic skills reading, writing, listening and speaking can be designed according to the need of the student. The process would be simple with liberal material borrowing from search engines such as images, charts, readymade notes, unavailable original texts library, experts view in the form of writing or videos, movies based on texts or at the same time college can develop one's own 'digital archive' for future. Use of online dictionary for pronunciation or study the class of words with variety usage may give them extensive exercise on articulation and listening practice too. An article or passage from the online library British library may be downloaded for the students. The clips will be easily available on their mobiles. The connectivity can make the teacher capable to share internationally accepted models and make the learning experience unique for them. Even foreign faculties and their views can be easily inducted in the ongoing classes. Some kinds of benefits are addressed on the website of NCERT, according to it, community radio, local language tool and local content, translations; subtitling video; disability and assistive technologies – screen readers for the visually impaired, audio books, talking books; collaborative tools and talking books; collaborative possibilities – wiki, open maps, data repositories and forums<sup>2</sup> It means a range of resources can be assimilated to achieve the effective teaching and the ICT will transform the teaching and learning process in the coming days. To conclude, teacher with the help of technology can easily channelize students and can help them to identify the learning process on priority basis. The colourful presentation with adequate combination of material such as images, sounds can contribute in their comprehension. Above all the activity will be time bound and more interactive achieving goals of teaching. There are various ICT tools available which can be utilized for the knowledge creation and dissemination in the modern world. Tools include Radio, T.V, Internet, Mobile phone, Computer, laptop, tablets and many other hardware and software applications. Certain ICT tools like laptops, PCs, mobile phones, and PDAs have their own implication in Education. These devices can be used in imparting education and training for teachers and students. Use of radio for pedagogical practices has been very much popular in past and is still in use in India by IGNOU. But One-to-many broadcast technologies like radio and television are seen as less revolutionary, ICTs in education, as their usage is seen as reinforcing of traditional instructor-centric learning models, unlike computers, which many see as important tools in fostering more learner-centric instructional models. Successful ICT initiatives meet three intertwined objectives: availability, access, and demand [10]. Educational ICT tools are not for making educators master ICT skills themselves, but for making educators create a more effective learning environment via ICT. Teachers can utilize ICT tools to get benefits from using these tools in the areas of content, curriculum, instruction, and assessment. ICTs include fixed-line telephony, mobile telephony, newspapers, radio, television, radio trucking, very small aperture terminal (VSAT), computer, and internet must be accessible to rural public as per their demand. ICT presents an entirely new learning environment for students, thus requiring a different skill set to be successful. Critical thinking, research, and evaluation skills are growing in importance as students have increasing volumes of information from a variety of sources to sort through ICT is changing processes of teaching and learning by adding elements of vitality to learning environments including virtual environments for the purpose. ICT is a potentially powerful tool for offering educational opportunities. It is difficult and maybe even impossible to imagine future learning environments that are not supported, in one way or another, by Information and Communication Technologies (ICT). When looking at the current widespread diffusion and use of ICT in modern societies, especially by the young the so-called digital generation then it should be clear that ICT will affect the complete learning process today and in the future. Authenticity is an important issue which should be addressed in the design and development of learning environments.

### **OBJECTIVES**

1. To understand various possible uses of ICT by teaching staff in administrative work.
2. To understand various possible uses of ICT by administrative staff.
3. To study benefits of respective ICT tools to be used in administrative work in brief.

**THE ADVANTAGES OF ICT**

There are several benefits of using ICT in the language classroom. First of all, ICT helps to create more variation in classroom, it motivates the students to learn the target language. Secondly the Internet provides the opportunity for students from all over the world to interact with each other. Also pupils with learning disabilities can greatly benefit from the use of ICT. There are a great number of computer resources produced especially with such pupils in mind, for instance text with easier languages or more images and colors lastly. ICT offers the opportunity for more student-centered teaching which creates enthusiasm for learning amongst students. It tries to broaden access to quality educational service for learners at all levels of the education system.

There are some problems that might occur in language classroom where ICT is implemented, first is the lack of computer, or that the computers are old and slow. Secondly there is lack of technical support in many schools, and then the fact that many teachers do not possess enough knowledge of working with ICT. In general or specifically in the teaching of English. Sometimes pupils lack sufficient knowledge of computers. Computers may limit students' imaginations. Students may be easily distracted from their learning and they visit unwanted sites. Students may have less opportunity to use oral skills and handwriting. Thus this article attempts to discuss the role of ICT in learning English language. E-learning, Blended learning, CALL, Corpora, Smart boards are some important activities and tools which we can use to learn English language. ICTs are making major differences in the teaching approaches. ICT- enhance learning environment facilitates active, collaborative, creative, integrative, and evaluative learning as an advantage over traditional method.

**ICT APPLICATIONS****Applications of ICT in classroom**

More than 60% of colleges used projector in the class room for teaching, and 50% used ICT for presentation, 20.8% used ICT for graphical visualization.

**Uses of Internet**

For different purposes, the Internet was used. 80% of people are used internet for browsing, and e-mail.

**ICT Applications in Rural Areas**

Information and Communication Technology has fully changed the way information that was generated, stored, received, regained, processed and transmitted earlier for decades. ICT infrastructure like cell phones, internet access and services such as (OKR) e-learning, administrative health care, dissemination of information in India.

**Agriculture sector and ICT**

The most important occupation of people living in rural areas is farming, hence agriculture sector needs to be improved for the betterment of population depending upon it. Increased land productivity increases employment opportunities for middle class farmers and laborers. On the other hand, it leads to economical development of the region. ICT can help farmers in by arranging E-seminars (presentations or recorded audio, videos) can be accessed on topics related to agricultural interests (using Internet). E-commerce platforms can connect farmers to direct consumers and traders and will get them better market prices for crops.

**Health Care and ICT**

Health care service and medical aids is the most important and basic amenities of a social setup. ICT has helped in the betterment of health facilities viability in rural regions, diagnosis, consultation, treatment of patients via online access such as internet cell phones, email questionnaires etc. Guidance can be given to medical practitioners and staff, people belonging to rural places for critical problems and specialized training by online mode of communication. Distribution of E cards to maintain the history of patients instead of paper and reports. The most basic problem faced for application of ICT in rural areas is that the Education. As 45% of population in India is illiterate. It is said that education is the first step towards success. Even after achieving increased level of growth lack of education will not bridge disparities and eradicate poverty.

**E-RESOURCES AND LIBRARIES SERVICES**

The service of libraries are moving into the network based environment and website have become an important services exist in many forms such as E-mails, web forms, E-books, CDs, videos, journals, journals articles, data bases, films, audio digital products, online publishing, public domain and commercial online database are available through Internet, other proprietary databases and through various private network services providers. The advent of new technologies in telecommunication and broadcasting are making it possible to fulfill varied needs of users. Librarians should promote the use of IT as an integral part of library services.

**Features of E-resources**

1. Accessibility from anywhere, home, school, college, libraries, during travel etc.

2. E-resources are available only in electronic form using different formats.
3. Advanced search and retrieval can be used simultaneously by more than one user.
4. E-Information through E-commerce.
5. E- Information through E-Banking.
- 6 Any change in e-resource can be made available quickly.

### **Types of E-resources**

Information communication technologies have thrown forth new challenges before the library professionals. The technology has a great impact on the services of the libraries to cope with the new challenges of information explosion through proper use of tools and techniques of the present day Information management, the information professionals of the libraries and Information centers have to change their styles, attitudes and skills towards Information handling. 1. Online e-resource, which may include:

#### **1. E-books**

E-books are an electronic version of a traditional print book that can be read by using a personal computer or by using an e-book reader. The e-book covering its full contents text, tables, diagrams, illustrations etc. E-book collection usually mounted in e-databases which supports fulltext searching with in across titles advised search and bookmarks; users can view full text of ebooks in HTML and PDF formats online.

#### **2. E-journals**

E-journals are very important part of every library collection E-journals are one application of Information technology. Internet played a great role in developing the e-journals. As an effective medium of Information management. E-journals are the several publication produces and stored in electronic format only. Subjected to peer review process, caring ISSN and adhering to stringent quality standards of electronic techniques.

#### **3. E-Database**

Today there are number of database available on the network. They are either free or with charges, E-database is an organized collection or Information of particular subject or multidisciplinary subject areas Information sources locally informed database regional or statewise consortia, aggregated database, web resources.

