

**Project Dissertation Report on**  
**Public Perception about Cashless Economy in**  
**India**

**Submitted by**

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# **CERTIFICATE FROM THE INSTITUTE**

This is to certify that the Major Research Project titled “**Public Perception about Cashless Economy in India**” is a bonafide work carried out by **Lakshya Kumar Sharma** of MBA (2018-20) Batch of Delhi School of Management, DELHI TECHNOLOGICAL UNIVERSITY, Delhi as a fulfillment of MBA Program.

He has worked under my guidance and satisfactorily completed his project.

Project Guide

Mr. Chandan Sharma

Head of the Department

Prof. Rajan Yadav

## **DECLARATION BY THE STUDENT**

I, hereby, declare that the work presented in this report, entitled “Public Perception about Cashless Economy in India” in fulfillment of the requirements for MBA Program, submitted to Delhi School of Management, DTU, Delhi is an authentic record of my work and is free from any type of plagiarism, carried out under the supervision of **Assistant Professor Mr. Chandan Sharma**.

I also declare that the work embodied in the report

- (i) is my original work and has not been copied from any source, and
- (ii) Has not been submitted for any other Degree or Diploma of any university/Institution.

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Date:

# ACKNOWLEDGEMENT

I hereby take this opportunity to thank all those who have helped me using some way or the other in the successful completion of this project work.

With great pleasure I express my gratitude to Mr. Chandan Sharma without whose help the research would not have been completed. He has given his precious suggestions and his constructive guidance has been indispensable in the completion of this research work.

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# ABSTRACT

Cashless economy is the system of economy having just a little flow of cash in the society and products and services are purchased & transactions are made through digital means. In a cashless economy the payments are made by e wallets, cheques, credit and debit cards and direct transfer of money from an account to another account. Cash has always been the primary method of transaction in the economy. But due to global technological advancement leading to the introduction of many non-cash variants such as plastic money, mobile wallets, etc. has opened up new doors to make payments without physical currency. A major motivator for doing cashless payments is the ease and convenience of making payments .Therefore, the Government of India is also taking more steps in this direction of making the country more digitized with major focus on e-transactions. The process of financial inclusion and demonetization has paved way for rapid and effective usage of the e payment system. These initiatives will lead to the modernization and development of the payment system that is already there in place and make it more transparent and accountable curbing the black money being generated in the economy.

The present research highlights the ongoing cashless movement in the country, and brings forth the perceptions of the public regarding cashless economy.

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# INTRODUCTION

A cashless economy is an economy where the financial transactions aren't made through physical money like bank notes or coins, but instead by the exchange of digital info (mostly an electronic representation of real money) between the parties of transaction. Societies that were cashless existed in past times that were based on barter and various other variants of exchange, and in the present times cashless exchanges have also become a reality using electronic currencies like bit coin. However this research is focused on the term "cashless society" with respect to a journey to, and aspects of, a society where cash would be ousted by its electronic equivalent ,that is, money or legal tender exists, is recorded, and is transacted but only in its digital form.

# Background

India uses a lot of cash for its transactions. The ratio of cash to GDP of India is amongst the highest globally —12.42%, in contrast with 4% in Brazil or 9.47% in China. The no. of bank notes in circulation is also much greater when compared to other large economies. A few studies state that cash has a dominant role even in malls, which are often visited by the part of population most likely to possess debit and credit cards; hence it's not surprising to assume that cash dominates in other markets also.

## The 'Digital India' campaign

The launch of the 'Digital India' campaign in July 2015 reflects the government's commitment to the principles of efficiency and transparency in governance. The following are some of the initiatives introduced under this campaign.

The National e-Governance Plan aspires seamless electronic access to government services for all 50 citizens

The e-hospital application, meanwhile, digitises services in the domain of health care—for instance, online appointments and online payment of fees. For its part, the National Scholarship Portal seeks to completely transform the process of disbursing scholarships with all of the stages from applying for scholarships to the final payment being digital.

The Pradhan Mantri Gramin Digital Saksharta Abhiyan aims to improve the levels of e-literacy in rural areas of the country. Innovation in the digital payments landscape in India The report, 'Flavors of Fast', published by the US-based financial services and tech giant Fidelity National Information Services (FIS) used the Faster Payments Innovation Index (FPPI) to evaluate the digital transactions systems across 25 countries. The parameters include 24x7 availability, the ability to accelerate adoption of digital payments, and time-effectiveness of payments settlement. The index recognised India as having the



“most evolved” digital payments system among the 25 countries under evaluation. India was the only country that earned the highest possible score while competing with countries such as the UK, 56 Sweden, Switzerland, Japan and China as well.

The Immediate/ Interbank Mobile Payment service (IMPS) and the Unified Payments Interface were launched by NPCI - National Payments Council of India .

### The Demonetization Shock

In a move that stunned the nation, Prime Minister Mr. Narendra Modi demonetized the INR 500 and INR 1,000 notes that formed the bulk of the cash circulating in the economy. The move, initially promoted as an assault on corruption and black money, came to be seen as the government nudging cash-dependent population to go digital. In this regard, demonetization gave an unexpected turn to the ‘Cashless India’ campaign. The strategy pursued under this campaign was three-pronged: (i) measures that incentivize cashless payments; (ii) measures that subsidize cashless payments and (iii) measures aimed at moral suasion and awareness creation.

### The Corona Virus strikes

As a precautionary measure against the Coronavirus outbreak the government has urged the banks to encourage their customers to use digital payment methods.

RBI has also requested the customers to use the facilities of digital banking.

In light of these events, NPCI has started a new campaign titled ‘India pay safe’ with the intention of boosting digital payments as exchanging bank notes can spread Coronavirus. As a result, several digital payment companies such as Ongo, Pine Labs, Amazon Payments and PhonePe supported this move.

### Impact of Different Sectors on Transactions

Even though a lot of sectors that were hit by the COVID-19 outbreak directly have reduced the usage of the digital payment, some other new segments have also emerged.

