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A STUDY OF CASHLESS TRANSACTIONS IN INDIA RURAL/URBAN AREA: A CASE STUDY IN JHARKHAND

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Abstract

In all the states of India, post-demonetization efforts to smoothly transition the Indian economy to cashless transactions have been an ongoing and widely emerging situation. And with the help of cashless transactions, with the convenience of the common people and the transaction has become easier. And operations involving cash withdrawals are becoming more secure than transactions. Cashless Transactions Based on the buying pattern and spending pattern of the people living in urban and urban areas, Jharkhand is slowly and gradually changing the benefits of this scheme on the initiative of the government by the common people. So that the purpose of the paper can be a complete study of the perception of rural and urban people regarding cashless transactions. This study showed that out of 70% of respondents in Jharkhand state along with India, 55% rural/urban people have started doing cashless transactions, most of the people of higher education came to the city using, and now those with low education also use, Therefore, to educate the rural people on cashless transactions and its importance in the development of the economy, day by day training or awareness programs are getting an opportunity to organize this action at all places of India.

Keywords: Cashless Economy, Transaction, Banking Technology, and Mobile Banking.

Introduction

To avoid black marketing in India, the country is slowly moving from a cash-centric to a cashless economy. With ease, it does not take even a minute to pay and take any payment through digital payment medium in other states and parts of India easily, in the following way by the government to avoid black money. With the implementation of the scheme, the cow brought this work smoothly, so that the government can work smoothly in the country with new technology to reduce black marketing on a maximum scale, and through digital payment. Through this, the payment can be made in time. With this, the entire country is going through the process of modernization in currency transactions due to the unprecedented speed of e-payment services. Not only that but a large number of businesses in public and private skaters, even street vendors, are now accepting electronic payments, allowing people to transact cashless faster than ever before. Being inspired. Cashless is better in every respect because many times of cash transaction, digital payment saves time. Apart from this, it is also being considered as a form of supporting process in economic development along with methods. It is also proving to be a milestone in an economic setting in which goods and services are purchased and paid fairly through electronic media. And cashless transactions with each transaction to be recorded with the buyer, seller as well as regulated bodies. Tracking the flow of money is very easy and appropriately done by the general public by adopting these provisions at a desk so that people can register their own money. The importance of time, its value can be easily understood. With this, the system becomes more transparent and compliant. So that some of the cashless payment options are debit cards, credit cards, cheques, mobile banking, demand drafts, e-wallets, and others, etc. Digital payment under the medium of common people in less time. It has become easier and easier for rural/urban people to adopt this digital payment and other methods in a limited time. In the shortest possible time, in the maximum form, the whole of this payment could be exposed in the country and abroad as well.

Following are the advantages of cashless in India.

Money and time saving

Companies and governments in India will become efficient and they can reduce costs as they no longer need to do manual accounting work. The costs associated with accounting and handling cash can add up in a very short period.

Less cash reduced crime

Businesses and individuals can avoid other costs as well. Theft often leaves a big hole in one's pocket. The risk of theft will continue until people move cash and can be reduced by going cashless. It also leaves an impact on the government as they can then reduce the cost that the government spends on catching the culprits. In countries such as the US, after the government shifted social welfare payments to electronic transfers, theft and attack decreased by about 10%. However, the government has to take measures to prevent incidents of online scams and identity theft.



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Lower cost of production of coins and paper currency

The production of coins and paper currency is indeed a costly endeavor and the life span of most paper currencies is around 6 years. So, going electronic reduces the cost of production.

At a low price

The government can use the data coming from cashless transactions to improve and analyze its policies. Using such data, officials can predict or identify activity patterns and use such information for urban planning for sectors such as energy management, housing, and transportation.

Higher spending helps in better economic growth

When a country is moving towards a cashless economy, a spurt in economic growth can be expected. High card usage in countries such as the US has contributed to the consumption of approximately US\$296 billion globally from 2011 to 2015, which is a 0.1% increase in GDP. Shopping online becomes easy as one can use multiple payment options from credit and debit cards to net banking. More seamless shopping can be seen when making cashless payments.

Countries like Singapore have also seen a 0.1% increase in GDP which is approximately S\$400 million per year. As people spend more, companies need additional employees to handle the demand for goods and services and this, in turn, creates more jobs for the unemployed.

Apart from this, going cashless also benefits health. With physical currency, germs are more likely to spread. Reducing the amount of paper currency used will reduce germ transmission.