#### **4. Internet**

Internet is a network of network. It is the worldwide collection of multiple computer networks. Internet is networks of thousand of computer networks. To accomplish exchange of information all the computers on the internet have to use a common set of rules for communication.

### **ADVANTAGES OF RESOURCES**

Instant Access

Easy Updates / Revisions

Less Bulk

Customizable

User Friendly

No need to purchase multiple copies

No warehousing / Transportation / Distribution

Avoid binding, shelving, and ease of preservation / archiving Therefore, library service and sources are also developing due to information & communication technology and the developed sources & services are known as online sources / e-resources and online services / e-services. ICT provide challenge to teachers and students in term of using subject's specific ICT resources, for each other's understanding with various kinds of activities.

### **CONCLUSION**

ICT play vital role as a strong agent for change among many educational practices i.e conducting online exam, pay online fees, accessing online books and journals. Thus ICT in Higher education improves teaching learning process, provides the facility of online learning to thousands to thousands of learners who cannot avail the benefits of higher education due to several checks, such a time, cost, geographical location etc. Once again ICT serve to provide the means for much of this activity to realize the potential it holds. E-information resources and services have been increasing day by day in the present day contemporary information environment, to

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overcome the problems of diminishing budgets, increasing information need of the academician and the researches, publishing of newly generated knowledge in varied forms and formats, problems faced by libraries in providing varied services, collecting of all documents published both at national and international levels. E-resources in prime way to achieve the information sharing need by very effectively. In present day, prices of printed format journal are increasing. In such situations e-resources play a vital role in information age.

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**ACCOUNTING EDUCATION IN MUMBAI UNIVERSITY: CHALLENGES AND POTENTIALS**

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**ABSTRACT**

*The initial task of a University of Mumbai is to develop eminent workforce for every sector of the dream city. Mumbai is being a Commercial city; the scope is so high for Commerce colleges. The Stream of Commerce is fulfilling need of contemporary business. One area of serious need is the fabrication of E-Accountants to meet the accounting challenges of recent businesses. To meet the challenge of cultivating well educated E-Accountants, University of Mumbai required serious judgment. Due to its heterogeneous structure, unfortunately most colleges in University of Mumbai are challenged by shortcomings in terms of staffing, teaching aids and pedagogy, teaching facilities and major challenge of capital. This paper assesses the description, extents and significances of these challenges and advocates policies that could guide the university administrators, teachers and other stakeholders in discovery of enduring solutions to the problems.*

*Keywords: E-Accountants, University of Mumbai, Contemporary business*

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**INTRODUCTION**

Mumbai is being a Commercial city; the scope is so high for Commerce colleges. More than 90% degree colleges are affiliated to University of Mumbai. Role of Accountancy is not ignorable in the commercial scenario of world. Industries are welcoming the qualified Accountants with the red carpet. Qualified Accountant's importance need not to be explained but one should understand the changing facets of industrial requirements. Nowadays industries are expecting readymade manpower, which can reduce their training expenditures and save time. The Stream of Commerce is fulfilling need of contemporary business. One area of serious need is the fabrication of E-Accountants to meet the accounting challenges of recent businesses. Accounting education in a University of Mumbai is designed to educate "future" accountants, to make them resourceful to any of the various roles they may be called upon to play after graduation.

**Accounting Education System**

The teaching and production of accountants in Mumbai is secured by both academic institutions and professional accounting bodies. Professional accounting bodies, Institute of Chartered Accountants of India and Institute of Cost Accountants of India are established after independence in 1948 and 1956 respectively. Pupils who are studying in university affiliated colleges can simultaneously do the professional courses. The examination and certification was carried out by both the Institutes. Those passing out from professional accounting bodies are comparatively highly paid man power in accounting jobs. The professional mode of accounting education places emphasis on in-house, on-the-job training based on a course of article ship in approved accounting firms. This paper focuses on university based accounting education imparting in University of Mumbai.

**University Based Accounting Education**

University based Department of Commerce was started by the University of Mumbai in 1980 when it opened its doors to the very first batch of university undergraduate accounting students. The number of colleges affiliated to University of Mumbai has increased very substantially, so has the number of colleges offering degree programs in accounting. As at 2018, there were 795 colleges affiliated to University of Mumbai. The average intake per colleges per division for academic session is about 120. Most of the colleges and university itself offer post graduate level accounting programmes including the Master of Commerce (M. Com) with specialization in accounting, the Master of Philosophy (M.Phil.) and the Doctor of Philosophy (Ph.D) in accounting.

**New Challenges – New Dynamics**

Academic mode of accounting education delivery is adopted in university. The conceptual argument for this methodology is the need to rendering the upcoming accountants to a comprehensive based liberal education which provides for a combination of core accounting courses with a sufficient dose of related courses in commerce and management to enhance the business decision making capacity of upcoming accountants.

Most of the accounting graduates of university tend to tracks careers in the accounting profession. To accommodate their interest, university accounting programmes provide for a combination of undergraduate courses which not only qualifies students for university graduation but also maximizes employable man power.

There is an increasing need for bridging the gap between university academic programme and the professional curriculum.

The role of the accountant is now shifting from manual maintaining accounting records to that of making proper financial decision making with digital information. Lack of professional skills and unethical practices in accounting, have contributed largely to most of the recent global financial crisis. For example failure in accounting practice for corporate failures such as those of the energy giant Enron (2002), WorldCom (2002), Global Crossing (2002), Adelphia (2002), United Airlines (2002), Kmart (2002), Lehman Brothers (2008) and others.

India has obviously had its fair share of financial scandals as evidenced in Satyam scam; there are certainly other instances of financial scandals that are not openly admitted. The downfall of these corporations arising basically from disappointments in their accounting practices has far reaching inferences for accounting education in universities as well as for the accounting professional bodies. It is a mischief of the quality of the accounting education system, therefore researchers and university need to evaluate the quality and relevance of accounting education.

### **The Curricula**

The interest of industry, business organizations, government and international agencies should consider in developing accounting curriculum in university. To aptly adapt the various needs of the different groups, university accounting curricula should provide for a broad knowledge base, the acquisition of accounting skills and the development of appropriate attitudes in students. The postgraduate curricula are mainly for exhaustive academic and research exposure geared towards producing top business executives and university academia. The depth of the curricula lies in the struggle to tie it to research literature, case studies and improvement in intellectual skills and attitudes.

### **Institutional Influences**

Three inter-related forms of institutional influences impact on the development of University of Mumbai accounting curricula. These are the quality and orientation of university accounting educators, the Universities Grant Commission (UGC) and the professional accounting bodies particularly the Institute of Chartered Accountants and Cost Accountants. University accounting educators have ultimate responsibility for designing the accounting degree curricular and sound ethical behaviour and professionalism. The two accounting professional bodies in India mentioned earlier are the major accounting professional bodies responsible for capacity building in professional accounting discipline.

### **Staffing of Accounting Departments**

The Universities Grant Commission (UGC) provided for a maximum teacher student ratio of 1:20. Unfortunately in practice it is more than 1: 120. The serious staffing shortfalls in teaching are exhibited in various dimensions – in terms of numbers, in terms of experience (seniority) and in terms of technical/professional exposure of available academic staff.

### **Teaching Aids and Pedagogy**

For active teaching and learning result, accounting teachers require a wide range of teaching assistances and instructional materials ranging from computer systems, projectors/slides, accounting packages to sophisticated multimedia facilities. Very few colleges affiliated to University of Mumbai have an acceptable range of modern teaching aids and lecture delivery amenities. In addition to the lack of modern teaching aids, the tutorial approach generally adopted in accounting education delivery is inadequate and improper because it lacks creativity, and does not encourage in-depth analysis and detailed interpretation of problems. Most often, lecturers rely exclusively on the chalk and talk method.

Modern accounting practice is computerized. Based on that fact, the University of Mumbai advised all staff to be computer literate to enable them understand the accounting packages existing in the global world and to successfully communicate same to students.

### **Funding**

The proficiency of a university to provide quality education in accounting is dependent on the level of funding available to pay adequate salaries to staff and provide sufficient supporting facilities. University of Mumbai is funded from UGC. Under funding perpetually lead to under provision of basic teaching and learning facilities, incompetence to attract quality academic staff, abandonment of academic research, low staff morale, poor work attitude and consequently failure to attain course objectives.

**Other Issues and Problems**

The accounting curricula of a B.Com degree in accounting tend to be narrow in the coverage of E-accounting courses. Additionally such curricula are often not revised often enough to reflect the changing accounting needs of business enterprises.