Sectors that are expected to impact digital payments terribly in India due to Coronavirus consists of Hospitality, Airlines, Retail, Travel and Tourism, Restaurants, Theatres and Entertainment Parks. While segments that will help in boosting e-payments comprise grocery stores, online gaming, online money transfer, online education, withdrawals from ATM and broadband usage.

# Problem Statement

The Indian Government is continuously working to make a new challenging and opportunist economy that is mainly 'cashless'. For a country such as India which is a developing one, the transition to digitization is not that simple. Many people have studied over different domains to appreciate and enforce a safe cashless economy. In the current time, when the Indian Government is promoting the digital methods for payment under its Digital India scheme, it becomes important to study the use of cashless economy, its benefits and disadvantages and the perceptions of the general public.

The discussions around India becoming a cashless economy have been around a while, but the coronavirus pandemic is expected to bring a permanent shift from cash to digital payments. With new cases being reported every day, it is high time that the entire country jolts out from traditional methods of payments and plunges into the digital payment ecosystem.

# Research Objectives

1. To explain the concept of cashless economy and understand the Public's Perception about Cashless Economy in India in the current scenario.
2. To highlight the major advantages of becoming a cashless economy to the public.
3. To determine the challenges faced by cashless economy.

# Scope of the Study

India has begun the movement towards cashless economy by empowering its digital services. The Government is carrying out various initiatives to reap its benefits. Yet, the transformation of India into a cashless economy is time taking and quite risky.

Research work on cashless economy is inadequate; therefore there is more scope of study. It is further required to gain insights into the mechanism of cashless policies effecting digital transactions and their impact on the economy.

A careful and proper planning is needed to take advantage of the intended benefits. This will only be possible when the people feel that the system is secure, hassle free and is extremely beneficial.

# LITERATURE REVIEW

Worthington (1995) described in the research “The cashless society” that a cashless society is the one in which unhandy and costly-to handle bank notes & coins are switched with effective digital transactions initiated by different forms of payment cards as a magnificent possibility for the 21<sup>st</sup> century. Most of the concerned parties have a lot of chances to benefit more than others if the cashless economy turns into a reality.

Karamjeet And Ashutosh (2016) studied in the paper “E-Payment System on E-Commerce in India” the various varieties of digital payments techniques along with their functionalities and processing techniques. They found that it is a bit tough, but not unfeasible, to propose which method of payment is better. Most of the systems are a bit similar, and differ only in a few minute details.

Rachna and Singh (2013) brought to limelight the challenges and risks of digital payment systems and discussed solutions to improve the quality of electronic payment systems. If the customer needs to maintain privacy, then the customers select those systems that guarantee a high level of privacy like e-cash or Net Banking. If security is of priority, they prefer the use of cards. The research then come to a conclusion that, successful execution of e-payment systems is dependent upon how the privacy & safety dimensions as seen by costumers as well as the vendors are managed thereby enhancing the market’s confidence in these systems.

Shendge and Shellaar(2017) explained the effect and importance of cashless policies in India. As per the Indian Government, going cashless will improve employment level, reduce the risk associated with carrying cash. It will also help in decreasing corruption and would help in attracting foreign investors to India, lead to advancement of the payment system, reduction in banking service's cost. The financial security is important for the digital payments channel for promoting the idea of cashless economy. The retail sector still predominantly uses cash and is yet to speed up and bank cards are one of the safest and convenient mode of digital transactions in the retail market.

Electronic transactions are traceable therefore are easily taxed and thereby curbing the circulation of black money. India is undergoing the procedure of modernization and transformation in monetary transactions, with cashless payment services picking up.

Piyush (2017) concludes in the paper, "Cash Lite India: Boon Or Bane?" distinguishes between cashless economy and cash lite economy. Cashless economy relates to a complete ban on cash transactions on the other hand cash lite deals with the reduction in the volume of cash payments. It was also suggested by him that replacing cash focused environment with cashless economy would be an advantage but we require crossing many hurdles. The approach followed by the government of rewarding and punishing towards digital transactions has not been beneficial as cash is an unavoidable part of the economy.

Sunita Avula (2017) discussed in her study, "The Cashless Economy in India: Prospects and Challenges" the initiatives that are being taken by the Government of India to get the Indian economy on the path of digitalization & the perks and benefits that are being given to the people to attract them towards going digital. It should focus on penetration of the POS terminals,

digital literacy and enhanced connectivity in order to transform India into a cashless economy.

Dr. Hitesh Kapur in the paper “Consumer satisfaction and E-Banking” identified factors leading towards satisfaction of consumers with online banking. Banking industry is among the very 1st segments having a worldwide presence. With the changing technology being incorporated by banks, schemes of the banks are also undergoing transformation. Elements of quality of service such as assurance, tangibility, empathy & reliability depicted a huge impact on consumer satisfaction regarding online banking services.

Syed Nitas Iftekhar ,2015 in the research “ICT Based Education for Literacy in India: Vision Beyond” found that incorporation of IT with practical literacy expertise to be a base for lifetime learning should be a central component. There is a requirement to spread the conventional and informal adult pedagogy with the motive of lifetime schooling through Information and Communication Technology. It has been recommended in the study that how our country can form a robust & efficient education system established on ITC to transmit digital literacy.

Dominic, Rajani & Sarnya in their research “transformation in behaviour of individual towards cashless economy” study change in behavior of people towards a cashless economy. They found that a lot of people have already shifted or are shifting to a cashless society but there is much to be done for the country to go cashless.

Dr. Vipin and Kadambini found in their study “A Paradigm shift of Consumer towards online shopping”, Shopping and its exemplar transformation because of impact of info tech resulting in majority of people favouring online shopping to



physical store shopping. The aim of the researchers was to study the difference between physical and online shopping.