While preparing for a cashless economy, the government also needs to take necessary steps and do some policy considerations. Payment systems have to be protected from cyber-attacks which are the major threat to cashless transactions. At the same time, the government should be able to serve the people with less banking as well. Every individual in the society should have access to an electronic system that they can use for such transactions. In conclusion, it can be said that going cashless brings a lot more benefits to the people, businesses, and especially the government than just convenience.

Purpose of Cashless Study

To make aware to understand the importance of cashless transactions in India.

Use of various methods used in cashless transactions in India.

To clarify the concept of rural/urban people on cashless transactions.

Outline of Research Methodology

Sampling: To run an awareness program by the government for the researchers to use simple randomized techniques for taking samples from rural/urban areas of Udipi taluk. The sample size was 80.

Tools used to study this method: Both primary and secondary data have been obtained for this study. Primary data was collected by the researchers through a structured questionnaire. Likert's scale of 3 points and 5 points was used for some questions for scaling purposes. Secondary data was collected from the Internet, books, and magazines. For analysis and interpretation, the researchers used simple statistical tools like percentages, and some relevant interesting data is presented in tabular form. A Chi-square test was used to test the hypothesis.

Hypothesis

HO: No link between education and cashless transactions in rural/urban areas It happens.

H1: Indicates the relationship between education and cashless transactions in rural/urban areas.

HO: There is no use of cashless in the country.

H1: Is there any benefit from cashless in the country.

Needs for the Study Required

The central government is focusing more and more on cashless transactions to reduce corruption smoothly. So that this scheme has more focus on Digital India and the future of Cashless India is looking very respectable because the response of the people of the country towards this move of the Government of India and the approval of its support was indicated. So that the Indian government's move is waiting for the possibility of success. Along with this, transactions through e-commerce and the digital payment



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gateway will further enhance transparency in the economy, which will increase the GDP of the economy and the development of the country. This will improve the creditworthiness of the country, and investment will increase. This move of cashless is going to create a wave of big success.

Literature Review

Kumar Rishu (2020) did a proper study of the cashless payment system in India. He has suggested that cashless payment is an expensive proposition for the government. As the nation should move towards cashless payment system most highly, so that which is promoting track transactions, currency management cost, etc. In addition, it also broadens and encourages financial inclusion and integrates the parallel economy into the mainstream.

Kumar Mayank (2021), is helping to reduce currency management costs, track and record cashless transactions, etc. In cashless payments, we feel that the buyer's behavior towards cashless transactions is less valuable and better attempted.

Deepika Kumari, (2021), in her study of the applications and challenges of cashless transactions, concluded that in the form of demonetization implemented by the Indian government, the government is trying to make its people aware of cashless transactions. Has been So that this work may be successful.

Different methods used in cashless transactions

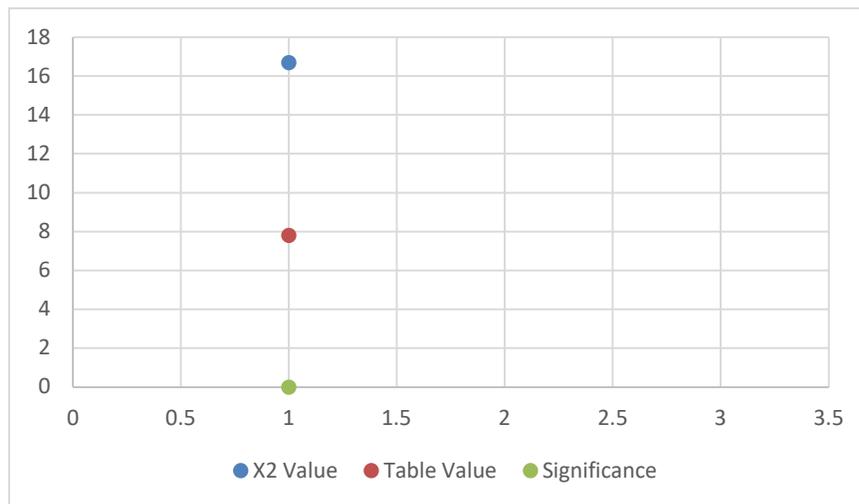
The RBI classifies every mode of cashless fund transfer or transaction using cards or mobile phones as a prepaid payment instrument. The most popular, secure, and best digital payment mediums are debit card, credit card, cheque, mobile banking, demand draft, E-Wallet, online transfer, etc. These methods are more transparent as every transaction can be tracked easily as it leaves its footprints. Many urban people adopted new cashless payment options. Whereas it is a challenge for rural people to adopt cashless payment options. On the field survey data, we found that majority of the rural people using a debit card and very few people are using other payment options.