Serious constraint of the course is lack of exposure to practical work experience as originally envisaged by the industrial attachment component of the curricula. Lack of industrial accessory training for university accounting students obviously increases the suspicion of employers about the technical competence of fresh university accounting graduates.

**Strategies for Improvement**

To meet the challenge of cultivating well educated E-Accountants, University of Mumbai required serious judgment. The following strategies are proposed.

- The university needs to provide a strong base on which professional training in E-accounting can be sustained. It has become obligatory to introduce industrial articleship as a prerequisite for graduation courses. The practice will improve the bond between university accounting graduates and industry. One major shortcoming the university accounting curricula is lack of attention to the development of skills for handling the E-accounting problems of small businesses which constitute the bulk of business enterprises in India. Against that background, the E-accounting curricula should be reviewed to include courses which address the E-accounting needs of small businesses particularly sole entrepreneurs. A deliberate effort by universities, to develop E-accounting graduate “experts” in small business accounting would obviously expand the job opportunities of graduate accountants in India.
- In relation to the abysmal level of teacher/student ratio emphasized earlier in this paper; efforts should be made by University of Mumbai to operate within the 1:20 teacher/student ratio prescribed by the UGC for undergraduate programme in accounting. An easy approach to achieve that objective would be to significantly reduce the intake of students. Given the huge pressure for intake into colleges affiliated to University of Mumbai, student intake reduction is certainly a sub-optimal solution. The ideal solution therefore is to expand the teaching staff through more attractive remuneration packages and research grants for university accountancy teachers.
- Every accounting lecturer should aspire to belong to at least one of the professional accounting bodies. The benefits of belonging to a professional body are many. First, the professional bodies organize Continuing Professional Education (CPE) hour’s mandatory for members. Attendance at such seminars helps lecturers to keep well-informed of developments in the accounting profession. Secondly, such seminars provide occasions for academic paper presentation and publications. Membership of professional accounting bodies has obvious cost implications which could disappoint some lecturers from joining. The university should fund the membership of their academic staff or, at the very least, work out a cost contribution arrangement with the teaching staff. Accounting lecturers should partner with practicing accounting firms, commercial organizations and colleagues in other universities during long vacation, sabbatical leaves and research leaves as a part of staff development strategy. In addition, the university should categorize in-service training for lecturers who are lacking in teaching methodology.
- Funding universities in India has remained a very difficult issue for both government and university administrators. University education is very cost intensive in terms of capital and recurrent expenditures. Most often different staff unions of the university embark on strike because of inadequate remuneration. Constant strike actions extinguish university credibility.

To generate more funds, universities should approach the business community, alumni, international business organizations, the public sector, and entrepreneurs who can offer substantial financial support. The effort of universities at sourcing for funds should be fastened on a deep sense of integrity, accountability, transparency and honesty. The Alumni Association has become instrumental in providing resources for up gradation of teaching tools.

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**THE STUDY OF EVENT MANAGEMENT AND PLANNING**

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**ABSTRACT**

Nowadays, the event industry is playing vital role in our society. People have come up with a lot of occasions for organizing events such as educational events, company parties, birthdays, international conferences, etc. Events are also a part of human beings social life because people get to know each other and talk with different people with different backgrounds. However, in order to organize a good and successful event, it requires a great amount of planning. Event managers and event coordinators need to collaborate in order to formulate the most viable plan for events. In order to make events successful and well organized, all of the stages in the entire planning process also need to be in harmony and be correlated with one another.

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**INTRODUCTION**

Event management is the application of project management to the creation and development of large-scale events such as festivals, conferences, ceremonies, weddings, formal parties, concerts, or conventions. The process of planning and coordinating the event is usually referred to as event planning and which can include creating budget, scheduling, site selection, acquiring necessary permits, coordinating transportation and parking, arranging for speakers or entertainers, arranging decor, event security, catering, coordinating with third party vendors, and emergency plans. The events industry now includes events of all sizes from the Olympics down to business breakfast meetings. Many industries, charitable organizations, and interest groups hold events in order to market themselves, build business relationships, raise money, or celebrate achievement.

**TYOLOGIES OF EVENTS**

Depending of the event's purpose itself, it can be put into different categories. Following are some categories in which broadly all the events are involved:-

- # Religious events
- # Cultural Events
- # Musical Events
- # Sporting Events
- # Personal/Private Event
- # Political/Govt Events
- # Commercial/Business Events
- # Corporate Events

**CHARACTERISTICS OF EVENTS**

Event plays an important role in daily activities. That is why it is important that key characteristics of events be examined in depth. Following are some of the key characteristics of events:-

1. **Uniqueness** -It is certainly comprehensible that being unique is one of the main elements of all Events regardless of purposes. So the repetition of the event should be avoided, and more focus should be brought on uniqueness.
2. **Ritual & Ceremonies**-Thousands of years ago, ritual and ceremony were already evidentially of great importance. We should not underestimate Ritual and ceremony because both of them reflect any nation's community, lifestyle, cultures etc. Now days it is not unusual to create new ceremonies accompanied by new traditions.
3. **Intangibility**-Intangibility of events is related to mental values, whereas tangibility refers to something that can be seen or touched. Event organizers should make the event tangible by boosting up the tangibility of events. Simply put, event organizers can offer participants, visitors, guests etc. postcards, chocolates, soft drinks, cakes, etc
4. **Ambience and services**-Whether an event gains a huge success or is considered a big failure depends on ambience. Ambience refers to the surroundings, participants, catering services etc. at the event. For example, basic lights, soft music, people working on ground, sitting arrangements cleanliness etc plays very vital role.

**5. Personal Contact & Interaction-**It is the responsibility of staff and employees working in the event to make sure that they keep personal contact with their guest so that continuous interaction would lead to higher satisfaction of needs.

### **PLANNING EVENT**

Planning an event teaches us how to utilize all of the resources as well as how to formulate best strategies to meet up with the current needs. From that perspective, the firm or organization has good knowledge of how to boost up their own business.

### **PRIOR TO EVENT PLANNING**

Before planning an event, event managers should pay attention to developing purpose of events, developing objectives of events, preparing an event proposal and planning budget for the event.

- **Developing purpose of events:** Through developing the purpose of events, we can assure that planning and implementation of events are well-conducted, and the introductory intent is highly focused and realized.
- **Developing objectives of events:** Objectives should be specific and detailed While developing objectives of events, we should take into account SMART objectives. In general, objectives should be specific, measurable, attainable, realistic and time-bound.
- **Specific:** The event should be specific, not abstract or general. The main purpose should be well-clarified to ensure that steps of planning are correct and appropriate.
- **Measurable:** The event should be measurable in terms of stats.
- **Attainable:** Event should be measurable as well as attainable for all the involved parties
- **Time-bound:**The importance of time-management, timeframe and schedule is very high.

### **PREPARING AN EVENT PROPOSAL**

An event proposal is very important. In order to make a good event proposal, purposes, objectives, organizations, venues, timescale etc. should be included in an event proposal. An event proposal is very useful for follow-ups, and the team can have a general idea of what an events about, how an event will be managed in the future etc.

### **BUDGET**

Each and every event always has a specific budget plan. Event managers will face difficulty in budget predictions. Calculations will not remain the same; therefore, such calculations should not be considered solid and reliable owing to the other changeable factors during the event planning process such as schedules, timelines etc.

### **DURING AN EVENT PLANNING**

#### **1. Financial plan**

Financial planning for events is important because it determines the success of events. A good financial plan needs lot of time, effort and care. Depending on the nature of events, a financial plan may be different from one another.

#### **2. Budget**

Careful budget plan enables the organization to take control of expenditure and ensure that the finance management is on the right track. The budget is made based on exact quotes collected from all the contractors, suppliers together with thorough research in order to make sure that all of the expenses are correctly calculated and are not overlooked.

#### **3. Income**

Event manager shouldn't always focus on profit because sometimes while entering market we need to work in no profit situations. But in long term profit is important and proper statements should be prepared to find out the actual earnings of firm/team.

#### **4. Sponsorship**

Depending on the nature of events, sponsorship will be taken into account by event managers or event organizers. It also should be kept in mind that not all sponsorship expects to boost up the market share or the competitiveness of certain products or services in a direct way. Some firms or organizations see event sponsoring as one way or another to build up good public image..