Dr. Garima Malik ,2013, explored in her paper “A exploratory Study on Adoption and Use of SMS/Mobile Banking in India with Special reference to Public Sector Banks”, the views of consumers & banks on acceptance and use of information technology. Research found that “SMS and Online Banking processes are becoming popular with customers and the banks still have the capability of improving its utility for consumers. Nevertheless, absence of regulations for E Banking is problematic for mobile banking that has to be dealt with to gain confidence of customers and to make it immensely efficient in upcoming times.

Ananya, Jayant and Sonali (2017), explored in their study, “Impact of Demonetization on Cashless Transaction” position of Jan Dhan Yojna pre-demonetization, post-demonetization and also during demonetization. During demonetization POS terminals grew and infra facilities increased but the growth only stayed for a few months. Demonetization helped the economy move on digital path however the changes vanished as soon as the new currency notes flooded the market. To increase the momentum in digital payments, consumers should be motivated using monetary benefits & discounts.

Jashim Khan, Margaret (2014) found in the research “Cashless’ transactions and their effect on purchase behavior” that when payments are made using credit cards, the volume, amount and type of items bought increased because of the credit part or the cashless part of the payment. The idea that cash’s tangibility has an influence on the peoples view is not new, but it remains a topic of research.

Olalekan S. Akinola (2012) in his paper, "Cashless Society, Problems and Prospects, Data Mining Research Potentials" studied the advantages and barriers regarding cashless economy. Various cashless instruments were also evaluated in the study. According to him- technology and infrastructure are the major facets of creating a digital society. The proper implementation of digital economy requires the trust of all the members of the society

Alawiye Adams in his research "The cashless payment system as a panacea to the national security challenges in Nigeria" studied that electronic payments have a huge influence on the economy and public which is illiterate find it difficult to access these techniques. This portion of the country has an essential role in the success of digital economy. It is also described that cashless systems of payment curb the crimes and terrorism as cash is not used directly in these transactions.

Ramya (2017) studied about "cashless transaction: modes, advantages and disadvantages". It highlights that RBI is taking several steps to encourage payment and settlement facilities for making less cash saving. Digital payments help in providing more transparency, scalability & accountability. It also shows that convenience; discount, tracking records, budget discipline, and lower risk, small gains are advantages of cashless transaction. Higher risk, difficulty for un-tech savvy and overspending are disadvantages of cashless transaction.

## Different Modes of Cashless Payments

Cheque- Cheques are issues of specific value in the name of payee. The cheque are accumulated in payee's bank. The transactions are processed by the bank through a clearing house. Payments by the cheque are recorded thereby providing a proof.

Credit or Debit card- These are used for making purchases but availability of swipe machines (POS) is limited. The usage of payment cards is increasing in India. The amount of debit cards is increasing at a higher rate than credit cards.

Demand draft- Signed by the banker, makes it a safe method of payments. Since it is a prepaid instrument, no chances of default are there.

Mobile wallet –It is a very easy and simple method of making payments. They don't need to be linked with credit or debit cards. Money is added to wallet through IMPS or Immediate Payment Service. Examples are Paytm, PhonePe, MobiKwik, etc.

Online Transfer – It is the fastest way of fund transfer since it happens through internet. RTGS & NEFT are used for money transfer amongst banks in India. RTGS is one of the quickest method since the bank credits the account of the recipient under half an hour of getting the message for money transfer. Whereas NEFT uses deferred method of settlement.

UPI (Unified Payments Interface) Applications- They offer security to the customers as payments are done through virtual payment address. Examples of a few UPI Apps are BHIM, GooglePay, SBI Pay etc.

AEPS or Aadhar Enabled Payment System – This method requires a smartphone and fingerprint scanner to make the payments. There are no charges on the payments through AEPS unlike other methods.

USSD (Unstructured Supplementary Service Data) - This is a universal method, and therefore no specific mobile is needed. One requires to dial \*99# for using this service. This facility is mainly for rural people who do not have net connectivity.

### Advantages of Cash less Economy

Cashless economy helps in reducing black money. Cashless economy will lower the land prices since majority of black income is invested in them which increases the Real estate prices.

Cashless Economy helps in reduction of banking services cost.

One in eight currency notes is assumed to be a counterfeit, that has a greater negative influence on the economy, this can be avoided by going cashless.

It enhances the monetary policy in inflation management and improves overall economic growth.

It also reduces robberies related to cash and other related crimes.

A higher use of cashless payments would enable a thorough record of all the transactions that allows more transparency in businesses and transfers of money thereby curbing money laundering and tax avoidance.

### Challenges in making India a cashless economy

Approximately 85 percent of the labor that produce about 50 percent output work in rural area. It would be difficult for this segment to turn cashless.

A huge chunk of population is so far beyond the range of Net banking for example the use of plastic cards, paying using smartphones, and use of internet.

Most people prefer cash payments in India.

Despite the fact that digital transactions have increased in current times, a meaningful transformation will rely on a no. of factors like developments in ICT, government intervention and public awareness. For example e-wallets have seen noticeable adoption, and may be thinkable in future that a huge part of the population will shift to mobile wallets.

The availability, affordability and quality of network will play a huge role. Even in metro cities difficulties are faced by people in making electronic payments due to poor network. Telecom companies will have to continuously make investments in technology for improving ease of transaction and security.

Individuals will only move to cashless payments when it is convenient, certain and safe.

Vendors prefer not to keep financial records so as to avoid.

There are difficulties in transforming the perception and attitude of the public towards cashless payments.

Small retailers dominate India who do not have the resources to invest in digital payment infrastructure.

# RESEARCH METHODOLOGY

The research is conducted to get a better insight into the introduction and implementation of cashless economy in the country.

The research is both analytical and descriptive by nature. Primary & Secondary data have been used for study purpose. The research is conducted in the state of Delhi. The size of the sample was 72 and was chosen through the process of convenience sampling (i.e. people who were accessible easily have been selected for the research). Google form was used for collecting the data. Responses were analyzed using the simple percentage method & ChiSquare test. Questionnaire consists of a total of fifteen questions out of which four questions relate to profile of respondents.