Perception of rural people on the cashless transaction

Table 01 Awareness of cashless transaction

Aware of cashless transaction	Number of respondents	Percentage
Yes	54	67
No	26	33
Total	80	100

Source: field survey data



Among 80 respondent's majority (67%) respondents aware of cashless transactions whereas 1/3rd of the respondents is not aware of cashless transactions.



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Table 02 Relationship between Education and Cashless transaction

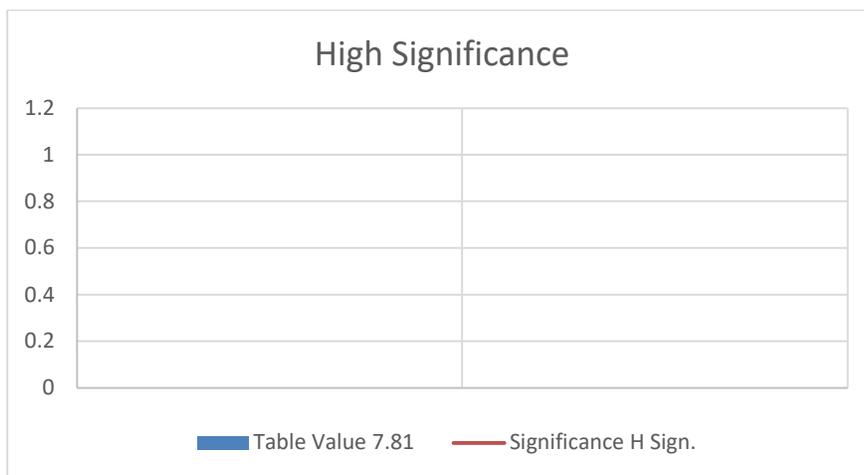
Categories of respondent	Education					Total
	Illiterate	Primary /High School	PUC	Degree	Other	
Cashless transaction (card)	0	7	3	19	7	36
Cash transaction	4	20	9	8	3	44
Total	4	27	12	27	10	80

Source: field survey data

Table 03 Chi-square analysis

X ² Value	Table Value	Significance
16.7	7.81	Highly significant

Source: field survey data.



The Chi-square analysis shows that the null hypothesis, there is no relationship between education and the cashless transaction has been rejected. Hence the alternative hypothesis that there is a relationship between education and the cashless transaction is accepted. Thus, we can conclude that majority of the educated people in rural areas are making cashless transactions. The illiterate or low educated rural people are using cashless transactions were very few.

Table 04 Importance of cashless transaction to reduce corruption

Reduce corruption	Number of respondents	Percentage
Yes	67	83.75
No	13	16.25
Total	80	100

Source: field survey data

The above table exhibits the feedback of the respondents towards the importance of cashless transactions to reduce corruption. Out of 80 respondents, 83.75% have agreed that cashless transactions will reduce corruption, and 16.28% of respondents do not agree with this statement.

Findings & Conclusion

From the study of this topic, it is obtained from the research scholars all over India that in a large country where a large population is forced to live below the poverty line and is dependent on it, to implement a cashless economy in the country as well as in the state. It is natural to face difficulties but efforts need to be started in this direction. Today, through digital media, there has been a big change in the mind-set of people towards digital transactions, because they can complete their work in less time. . The people of



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the country have come to know that digital transactions are safe, easy, convenient, and transparent too, and there can be no scope for black money and counterfeit currency in cash in India. Cash or Cashless India is a campaign awareness program recently launched by the government that the Indian government is moving forward to make a cash-based economy, cash from digital media, and thus, a big change in the economy of the country. Trying to bring. From the above analysis, highly educated and low educated people in rural areas are aware of cashless transactions. When we consider the use of cashless transactions, most highly educated people are often using cashless transactions. Illiterate people cannot adopt this concept in their daily life due to many reasons like technological advancement, lack of information, lack of interest, their age, lack of convenience, bad perception, etc. This concept will be successful only when everyone starts implementing it in their life. Only then we can proudly say that our country is developed to some extent.

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