**5. Cash flow**

It is very crucial to control the capital. Event organizers or managers should always keep track on it while planning an event because the planning phase can be prolonged and complicated, otherwise, the event firm/team might end up being ignorant of where the money comes from and how it is actually spent.

**6. Operational plan**

Operational plan comes after the financial planning phase. Operation plan requires a lot of resources such as staff, equipment, etc. in order to make the event actually happen. It actually means that professional event managers or organizers need the sufficient amount of time to plan an event thoroughly and efficiently.

**7. Resources**

All of the resources need to be well managed and used wisely. When it comes to resources, it is best to avoid resources dependency, but as an event team we highly depend on organizing and managing resources which is again connected with other event people

**8. Staffing**

Depending on the nature of each event, place of event the number of staff should be determined accordingly. Ultimately staff is the final lead that comes in contact with customer.

**9. Venues and Logistics**

Venue-finding is perhaps one of the most vital aspects of the event venue for the planning phase. When it comes to venue-finding, there are two possibilities event organizers may come across:

- c) There is a good chance that event organizers already have good knowledge of which venue to choose
- ci) Event organizers might find it difficult to find a venue because of limited choices, especially in rural area.

**10. Services**

After a perfect venue has been found, the next important step is to provide visitors and guests with some services that can color their own experiences. Normally, at the event, both catering and drinks services are included. Catering and drink services are discussed as follows.

- **Catering services:** Different types of catering services can be considered accordingly. In-house catering, contracted-catering, etc. are choices of catering services. Types of catering services should be selected appropriately along as organizers can deal with all of those following matters successfully: Profitability, flexibility and convenience.
- **Drinks services:** Drinks services should not be underestimated in any situation. In event industry, drinks services may come in the form of bars. Again depending on types of events and event organizers, drinks services can be selected accordingly

**11. Safety and security**

Safety and security management should also be prioritized during the whole process of planning an event. In order to formulate an efficient security management plan, event organizers themselves need to obtain a great deal of information about the crowd, visitors, guests, etc. Safety and security issues should not be underestimated in any circumstances because they play a vital role in the secure execution of events as well as in ensuring that all of the attendants, staff, visitors etc. are fully protected from any types of threats.

**12. Marketing plan**

A good marketing plan attributes to well-organized and successful event. Marketing is vitally important because it attracts an audience so that the event itself will not turn out to be a non-vent. Marketing mix should be carefully used because the misuse of marketing mix can lead to the big failure.

**13. Target Segment**

The segmentation can be based on demographics (age and gender), geography, consumption patterns, social-economics (income and class), visitation patterns (loyalty, seasonality etc.) etc.

**AFTER EVENT PROCEDURE**

It is paramount to ascertain that evaluation process and feedback collection should be conducted thoroughly after the event.

**1. Evaluation**

Evaluation process concerns the understanding of evaluation process, the purpose of evaluation, collecting information for the process and visitors' impressions.

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**2. Understanding the significance of evaluation**

After the implementation of an event, the final evaluation should be taken into consideration and carried out thoroughly. The evaluation should include all of the necessary and various sources of information

**3. Feedback**

Feedback is collected and it assists the company or organization to accumulate experience for the prospective events. Feedback should be thoroughly handled. There are several options to collect feedback from visitors, guests, participants at the events such as the completion of forms, personal interviews, small focus group etc.

**CONCLUSION**

Here we have seen the details of this business till an extent, and it clearly seems that this industry will grow at much higher rate due to better use of technology, emotional connection, sense of unity, higher involvement of youth and its day by day increasing demand leading to creation of more and more employment opportunities for youngsters.

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**A STUDY ON EFFECTIVENESS OF CUSTOMER LOYALTY PROGRAMS WITH SPECIAL REFERENCE TO COFFEE SHOPS**

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**ABSTRACT**

*The purpose of the paper is to understand the Effectiveness of Customer Loyalty Programs with references to coffee shops. This paper provides a preliminary understanding of the Effectiveness of Customer Loyalty Programs, and uses references of coffee shops to understand the same. Future research should use alternative methods and conduct a survey on the topic. In today's modern era, it seems to me that everyone's got a Customer Loyalty Program. Long back, what started with airline miles augmented to your fashion stores, grocery stores, pet stores, medical stores and now coffee stores too. Now the question is what makes the successful retailers to believe the fact that Customer Loyalty is the cornerstone of their Marketing Program? The answer is quite simple – Because they work!*

*In order to expand as well as create fruitful customer relationships and to stay competitive without compromising on profits, companies need to focus on their customers with greater sincerity. Various examples of coffee shops using their Customer Loyalty Programs have been discussed in this paper, and how the dynamics of Customer Loyalty Programs change according to customers has also been discussed in this paper. The paper presents Effectiveness of Customer Loyalty Programs on basis of a study of different loyalty programs used by coffee shops and understanding of the behaviour of a buyer while making the decision to buy a product.*

*Keywords: Coffee Shops, Customer Loyalty Programs, Food & Beverages, Rewards, Points, App.*

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**1. INTRODUCTION**

Customer loyalty can be said to have achieved if customers choose to use a particular shop or buy one particular product, rather than use other shops or buy products made by other competitors. Customer loyalty is the outcome of consistently positive emotional experience, perceived value of an experience, which includes the product or services and physical attribute-based satisfaction.

There are various different types of customer loyalty programs that has been used by these coffee shop chains and which is further discussed.

**STARBUCKS**

Three things to say about Starbucks Rewards:

**1. Outstanding Mobile Experience**

Starbucks's app makes their loyalty program more effective and gives it a more interactive platform. The app makes it simple to see how many "stars" you currently have, as well as make orders and payments right from your mobile phone.

**2. Rewarding for Grocery Product Purchases**

Starbucks was able to magnify the scope of its loyalty program by introducing points for purchases outside of their retail locations. Starbucks sells many products outside of their retail locations, including: coffee beans, K Cups, tea and ready to enjoy drinks. A member shopper just needs to look for a Star Code on participating products and enter the code into the app.

**3. Exclusive Gold Card**

When a Starbucks program member gets 25 Stars in a 12 month period they achieve "Gold Level" status. This comes with some great perks including: A free drink in your birthday month, a free drink on purchase of 250g whole bean coffee, two free beverage customizations, free size upgrades on featured beverages during the first 2 weeks of its launch, a free drink reward every 10 Stars, other special offers and most importantly the personalized gold card.

The Starbucks Gold Card is a physical representation of Starbucks status. To maintain Gold level for another 12 months, it takes another 25 Stars.

If you don't qualify for the Gold level again by your anniversary date, you'll be reverted to the Green level and with no Stars. If it does though, don't worry – if you earn a total of 25 Stars again within a period of 12 months, you'll move from Green level right back to Gold level.

**The negatives:** the starting point of all the Starbucks Reward members is the Green Level, where you're only privy to free birthday drinks, free refills on certain items, and some special promotions. Your stars have an expiration date, even at the gold level: If you don't use them within a period of six months, they're history.

### CAFÉ COFFEE DAY

**The rewards:** CCD is a division of Coffee Day Global Limited, a conglomerate company. With effect from 15<sup>th</sup> October 2018, the first time download bonus on downloading the CCD app is 75 Beans. However, there's no limit on Bean redemption for transactions except the first transaction with mandatory redemption of 50 Beans through the app.

A customer can earn 25 Referral Beans, provided the person referred by the customer uses the customer's referral code to sign up and transact using the App to buy F&B items available only under the "Totally Worth It Menu". Reward Beans earned are collected in a customer linked CCD account. On redemption of Beans, 1 Bean equals Re. 1.

**The negatives:** The download bonus can only be claimed at specific CCD Indian stores. With effect from 15<sup>th</sup> May 2018, each CCD App user can earn Referral Bonus on up to 2 referrals only.

### MC CAFE

**The rewards:** Whether you love it or not, McDonald's has evidenced that it can do coffee too, and the kind McCafé prices are reason enough to give in. With McCafé Rewards program, buy 7 hot McCafé beverages/drinks, you'll get the 8th hot medium beverage/drink on them.

**The negatives:** All deals and coupons have expiration dates, in the case of deals like the buy seven, get one free, you may struggle to complete your purchases in the provided window of time. The pressure is on.

### DUNKIN'

**The rewards:** Every dollar spent by a member equals to five points, and 200 points get you a free drink coupon at Dunkin'. Members do get a free 200 points as a sign up bonus, though, as well as a complimentary drink for their birthday.