SPSS Software was used for analyzing the data.

Secondary sources of data were also used for Literature review.

# CASE

## Introduction

The Indian payment system is moving fast towards more of ICT based systems. Retail sector sees huge amounts of monetary transactions. Apart from cash, a growing method for paying adopted by vendors in this segment is debit and credit cards. With fast adoption of e payments, mainly those propelling electronic-commerce there is an increased demand for quick payment methods that will make it simpler to conduct financial payments.

It is desirable to reduce the country's reliability on cash for a lot of reasons.

An extension of demonetization process, the cashless transaction system will have substantial changes in consumer behavior. In India a lot of consumers enormously rely on cash but now the customers would be moving from cash to digital payments. Many users have been using much of cash for buying goods and services despite for a few. The Indian Government currently announced that all restrictions on cash payments and offers on digital transfers encourage the customers to adopt cashless payments for their requirements.

The RBI's Payment & Settlement Systems India - Vision 2019-21, focuses on converting India to a cash lite economy while ensuring that India has a secure 'state-of-the-art' payment and settlement system. The discussions around India becoming a cashless economy have been around a while, but the coronavirus pandemic is expected to bring a permanent shift from cash to digital payments. With new cases being reported every day, it is high time that the entire country jolts out from traditional methods of payments and plunges into the digital payment ecosystem.

Previously, a similar disruption was caused by the implementation of the demonetization. After Prime Minister Narendra Modi put a ban on old 500 and

1,000 rupee notes with immediate effect, India witnessed a sharp spike in the adoption of e-banking, mobile banking as well as UPI-based payment platforms. Demonetization of high-value currencies is still considered a major turning point for India's digital payment landscape as it marked the beginning of a new era for FinTech in India.

Today, as the country grapples with the virus outbreak, it's anticipated that more and more Indians will take the digital route as a safety measure. Not just bank transactions, they will use e-payment solutions to pay their utility bills as well.

The challenge lies in bringing people from the country's hinterlands into this equation.

In the above context, this research makes an attempt to study the concept, methods, advantages and challenges of Cashless Economy in India.





5	Lack of infrastructure is a major obstruction in making India a cashless economy.					
6	Security in Transactions is the Main Concern in Cashless Payments					
7	Incentives Encourage People to Avail Cashless Transactions					
8	Poor Internet Connectivity is an obstacle for cashless transactions					
9	Lack of technical knowledge is an obstruction in cashless transactions					
10	Do you think that demonetization will be of use during the coronavirus lockdown					

# Data Analysis

An Overview of the Demographics of the Participants of the Survey:

Sample – 72

Location – Delhi, India

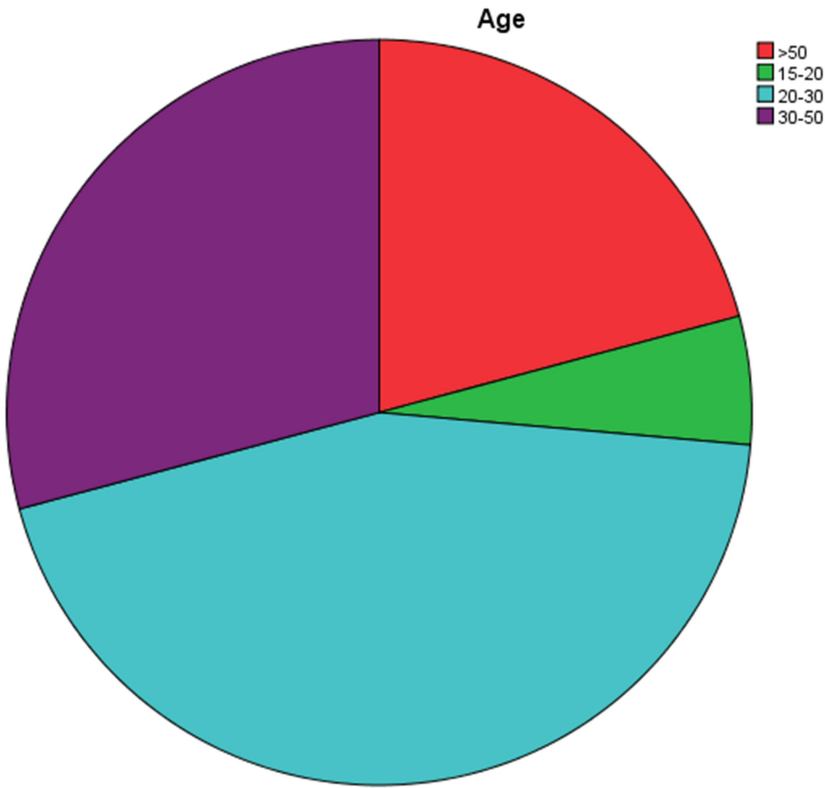


Figure 4.1, Source: Author

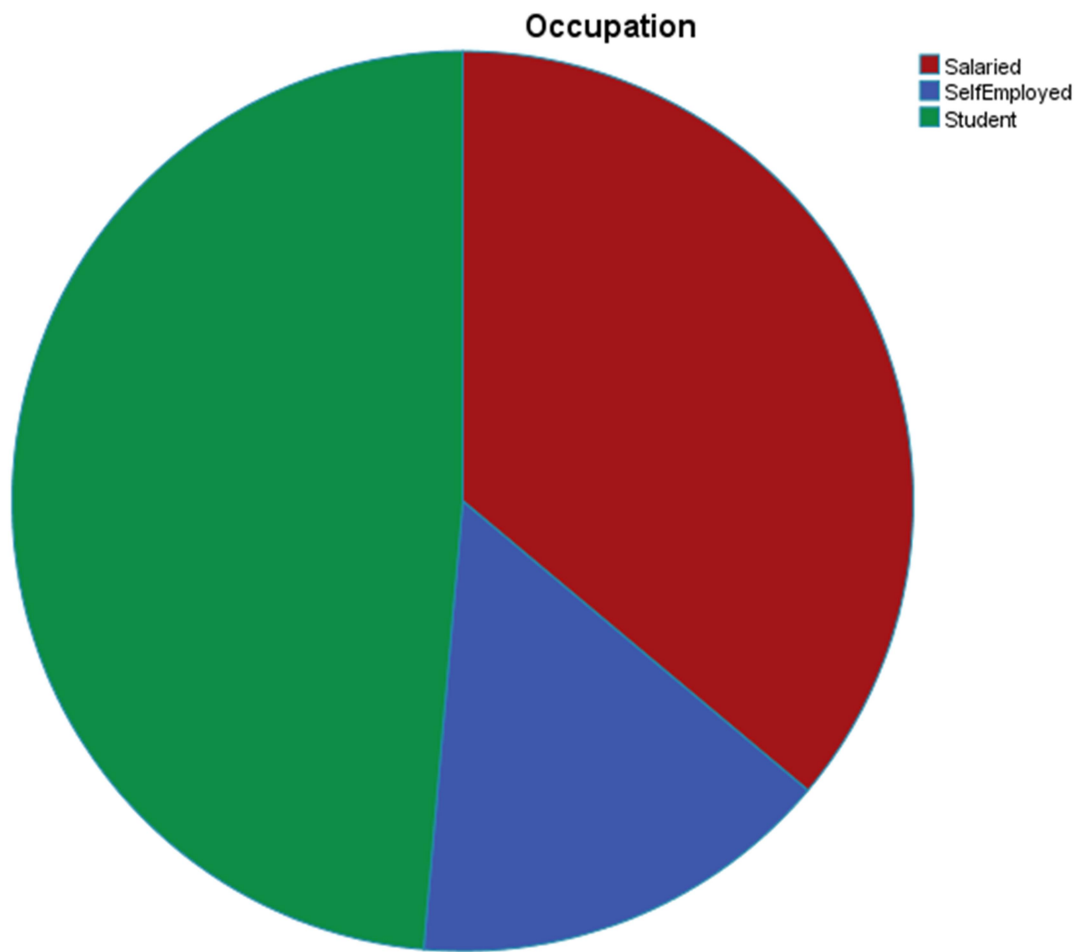


Figure 4.2, Source: Author

The collected data showed a majority of responses from students, salaried professionals followed next in line (Figure 4.2). The majority of the respondents to the survey belonged to the age group of 20-30 (Figure 4.1).

**Are cashless transactions more convenient than cash?**

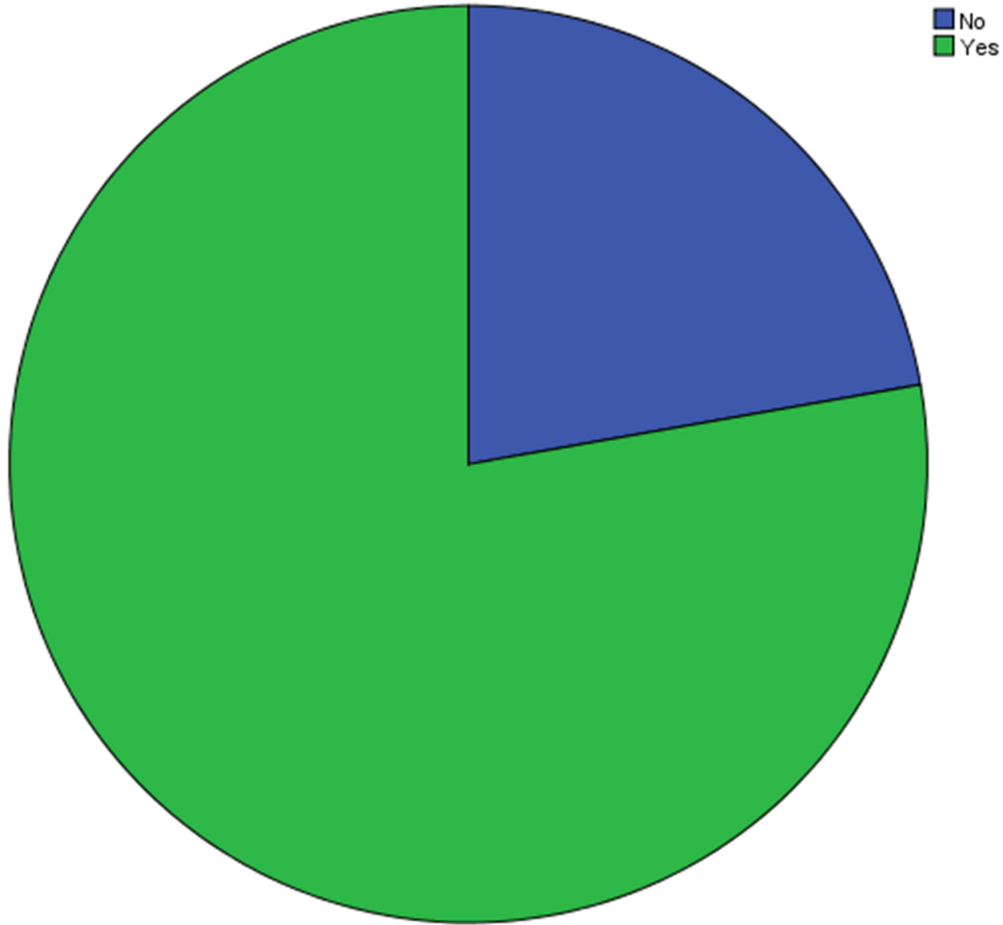


Figure 4.3, Source: Author

77.8% of the sample believes that cashless payments are much more convenient than cash.