**The negatives:** Remember when I said it was not good that Starbucks rewards expired after six months? Turns out that's quite generous. Because in this case, free drink coupons at Dunkin' expire after 90 days.

### KRISPY KREME

**The rewards:** Krispy Kreme has four reward "tracks" as dozens, singles, coffees, and specialty coffees. Every time you get 12 credits in a track, you earn a free item from that track. In addition to all of this, you'll get a free donut when you sign up for Krispy Kreme Rewards as a bonus, and the company guarantees their members "exclusive access to deals and offers."

**The negatives:** This track system sounds fun, but in reality, it's pretty limiting. Your credits are split four different ways, making it more difficult to earn a free item in reality and when you do get a reward, it only applies to an item from the track that you completed. Also, credits expire after 90 days.

### CARIBOU COFFEE

**The rewards:** Every dollar a member spends on food, drinks, beans, or merchandise equates to two points. Round up 120 points and get a free drink of your choice. The Caribou Coffee app also let you trade fewer amounts of points for things like brewed coffee, size upgrades, and food items. But it doesn't stop there: You get a free drink after your first registered visit and a birthday gift.

**The negatives:** Caribou doesn't have all the fancy specials that Starbucks do, but their program still saves you money. The major drawback? Rewards usually expire after 14 days. So... yeah. That's not very cool.

## 2. REVIEW OF LITERATURE

- He Beibei & Wang Shiyang & XuJiahong (2013) in "Customer Loyalty to Coffee Shops: A study of Swedish Generation Y" writes about the factors affecting Y generation's loyalty to specific coffee shops. In addition, they wrote about the basis of Generation Y's loyalty for coffee shops and what influences them to be loyal.
- Armim Ramadan, Ahmad & Kasuma, Jati & Yacob, Yusman & Shahrinaz, Irwan & Abang Abdul Rahman, Dayang. (2017) in "Loyalty Program, Store Satisfaction and Starbucks' Brand Loyalty Among the Millennial" examined the relationship between loyalty program, store satisfaction and brand loyalty of Starbucks' millennial customers in Sarawak.

**3. RESEARCH OBJECTIVES**

- To study the effectiveness of Customer Loyalty Strategies of Coffee Shops.
- To analyse the factors which influence Customer Loyalty.
- To suggest strategies to enhance Customer Loyalty Programs.

**4. RESEARCH METHODOLOGY**

The study is done based on secondary information. Here I use different theoretical references most of them are from secondary data sources. I try to use information from diverse origins such as – journals, literature reviews and electronic media. This study is descriptive and qualitative in nature.

**5. SIGNIFICANCE AND IMPORTANCE**

Fundamentally, loyalty programs enable customers to earn points through monetary transactions, which in turn translate into a reward. This can take numerous forms depending on the nature of your business, but from a coffee shop perspective, it usually equates to a free or heavily discounted drink. The issue here can be creating a loyalty scheme that is overly confusing, particularly when you try to introduce multiple steps or the customer is enforced to perform some such of mathematical equation to work out exactly what they are entitled to.

So if you wish to drive recurring, short-term purchases through your coffee shop loyalty schemes, avoid the need to offer further clarification and simplify the mechanics. Café Nero, leading coffee chain, has the right idea in this regard, as they award customers a stamp for every drink that they purchase. After every nine stamps have been collected, consumers can claim a free beverage of their choice before repeating the cycle.

Your coffee shop may choose to partner with a local entrepreneur who has developed a range of healthy snack bars, for example, discounting these to reward customers while affording a neighbouring start-up some much-needed exposure. Coffee shops in particular, may want to consider offering cookery classes through a local evening school, as this represents a natural allegiance that customers can benefit from greatly.

The fundamental and significant thing to keep in mind is the importance of customer profiling, as an innate understanding of your customers makes it easier to tailor satisfying schemes and rewards that increase brand loyalty.

**6. LIMITATIONS TO THE STUDY**

This study has limiting factors for the researcher and that is the reason the researcher had to rely on the secondary means to collect the data to answer the research objectives. Factors like limited time, money, no means to conduct primary research on such a wide topic and respondent fatigue are the major limiting factors to this study.

**7. CONCLUSION**

No matter you are a startup or a mature organization, customer retention should be your uppermost priority. This can be accomplished only when a business focuses on building customer loyalty. Customer retention is not a choice, it's a need. Loyal customers are more likely to purchase products & services again and again from a same brand or store than new customers. They already have a relationship with your business as they trust you more than a new customer. This gives you a major opportunity to cross sell or up sell products and services. It intensifies sales volume without much effort on acquiring new customers.

In this digital age like today, word of mouth is still the foremost effective marketing tool. It helps in increasing brand awareness, engage customers and generate prospects. Loyal customers play a vital and significant role in Word Of Mouth marketing. They are already familiar with your company's products or services and they are most cost effective to serve.

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**INFLUENCE OF TELEVISION ADVERTISEMENT ON BISCUIT PURCHASE REQUEST AND SELF-ESTEEM OF CHILDREN**

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**ABSTRACT**

*The advent of television advertisements has had a very huge global impact on many of the decisions made by individuals in their day to day lives. Adults were seen as the important driving forces of consumerism. But nowadays, it has been observed that children also play quite a big role in the purchase decisions of products. As a result of this a huge movement has started where television advertisements have been seen to target children, especially the products which cater to them directly. In this research, the impact of television advertisements of biscuits on children is taken into consideration. It also sheds light on how self-esteem can further persuade a child to make purchase requests.*

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**I. INTRODUCTION**

This study aims to understand whether television advertisements on biscuits predicts the purchase requests made by children to their parents. This study also seeks to observe whether self-esteem also plays a role in the purchase requests made by children to their parents.

One of the most effective tool to reach out and communicate efficiently with a target audience is advertisement. Advertisements are the vehicles used by brands to promote their products attractively to the consumers as a means to fulfil their demands and needs. Soon after, marketers started to focus on children and their needs and desires as they were seen to have an enormous market potential. Since children influenced their parents' buying behaviour and decision making, they represent the future adult consumers. Parents today are also more willing to buy for their kids because of changing trends such as smaller family size and dual incomes which act as antecedents to the growing market catering to children as consumers.

The food and beverage industry has recently viewed children as a major target market as they were seen to watch television for long hours. A study by Coon and Tucker deals with data pertaining to the relationship between television use and children's food intake. This paper indicates that food is the most frequently advertised food category on television. It also observed an increase in purchase requests made by children to their parents after watching advertisements of a particular product. Chocolates, cornflakes, namkeen Indian snacks and biscuits were seen as the product categories for which children's influence felt by the parents on the purchase decisions made by them is the most and majority of the parents feel that for most high involvement product categories covered in the study, children play the role of 'Initiator' (Mhatre.P, 2012).

Interestingly, there has been an absence of research which examines how materialism develops in childhood and adolescence. Books and articles in the popular press describe children as becoming brand conscious during this time, requesting and flaunting the brands that their peers deem popular (Lindstrom 2003). It has been observed that self-esteem also plays a role in the development of materialism in children. One study has seen a strong connection between self-esteem and materialism (Kasser 2002), which gives us ground to believe that age related patterns in self-esteem can give rise to materialism.

Surprisingly, there is little academic research to support these contentions. Hence, the researcher would like to study it further through this research.

**II. REVIEW OF LITERATURE**

A review of past literature suggests that television advertising does have an influence on children. A survey on television viewing in India was conducted by the Mumbai Grameen Panchayat. This survey was carried out in Mumbai and over 1000 children, in the 5 – 15 age groups, were interviewed. The findings adequately reveal that children are easily influenced by seeing advertisements on televisions.

Due to the increase in television viewing hours, children are also exposed to a lot of advertisements featuring products which cater especially to them, such as food, beverages, toys, etc. In one research it was observed that food is the most frequently advertised product category on US children's television and food advertisements account for over 50% of all ads targeting children. On average, it was seen that 11 of 19 commercials per hour consisted of food. Of these advertisements, 246 (44%) promoted food from the fats and sweets group, such as candy, soft drinks, chips, cakes, cookies and pastries (Story, Mary and Simone French (2004). It was also seen that children were more likely to consume foods that were portrayed in food advertisements as enjoyable in

terms of taste and appeal. A similar study conducted by Diabetes Foundation of India (DFI) found that TV commercials have such an enormous impact on school children that they consider eating fatty foods fashionable. A study done by Bhardwaj *et al.*, 2008 found that at least 54% of children preferred buying foods that were shown in commercials and 59% of children said that they would continue to buy such foods.

Previous research conducted by Braun and Wicklund 1989; Chang and Arkin 2002; Kasser 2002; Solberg et al. 2004 on adult literature found that material possessions provided a way to cope with feelings of low self-esteem and insecurity. For children, an understanding of symbolic meanings of material goods and their usefulness for enhancing and communicating one's self-concept has to be developed for them to use products as a coping mechanism against low self-esteem. A lot of studies have observed that this understanding does develop in children gradually. As children reach late childhood (ages 10–11), they begin to understand symbolic meanings and status accorded to certain types of possessions and products, as reported in studies of the development of consumption symbolism (Belk, Bahn, and Mayer 1982; Belk, Mayer, and Driscoll 1984) and brand images (Achenreiner and John 2003; Chaplin and John 2005). It was also found that by the time children reach late childhood, they begin to appreciate possessions and see it as a way to define their self-concepts, viewing possessions as a focal part of who they are (Chaplin and John 2005; Dixon and Street 1975).

Thus, the literature suggests that advertisement has become a major influencer of children, making consumers out of them. Self-esteem has been observed to play a role in buying behaviour of adults, but research pertaining to children is sparse to say the least.

### **III. METHODOLOGY**

#### **3.1 Aim**

The aim of this study is to find the influence of television advertisement on biscuit purchase request and self-esteem of children.

#### **3.2 Objectives of the study**

1. To focus on the impact of television advertisement on children.
2. To observe the effect of television advertisements of biscuits on children and the frequency of purchase requests made by them to their parents.
3. To highlight whether self-esteem plays a role on the frequency of requests made by children to their parents.
4. To view whether gender has an effect on the frequency of requests made by children to their parents.

#### **3.3 Hypothesis**

H1: Television advertisements of biscuits have an effect on purchase requests made by children to their parents.

H2: Self-esteem has an effect on purchase requests.

H3: Gender plays a role in purchase requests.

#### **3.4 Variables**

Predictor Variables

- Self esteem
- Influence of TV advertisements

Criterion Variable

- Frequency of purchase requests made by children to their parents

#### **3.5 Sample**

The research was carried out on a sample of 100 children, both male and female, of ages 8-10. It was also carried out on 100 adults (any one of parent of the same child), both male and female.

#### **3.6 Sampling technique**

A non-experimental within group design with a quantitative approach was used to study the sample. The primary sampling technique to be adopted for the present study is purposive sampling.

#### **Tools Used**

- 1) Rosenberg's Self Esteem

The **Rosenberg self-esteem scale (RSES)** was developed by sociologist Dr. Morris Rosenberg in the year 1965.

It is a self-esteem measure widely used in social-science research. It uses a scale of 0-30 where a score less than 15 may indicate a problematic low self-esteem. It is a ten-item Likert-type scale with items answered on a four-point scale—from strongly agree to strongly disagree. Five of the items have positively worded statements and five have negatively worded ones. The scale measures state self-esteem by asking the respondents to reflect on their current feelings. The original sample for which the scale was developed consisted of 5,024 high-school juniors and seniors from 10 randomly selected schools in New York State. The scale has a high reliability, 0.77-0.88 for internal consistency and 0.82-0.85 for test-retest reliability. The scale is also valid as it has a 0.52 convergent reliability with Coopersmith Self-Esteem Inventory. It also has a criterion validity of 0.55.

2) Self-Structured Survey Questionnaire

A self-structured questionnaire was constructed by the researcher which consisted of 24 items. The questionnaire was divided into two sections wherein the first half measured parents perception of the influence of television advertising on children and the second half measured the frequency of purchase requests made by children to their parents. It was developed from an extensive review of literature. Parents were asked to indicate the strength of their agreement or disagreement with each statement on a five point liker scale, with 1 =strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree.

To check its reliability, inter-rater reliability was carried out by the researchers wherein three experts scored each item (good, average or poor) in terms of how well it measures either the element of influence of television advertisement or the frequency of purchase requests. The reliability was calculated with the help of Fleiss Kappa and the reliability co-efficient was 0.69, which indicates that the survey questionnaire did measure what it intends to measure.

3.7 Procedure

The data was collected from Shri. R. J. Makhecha High School, Kandivali (W). The parents of this research were the ones whose children studied in the above mentioned school. An informed consent form will be provided to the subjects prior to the tests. All the administration work will be carried out by the researcher only.

3.8 Data Analysis

The collected data was analysed using SPSS software. The study was analysed on three accounts. First, Pearson Correlation was conducted to find whether there is a significant correlation between Self-Esteem, influence of Television Advertisements and the frequency of Purchase Requests. Then a multiple regression analysis was conducted to find the relationship between Self-Esteem, influence of Television Advertisements and the frequency of Purchase Requests. Third, the gender differences for the frequency of Purchase Requests was analysed using independent sample t-test.

IV. RESULTS AND DISCUSSION

4.1 Results

The aim of the study was to find the influence of television advertisement on biscuit purchase request and self-esteem of children.

Hypotheses H1 and H2 were tested using Multiple Linear Regression as well as Pearson Product Moment correlation and the hypothesis H3 was tested using independent sample t-test.

Table-4.1: Shows Correlation of scores of Self-Esteem, TV Advertisements and frequency of Purchase Requests

		SE	TV	PR
SE	Pearson Correlation	1	-.863**	-.853**
	Sig. (2-tailed)		.000	.000
	N	100	100	100
TV	Pearson Correlation	-.863**	1	.896**
	Sig. (2-tailed)	.000		.000
	N	100	100	100
PR	Pearson Correlation	-.853**	.896**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100
**. Correlation is significant at the 0.01 level (2-tailed).				

\*SE= Self Esteem

\*TV= influence of Television Advertisements

\* PR= frequency of Purchase Requests

**Table-4.2: Shows the Model Summary in Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.910 <sup>a</sup>	.827	.824	3.452

a. Predictors: (Constant), TV, SE
b. Dependent Variable: PR
*SE= Self Esteem
*TV= influence of Television Advertisements
* PR= frequency of Purchase Requests

**Table-4.3: Shows the analysis of variance of the model**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	5543.059	2	2771.529	232.643	.000 <sup>b</sup>
	Residual	1155.581	97	11.913		
	Total	6698.640	99			
a. Dependent Variable: PR						
b. Predictors: (Constant), TV, SE						

\*SE= Self Esteem

\*TV= influence of Television Advertisements

\* PR= frequency of Purchase Requests

**Table-4.4: Shows Regression coefficient which establishes relationship between Self-esteem and influence of Television Advertisements**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.160	4.825		2.520	.013
	SE	-.407	.109	-.312	-3.732	.000
	TV	.629	.084	.627	7.502	.000

\*SE= Self Esteem

\*TV= influence of Television Advertisements

**Table-4.5: Shows the descriptive Statistics and Independent Sample t-test of males and females for the frequency of Purchase Requests**

	Gender	N	Mean	Std. Deviation	t	df	Sig (two-tailed)
PR	Females	50	26.64	8.354	.097	98	.923
	Males	50	26.48	8.180			

\*PR= frequency of Purchase Requests.

**4.2 Discussion**

The first hypothesis sought to seek whether television advertisements of biscuits have an effect on purchase requests made by children to their parents. Results show that there is a significant correlation (0.895) between influence of Television Advertisements and frequency of biscuit Purchase Requests made by children to their parents at the 0.01 level of significance. The results show that they are both highly positively correlated. The results of Multiple Regression show that the influence of television advertisements of biscuits predicts the frequency of purchase requests made by children. Therefore, the first hypothesis is accepted as the children chosen for this study are seen by their parents as being influenced by television advertisements featuring biscuits and as a result of it making more purchase requests.

The second hypothesis sought to study whether self-esteem has an effect on frequency of purchase requests. Results show that there is a significant correlation (-0.853) between Self Esteem and frequency of Purchase Requests made by children to their parents at the 0.01 level of significance. It shows that they are both highly

negatively correlated. The results of Multiple Regression show that self-esteem is a predictor of the frequency of purchase requests made by children but it indicates a negative level of significance with the criterion variable. There is a lack of literature that shows a relationship between self-esteem and children's frequency of purchase requests. Because of this, literature that proves a relationship between self-esteem and buying behaviour related to adults has been provided. Therefore, the second hypothesis is accepted as self-esteem has been seen to have an effect on frequency of purchase requests and children with low self-esteem have been observed to make more purchase requests than children with high self-esteem.