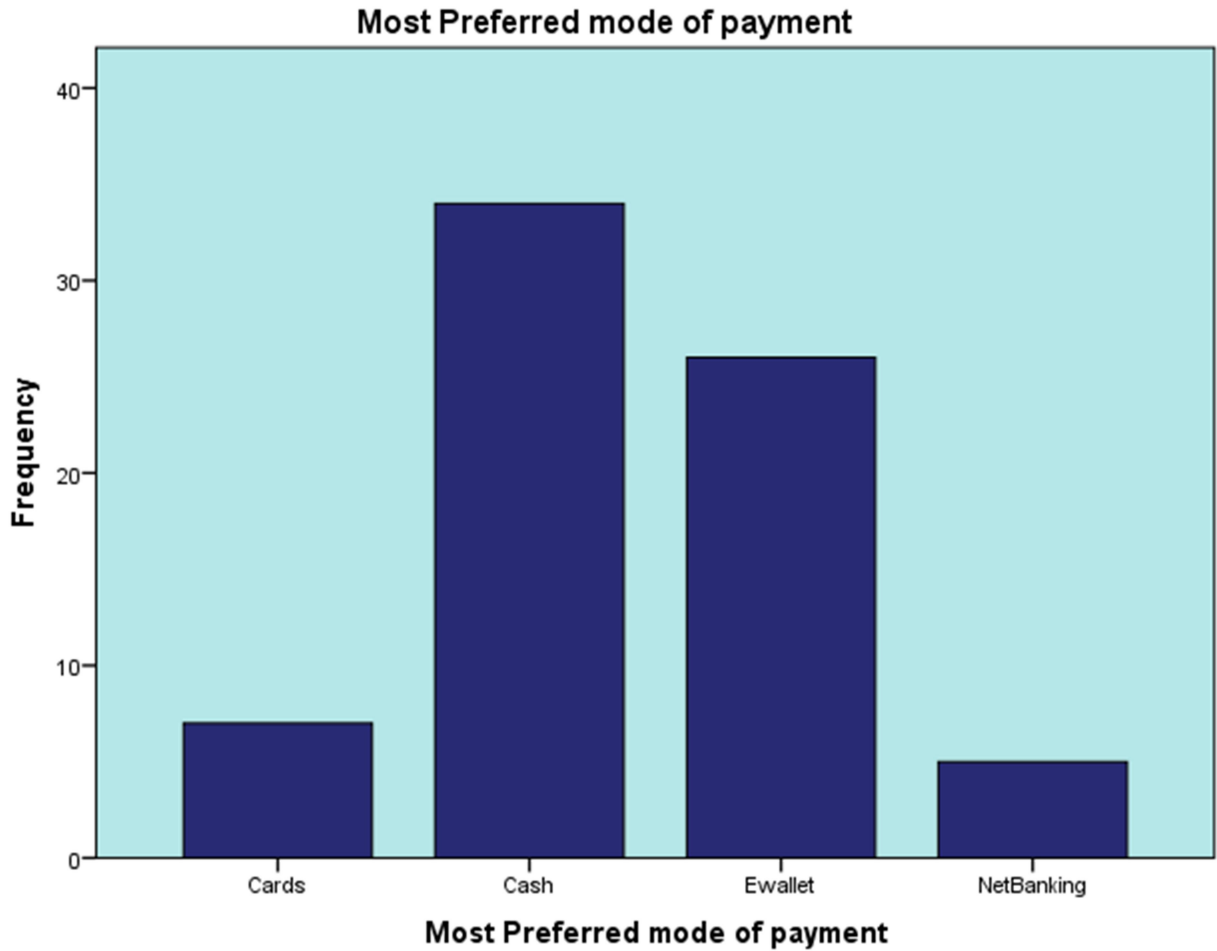


Figure 4.4, Source: Author

The most preferred mode of payment still remains Cash as 45 % respondents chose cash as the best method of payment. Apart from many others, the primary reason of the same is most likely the habit of making use of physical currency for most of the purchases. E Wallets ranked second with 23.6% followed by Bank cards and Net banking. Mobile wallets have picked up growth and showed potential in the market. E-commerce portals are primarily increasing the electronic usage of money as more and more people turn towards online purchasing

Has your amount of cashless transactions increased during the coronavirus lockdown?