The third hypothesis sought to identify whether gender differences play a role in frequency of purchase requests. Results show that there isn't a significant difference between the genders in relation to the frequency of purchase requests. Therefore, the third hypothesis is rejected as a significant gender difference was not observed in relation to the frequency of purchase request from the sample selected for study.

## V. CONCLUSION

The purpose of this study was to examine the influence of television advertisement on biscuit purchase request and self-esteem of children. The researcher reviewed various studies to get an understanding of the current trends in the study of the effect of television advertisements on the purchase requests made by children. To gain more insight into the subject matter and being aware of the existing literature, the researcher carried out the present study.

The current study highlighted the positive relationship between the perceived influence of television advertisement on biscuit purchase requests made by children to their parents. It also highlighted a negative relationship between self-esteem and the biscuit purchase requests made by children to their parents. Then, a regression model was also found to predict influence of television advertisements and self-esteem on biscuit purchase requests. The regression model found that influence of television advertisements and self-esteem were a significant predictor of biscuit purchase requests made by children to their parents. Overall, the study pointed toward a potentially fruitful direction for future research in the area of ever expanding influence of television advertisements on children's consumer responses.

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**POST PURCHASE REGRET AND COPING STYLES OF INDIAN CONSUMERS**

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**1. INTRODUCTION**

The present research paper focuses on post purchase regret and gender differences in coping styles with regret. Post purchase regret is the feeling of sadness, repentance, or disappointment over the failure of the product to meet the expectation of the consumer. Coping is the effort made to overcome the feeling of regret. Thus, the research study aims to understand the coping style of Indian consumers when they experience post purchase regret. Men are said to engage in more problem focused coping whereas women use emotion focused coping. The research was conducted in Mumbai suburbs on a sample size of 146 participants, both males and females within the age of 20-60 years, who have regretted their decision of buying a mobile phone at least once. Since a lot of research has not been done on the coping mechanisms used after regret is experienced, the researcher was intrigued to understand the coping styles used by consumers in the Indian context. Thus, this research contributes to coping styles after regret has occurred.

**1.1 Objective**

The aim of the research study is to understand if there is a relationship between Post purchase regret, gender and the type of coping styles used by Indian consumers. The researcher also focuses on gender differences on the type of coping style used. The present research includes Problem focused coping and Emotion focused coping.

**1.2 Hypothesis**

H0: There is no difference between the coping styles among males and females.

H1: There is a difference between coping styles among males and females. That is, Males are said to engage in problem focused coping behaviour whereas Females are said to engage in emotion focused coping behaviour.

**2. REVIEW OF LITERATURE****2.1 Theories of Regret**

Marketers and economists have introduced the regret theory to understand the decision process of consumers. The Regret theory focuses on regret aversion or anticipated regret, where the consumer make a choice after anticipating regret to eliminate or reduce that negative outcome (Loomes & Sugden, 1982). Other theories on regret are further explained in detail.

**2.1.1 Decision Justification Theory**

Connolly and Zeelenberg (2002) explain the Decision Justification Theory (DJT) which states that consumers regret not only due to the evaluation of outcomes, but also because of a decision made in an unjustifiable way where the total amount of regret experienced is a sum of regret experienced as a result of an outcome that is inferior to another outcome that had been rejected, in addition to the feeling of self-blame for the poor decision process.

**2.1.2 Counterfactual Thinking**

Counterfactual thinking (CFT) affects the feeling of regret in consumers based on the alternative circumstances, considered by the consumers. When consumers wonder how circumstances could have been worse, it is called downward CFT. Consequently, upward CFT is when consumers wonder how circumstances could have been better. Regret is experienced more because consumers engage in greater CFT after a negative outcome has occurred than after a positive outcome one has (Kahneman & Miller 1986). It is also seen that consumers engage in upward CFT more often than downward CFT. When consumers experience upward CFT, it is seen that they will experience regret (Kahneman & Miller, 1986). Consumers also experience regret in a situation where they could control their decision than in situations where there was no control (Gilovich & Medvec, 1994).

**2.1.3 Post Purchase Dissonance**

Festinger (1957) defined post purchase dissonance as an uncomfortable state due to the process of selecting an alternative among a set of alternatives, with each alternative having desirable attributes. The theory states that consumers maintain a consistent set of beliefs. When an inconsistency in cognition evokes adverse psychological stress, an individual makes a choice decision, the person will experience anxiety and uncertainty due to the decision made because all the negative aspects of the chosen alternative are dissonant. Similarly, all the positive aspects of the rejected alternative are dissonant with the rejection (Brehm, 1956). This theory explains how a consumer makes the wrong choice due to the psychological tension.

### 2.1.4 Expectancy Disconfirmation Paradigm

Laufer (2002) introduced the expectancy disconfirmation paradigm which states that a consumer has a predetermined cognitive expectation from the product's performance compared to perceived product performance. When there is a discrepancy between this expectation and the perceived performance, a negative disconfirmation occurs which leads to dissatisfaction in the consumer.

## 2.2 Coping Strategies

### 2.2.1 Coping with Regret

Coping mechanisms are constantly used by consumers to overcome their feeling of regret, stress, disappointment or sadness. There are many types of coping mechanisms that they can use when facing such a situation. Day and Landon (1977) introduced a three-level hierarchical model. The model explains the dimensions of 'take no action' and 'take some action'. If any action is taken, it is subdivided into *Private actions*, such as warnings to friends or not making purchase decisions for further events. The other way constitutes *Public actions* such as seeking redress from the store or complaints to consumer affairs agencies.

Duhachek (2005) introduced an alternative classification of coping that has three major strategies. *Active strategy* is directed at problem solving and resolution. *Expressive strategy* focuses on emotional expression, emotional communication and support-seeking behaviors to deal with the negative affect. *Avoidance or Denial strategy* is a passive dismissal of a problem. (Tsarenko and Strizhakova, 2013).

Coping strategies are the cognitive and emotional attempts undertaken by the individual to manage the demands of the stressful situation (Mathur et al., 1999). Lazarus and Folkman (1984) identified two types of coping strategies, namely *problem-focused coping* which is associated to altering the stressor causing the stress and *emotion-focused coping* associated with regulating the emotional response to the problem. Whereas researchers such as Lazarus and Folkman (1984) considered avoidance a type of emotional coping, others have argued that avoidance coping should be considered a separate coping strategy (Mathur et al., 1999). Avoidance coping implies that the person simply leaves the situation (Bagozzi et al., 2002).

Empirical findings related to coping styles suggest that consumers may rely on more than one form of coping when managing stressful encounters. For example, consumers practice following the problem-focused coping strategy when they deal directly with the stressor by making plans to take action. The focus of such a coping strategy is external, targeting the other party (Stephens & Gwinner, 1998).

### 2.2.2 Gender Differences in coping

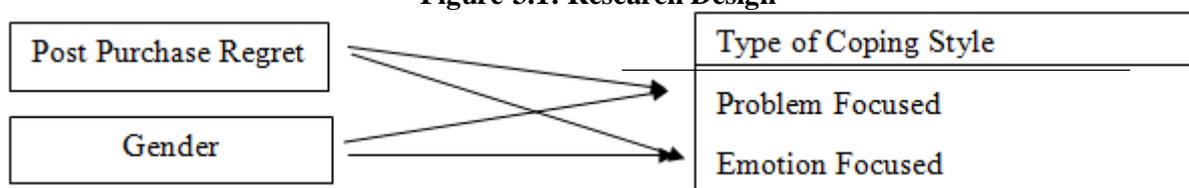
Prior researches indicate that men use more active and problem focused coping behaviors, and women use more passive and emotion-focused behaviors (Ptacek et al., 1992; Rijavec & Brdar., 1997). Melnyk et al. (2009) showed in a study that female consumers are relatively more loyal to brands whereas male consumers are relatively more loyal to companies. The repurchase intent level is higher for women than for men (Mittal & Kamakura, 2001; Dimitriadis, 2006). Research has also shown significant differences between men and women relating to experience and expression of emotion (Stearns, 1992; Lewis, 2000). Men are more analytical, while women tend to be more subjective in their information processing (Allinson & Hayes, 1996; McColl-Kennedy et al. 2003). Thus, when using a coping strategy, women seek social support and tend to engage in emotion focused coping behaviour whereas men engage in problem focused coping behaviour. Men are guided by societal norms that require control and self-efficacy to pursue self-centered goals, whereas women are guided by concerns for self and others and emphasize affiliation and warm relationships with others. Thus, women consumers are expected to be more relationship-oriented than men consumers (Ndubisi, 2006; Pan and Zinkhan, 2006).