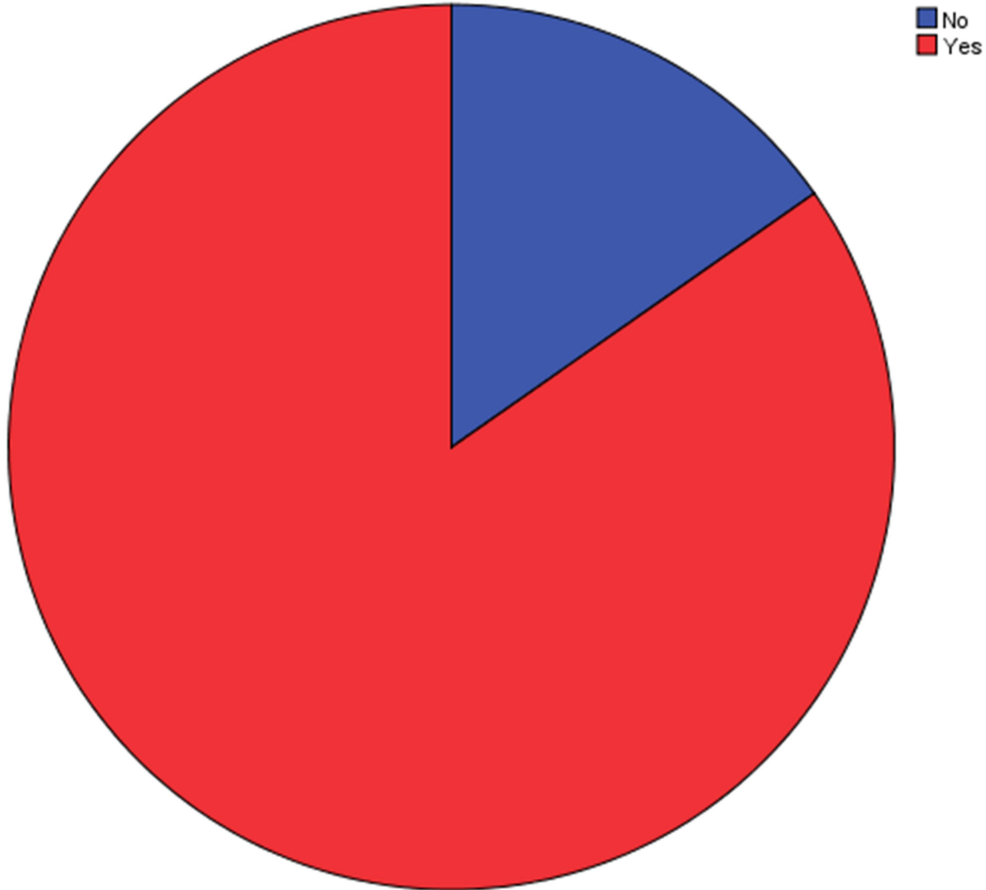


Figure 4.5, Source: Author

A majority of 84.7% people believe that the amount of cashless transactions by them has increased after the corona virus lockdown.

**Cashless economy is essential for the growth of the country and must be introduced in India**

	No. of Responses	Percentage	Valid %	Cumulative %
Valid Agree	27	37.5	37.5	37.5
Disagree	16	22.2	22.2	59.7
Neutral	5	6.9	6.9	66.7
Strongly Agree	20	27.8	27.8	94.4
Strongly Disagree	4	5.6	5.6	100.0
Total	72	100.0	100.0	

Table 4.1, Source: Author

**Digital transactions lead to better transparency and accountability**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	29	40.3	40.3	40.3
Disagree	15	20.8	20.8	61.1
Neutral	8	11.1	11.1	72.2
Strongly Agree	19	26.4	26.4	98.6
Strongly Disagree	1	1.4	1.4	100.0



Total	72	100.0	100.0	
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Table 4.2, Source: Author

**Cash less economy will eliminate the risks associated with carrying cash**

	Frequency	Percentage	Valid %	Cumulative %
Valid Agree	34	47.2	47.2	47.2
Disagree	20	27.8	27.8	75.0
Neutral	9	12.5	12.5	87.5
Strongly Agree	6	8.3	8.3	95.8
Strongly Disagree	3	4.2	4.2	100.0
Total	72	100.0	100.0	

Table 4.3, Source: Author

**It would help in reducing black money**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	42	58.3	58.3	58.3
Disagree	12	16.7	16.7	75.0

Neutral	6	8.3	8.3	83.3
Strongly Agree	10	13.9	13.9	97.2
Strongly Disagree	2	2.8	2.8	100.0
Total	72	100.0	100.0	

Table 4.4, Source: Author

**Lack of infrastructure is a major obstruction in making India a cashless economy.**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	30	41.7	41.7	41.7
Disagree	19	26.4	26.4	68.1
Neutral	12	16.7	16.7	84.7
Strongly Agree	10	13.9	13.9	98.6
Strongly Disagree	1	1.4	1.4	100.0
Total	72	100.0	100.0	

Table 4.5, Source: Author

**Security in transactions is an important concern in cashless payments**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	20	27.8	27.8	27.8
Disagree	8	11.1	11.1	38.9

Disagree	1	1.4	1.4	40.3
Neutral	11	15.3	15.3	55.6
Strongly Agree	32	44.4	44.4	100.0
Total	72	100.0	100.0	

Table 4.6, Source: Author

**Incentives encourage public to avail cashless payments**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	24	33.3	33.3	33.3
Disagree	17	23.6	23.6	56.9
Neutral	8	11.1	11.1	68.1
Strongly Agree	19	26.4	26.4	94.4
Strongly Disagree	4	5.6	5.6	100.0
Total	72	100.0	100.0	

Table 4.7, Source: Author

**Poor internet connectivity is an obstacle for cashless transactions**

	No. of responses	Percentage	Valid %	Cumulative %
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Valid	Agree	16	22.2	22.2	22.2
	Disagree	17	23.6	23.6	45.8
	Neutral	11	15.3	15.3	61.1
	Strongly Agree	28	38.9	38.9	100.0
	Total	72	100.0	100.0	

Table 4.8, Source: Author

**Lack of technical knowledge is an obstruction in cashless transactions**

		No. of responses	Percentage	Valid %	Cumulative %
Valid	Agree	28	38.9	38.9	38.9
	Disagree	15	20.8	20.8	59.7
	Neutral	10	13.9	13.9	73.6
	Strongly Agree	12	16.7	16.7	90.3
	Strongly Disagree	7	9.7	9.7	100.0
	Total	72	100.0	100.0	

Table 4.9, Source: Author

**Do you think that demonetization will be of use during the coronavirus lockdown**

	No. of responses	Percentage	Valid %	Cumulative %
Valid Agree	21	29.2	29.2	29.2
Disagree	9	12.5	12.5	41.7
Neutral	14	19.4	19.4	61.1
Strongly Agree	28	38.9	38.9	100.0
Total	72	100.0	100.0	

Table 4.10, Source: Author

The tables depict the perception of the respondents towards India as a cashless economy.

According to above tables, 65.3% of the respondents agree that going cashless is constructive for nation's growth. Very few disagree with this statement. 55.5% people believe that Cashless economy will eliminate the risks of carrying cash.

72.2% individuals out of the sample have given their consent that cashless society will help in curbing the black money being circulated in the market and can eliminate the corruption in India.

66.7% public believes that cashless transactions lead to accountability and transparency.

As per 55.6% units of the sample, poor infrastructure is the foremost hurdle to cashless society.

55.6% public agrees to the fact that there is digital blindness with respect to online transactions and 61.1% people agree out of which 38.9% respondents strongly comply with the statement that poor internet connectivity is an obstacle for cashless transactions.