## 3. METHODOLOGY

### 3.1 Research Design

There are two Predictor variables namely, Post Purchase Regret and Gender with two Criterion variables namely, Problem focused coping and Emotion focused coping. Hence, the predictor variables will be used to understand the relationship with the criterion variables.

Figure-3.1: Research Design



A Survey Research method was used with a repeated measures design, where the same participants were given the test for both the conditions.

**3.2 Nature of the Sample and Sampling Technique**

The research participants were both males and females between the Age 20 to 60 years, with different demographics, from Mumbai Suburbs. The sample size was 146 (73 males and 73 females), maintaining a balance between the two genders for getting better results. Convenient sampling method was used, with participants who were easily available to participate in the study.

**3.3 Procedure of Data Collection**

The research participants were ensured confidentiality of their identity and the content used in the research through informed consent. They were given instructions to fill the questionnaire as objectively and accurately as possible. The researcher explained the purpose of the study to the participants and briefed them about the research.

**3.4 Tool of Administration**

The participants were given two scales with one on Post Purchase Regret being a standardised scale called Regret Experience Measure (REM) developed by Creyer and Ross (1999). It is an 8 item questionnaire with a 7 point likert scale ranging from strongly disagree to strongly agree. The scores range from a low of 8 to a high of 56 for each participant. The reliability of the scale was 0.85 using Cronbach Alpha which indicates a high internal consistency with loadings exceeding 0.70 on factor analysis for validity. This scale provided a total score of Post Purchase Regret for the participants.

The other tool for administration was based on the type of coping style used by Indian consumers. A 4 point likert scale was used for rating the items and the final questionnaire consisted on 20 items with 10 items on problem focused coping and 10 items on emotion focused coping. The data was analysed using SPSS software.

**4. RESULTS AND DISCUSSION**

**4.1 Regression Analysis**

**4.1.1 Preliminary Analysis**

Two Multiple regressions were used to analyse the data with two main predictor variables (Post purchase regret and Gender) having a relationship with each criterion variable (Problem focused coping and Emotion focused coping), where the same sample administered questionnaires on both conditions.

*Table 4.1.1.1 Descriptive Statistics for all variables*

	N	Range	Sum	Mean	Std. Deviation	Variance
<b>Gender</b>	146	1.00	73.00	.5000	.50172	.252
<b>Regret</b>	146	25.00	5775.00	39.5548	5.31625	28.262
<b>Emotion</b>	146	26.00	3816.00	26.1370	5.12685	26.285
<b>Problem</b>	146	28.00	4289.00	29.3767	5.55864	30.898

Before conducting multiple regression, the data was tested for the assumptions of regression analysis, the data fulfilled all the tests of assumptions for multiple regression.

*Table 4.1.1.2 Pearson Correlations between variables*

		Gender	Regret	Emotion	Problem
<b>Gender</b>	Pearson Correlation	1	-.045	-.056	-.117
	Sig. (1-tailed)		.294	.250	.079
	N	146	146	146	146
<b>Regret</b>	Pearson Correlation	-.045	1	.158*	.165*
	Sig. (1-tailed)	.294		.028	.023
	N	146	146	146	146
<b>Emotion</b>	Pearson Correlation	-.056	.158*	1	.594**
	Sig. (1-tailed)	.250	.028		.000
	N	146	146	146	146
<b>Problem</b>	Pearson Correlation	-.117	.165*	.594**	1
	Sig. (1-tailed)	.079	.023	.000	
	N	146	146	146	146

\*. Correlation is significant at the 0.05 level (1-tailed).  
 \*\*. Correlation is significant at the 0.01 level (1-tailed).

This indicates that there is a significant relationship between gender and the type of coping styles used. There is strong positive relationship between regret and problem focused coping. There is a strong positive relationship between problem focused coping and emotion focused coping.

**4.1.2 Regression Analysis 1**

A multiple regression was computed on SPSS to understand the relationship between regret and gender as the predictor variables and Problem focused coping as the criterion variable.

*Table 4.1.2.1 Model summary of Regression Analysis on Problem focused coping*

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.199 <sup>a</sup>	.039	.026		5.48583

a. Predictors: (Constant), Gender, Regret  
b. Dependent Variable: Problem

Adjusted R square corrects the R square to reflect a more close goodness of fit of the model. It shows how well the model fits the given set of observations. A score of 0.026 indicates that only 2.6% of regret and gender have predicted problem focused coping. This further indicates that the model doesn't fit the data well.

*Table 4.1.2.2 Coefficients of Predictor Variables*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.355	3.474		6.724	.000
	Regret	.168	.086	.160	1.955	.053
	Gender	-1.221	.909	-.110	-1.343	.181

a. Dependent Variable: Problem

The t value for regret was 1.955 and for gender was -1.343. However, as the vales for significance are above 0.05 for regret (0.053) and gender (0.181), the predictor variables for the data fail to fit the model of regression analysis 1.

*Table 4.1.2.3 ANOVA significance table for entire regression model of problem focused coping*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.788	2	88.394	2.937	.056 <sup>b</sup>
	Residual	4303.493	143	30.094		
	Total	4480.281	145			

a. Dependent Variable: Problem  
b. Predictors: (Constant), Gender, Regret

Table 4.1.2.3 indicates -

$F(2,144) = 2.937, p < 0.05; n.s.$

Thus, the regression model for problem focused coping is insignificant as regret and gender are not effective as predictors of problem focused coping. Felsten (1998) found that with a rapid change in social and cultural roles, men and women have become very similar in their ways of dealing with problems. Hence, women may also use problem focused coping readily.

**4.1.3 Regression Analysis 2**

A multiple regression was computed on SPSS to understand the relationship between regret and gender as the predictor variables and Problem focused coping as the criterion variable.

Table 4.1.3.1 Model Summary of Regression Analysis on emotion focused coping

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.166 <sup>a</sup>	.028	.014	5.09109

a. Predictors: (Constant), Gender, Regret

b. Dependent Variable: Emotion

Adjusted R square corrects the R square to reflect a more close goodness of fit of the model. It shows how well the model fits the given set of observations. A score of 0.014 indicates that only 1.4% of regret and gender have predicted emotion focused coping. This further indicates that the model doesn't fit the data well.

Table 4.1.3.2 Coefficients of Predictor Variables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	20.432	3.224		6.338	.000
	<b>Regret</b>	.151	.080	.156	1.892	.061
	<b>Gender</b>	-.503	.844	-.049	-.596	.552

a. Dependent Variable: Emotion

The t value for regret was 1.892 and for gender was -0.596. However, as the p vales for significance are above 0.05 for regret (0.061) and gender (0.552), the predictor variables for the data fail to fit the model of regression analysis 2.

Table 4.1.3.3 ANOVA summary table for entire significant of regression analysis on emotion focused coping

Model		Sum of Squares	df	Mean Square	F	Sig.
1	<b>Regression</b>	104.817	2	52.408	2.022	.136 <sup>b</sup>
	<b>Residual</b>	3706.444	143	25.919		
	<b>Total</b>	3811.260	145			

a. Dependent Variable: Emotion

b. Predictors: (Constant), Gender, Regret

Table 4.1.3.3 indicates -

$$F(2,144) = 2.022, p < 0.05; n.s$$

Thus, the regression model for emotion focused coping is insignificant as regret and gender are not effective as predictors of emotion focused coping.

Therefore, the regression model does not fit the data as the predictors have a strong weak relationship with the criterion variables. Hence, the predictor variables are not as effective to have an impact on the criterion variables. The model is insignificant and the data is not in line with the hypothesis. Thus, the researcher fails to reject the null hypothesis which states that there is no difference between the coping styles used among males and females.

## 5. CONCLUSION

In the present research study it was found that regret occurs naturally to consumers when making purchase decisions, however, their ways of coping with regret varies across a large number of factors and cannot be limited to problem focused and emotion focused coping strategies only. Men and women use similar methods to deal with regret in different contexts. They can both use, problem focused and emotion focused styles. Thus, this research is helpful for the marketers to understand that in the Indian context men and women don't differ in their ways of dealing with problems related to purchase. The times have changed and men have also become equally expressive about their emotions whereas women have also adopted a problem focused practical approach towards resolving problems. Hence, they must come up with more innovative strategies that can apply to both genders.

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