59.7 % people believe that Incentives encourage public to avail cashless payments.

72.2% of the population feels security in transactions as a major requirement in online payments.

38.9% strongly agree and 29.2 % agree i.e. more than half of the sample believes that demonetization will be useful during the coronavirus lockdown.

### Relationship Between Payment Mode and Age

H0 - There is no relationship among Preferred Payment Mode & Age

H1 - There is a relationship among Preferred Payment Mode & Age

#### **Age \* Most Preferred mode of payment Crosstabulation**

Count

	Most Preferred mode of payment				Total
	Cards	Cash	Ewallet	NetBanking	
Age >50	1	11	1	2	15
15-20	0	2	1	1	4
20-30	2	11	18	1	32
30-50	4	10	6	1	21
Total	7	34	26	5	72

Table 4.11, Source: Author

### Chi Square Tests

	Value	Df	Asymptotic Significance (Two-sided)
Pearson Coefficient	17.338 <sup>a</sup>	9	.044
Likelihood Ratio	17.802	9	.038

Table 4.12, Source: Author

Since, p value is less than 0.05, we conclude that there is a relationship among Most Preferred mode of Payment and Age.

### Relationship Between Convenience & Age

H0 - There is no relationship amongst Convenience & Age

H1 - There is a relationship amongst Convenience & Age

### **Age \* Are cashless transactions more convenient than cash?**

#### **Crosstabulation**

Count

	Are cashless transactions more convenient than cash?		
	No	Yes	Total

Age	>50	7	8	15
	15-20	1	3	4
	20-30	5	27	32
	30-50	3	18	21
Total		16	56	72

Table 4.13, Source: Author

### Chi Square Tests

	Value	Df	Asymptotic Significance (Two-sided)
Pearson Coefficient	6.775 <sup>a</sup>	3	.079
Likelihood Ratio	6.089	3	.107

Table 4.14, Source: Author

Since, p-value > 0.05, our Null hypothesis is satisfied & we conclude that there is no relationship between age and convenience.



# Findings and Recommendations

- Individuals don't feel secure while sharing both their personal and financial information online.
- Most of them are encouraged by the ease and offers provided for shifting to cashless payment modes.
- There is an immense scope in the future for a cashless society.
- There is a relationship among the mode of payment being preferred by a person and his age.
- People of all ages feel that cashless payments are convenient alike.
- There are still many who don't use any type of digital payment method.
- Individuals face various problems while using digital methods of payment.

A large non formal group which is an important part of the Country's population still uses cash. Growth in the incentives by the Government has not proved to be worthwhile yet & even now cash is the king in society. To prepare for cashless transactions, better connectivity to the net and safety against cyber-crimes shall be provided to the public. With this, illiterates and public staying in remote places shall be educated to use the digital medium. Digital payments had increased sharply after demonetization but within 2 or 3 months they began to diminish due to the new currency notes in the market. Hurrying India towards a cashless society could lead to unwanted effects. Hence, the government has to earn confidence and faith of the people in the financial system of India.

India needs to devise novel policies of cashless system. It is highly suggested that the Government should encourage their agencies and private service providers to disseminate financial literacy at a larger extent with main focus on the rural areas. Extra benefits should be provided by Government on cashless

payments and more incentives or interest rate on savings in bank accounts can be given. Along with this reduction in electronic payment charges or complete exemption on e-banking should be offered in the beginning years that can be helpful for accelerating the process of transformation into a Cashless Economy.

# Limitations of the Study

The project was successfully completed with certain inherent limitations. These limitations were:-

- The time period of the research was short because of which, many facts have been left untouched.
- Sample of the study is only of 72 consumers
- The area undertaken for study is Delhi city only.

# CONCLUSION

According to this research, majority of the people have depicted a positive response to the adoption of digital economy, however because of absence of adequate infrastructure only some of the people are using digital methods. Cashless environment shall be welcomed enthusiastically after keeping in mind the risks related to cashless transactions. It would require more than a generation to absolutely embrace a digital society. The future economy will be dominated and driven by cashless transactions which would only be possible through digitization of mechanisms of payments at different places like mobiles, internet banking, bank cards, wallets etc.

The requirement to shift to a cashless and digital economy is enormous in country like India. It will save a large sum of money annually spent in printing currency and maintaining it. The coming up of online stores for shopping, complexes, multiplexes & malls enable consumers to use cards. Necessary steps and policy altercations have to be taken by the government to prepare for a cashless society. The systems have to be safeguarded from online cyber-attacks. Going cashless has a lot of advantages apart from convenience to public, companies and the government. A growth in use of digital payments boosts consumption and GDP. This movement by the Indian Government along with GST will make the system much more efficient and accountable.

The demonetization of 2016 is indeed a major economic step which has taken almost all of us off the guard. No doubt things have changed although the rate of change is matter of debate, discussion and deeper analysis. The people of India have started accepting the substitutes of cash as the mode of doing the transactions. There has been huge acceptance of Mobile Wallets, E-Banking, Mobile Banking and other Digital Payment Solutions which is reflected in the increase in their usage is the medium of performing the transaction. It also points out the paradigm shift in the economic behavior (in term of transaction) of the people where the status of Cash as the King is under threat. However there

are miles to go before we achieve the goal of Digitized Economy. Before that there are many impediments which need to be set right like our digital infrastructure, cyber security, financial literacy, digital divide etc. One of the most demanding of these issue is that of securing the stake holders from cyber crimes, online frauds etc. For this a New Cyber Policy and New Encryption Policy, devised after discussion and deliberation with various stakeholders and experts based on the democratic spirit. It would possibly be a good starting point which can prove to a good guide for our government there by it must ensure proper cyber eco-system, relevant mechanisms and cyber architecture in order to keep the vitals of virtual platform intact. The basis of any strong system is the element of trust. The government must ensure that the people should be at ease and secured in the cyber space without any fear of being wronged by anyone. We have taken the road to digitization, which to a greater extent is irreversible.

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