

# Demonetization and It's Effect on E-Wallet

Switi V. Gaynewar<sup>1</sup> Dr. Priti Rai<sup>2</sup>

<sup>1</sup>Student <sup>2</sup>Assistant Professor

<sup>1,2</sup>Department of Management Studies

<sup>1,2</sup>G. H. Raisoni College of Engineering, India

**Abstract**— The demonetization was held three times in India. The main motive behind this activity is that to control corruption, reducing the black money marketing, and enhancing the country's economy. This activity helps in controlling the certain malfunctioning in the India. The third demonetization was held on 8th November 2016, by Prime Minister Narendra Modi. It was the sudden midnight announcement that some currency notes were banned. The all paper currency of Rs.500 & 1,000 were banned. After this activity many problems were faced by the public and that was the time when public got too aggressive but after few years public had seen some change in the market and that was the positive change. Through this research it came to know that the public have their positive opinions towards this activity and this is the steps towards the development of country.

**Keywords:** Demonetization, E-Wallet, Digital Economy

## I. INTRODUCTION

First demonetization was announced on January 1946. It was highest demonetization note ever printed by the Reserve Bank of India i.e. 10,000 note in 1938. But this demonetisation couldn't work effectively.

Second Demonetisation was announced on 1978. On that time India's President was Neelam Sanjiva Reddy and the Prime Minister was Morarji Desai. On 16 January 1978 notes of Rs. 500 & 1000 were banned.

Third Demonetisation was held on 8th November 2016. This time Bank notes of Mahatma Gandhi series of Rs. 500&1000 were banned. This decision was taken by Prime Minister Narendra Modi. On that time the country was suffering from shortage of bank note so the government introduced a new step known as Digital India which allowed the citizen of country to make their payment via online. E-wallet is also known as digital wallet it is an online service which allows the customer to purchase products from online or offline by using their computer, laptop, Mobile etc. There are several apps that are performing the job on doing digital payments such as PayTM, Googlepay, AmazonPay, PhonePay, Bhim,UPI etc.

The reason behind this activity is that to improve the digital economy of the India. This is the fight against corruption, black money, terror funding. That time the Finance Minister was Arun Jetely. 86.4% of the money circulated in November 2016. It was a small step taken towards bringing black money out of the banking system.

### A. Objectives

- A study of Demonetization and its effect on E-wallet transaction.
- Examine the problem faced by users with E-wallet transaction.

## II. SCOPE OF STUDY

To spread awareness about demonetization and day to day marketing conditions. This study is used for calculating that how many people are using E-wallet before and after demonetization and various opinions of people who are using E-wallets. This shows the people behaviour towards awareness about the demonetization. The researcher can come to know the strength and weaknesses of the using E-wallet. This will help to know the needs and wants of every individual in the day to day life.

## III. REVIEW OF LITERATURE

According to Dr. Priti Rai et al (2018), they both explained the Pre-demonetisation, Post Demonetisation it focuses on net banking. The growth in mobile banking sector is 175% and in banking sector the amount transaction is 369% in past one year. This was the actual main reason why the citizen of the country voted in favour of E-wallet. She explained the various mode of payment, how all apps are working and what kind of payment is been done, the process of payment all these information is given in her paper. She prefers both data collection methods i.e. primary data and secondary data for the study of research paper.

According to Pooja A. Patil (2017), she wrote the article on PayTM which explained the role of the app that can help Online as well as Offline payment process. Informed about the Technological sector in India this makes the progress towards the internet banking. Indian people need the most upgraded methodology for their self-use on daily basis. The motive of this study was to spread awareness about the use of PayTM. During this studies one of the most important factor was seen i. e. 20 million new users was recorded in 2 months. After demonetization, most of the people preferred the online payment mode.

Kaushi Basu(2016), He gave a brief explanation of the mid-night demonetization happened on 8th November 2016 . He suggested to deposit the old currency notes and to withdraw the new notes that were issued after demonetization.

## IV. RESEARCH METHODOLOGY

### A. Sources of Data:

This study is on primary and secondary data base. In this research paper the descriptive research methodology is used for data collection. For collecting the data I had conducted a well-structured questionnaire that was filled by various people for getting their feedback.

### B. Sample Size:

In this study the sample size taken is of 50. The study had been researched in the small size of sample.

**C. Study Area:**

The study was conducted in Nagpur (Maharashtra).

**D. Sampling Techniques:**

For doing this research convenient sampling technique method is being used, it is part of non-probability sample technique. It helps to get the opinion, point of view of different people regarding the study. The sample is collected according to the convenience.

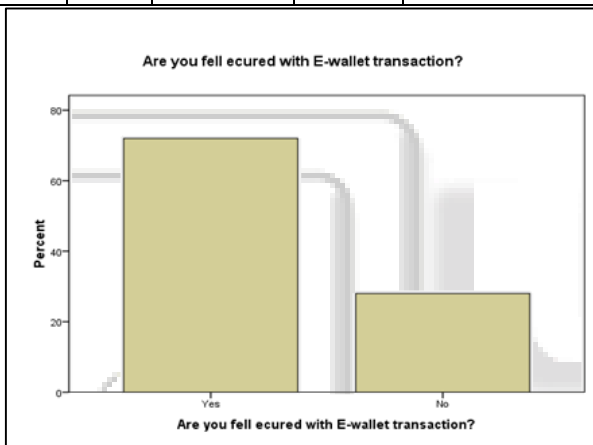
**E. Respondent of study:**

The overall data was collected from Government Employees, Students, Housewives, Self Employed. In this study, 50 respondents were used in getting the information.

**F. Data Interpretation**

**1) Are you feel secured with E-wallet transaction?**

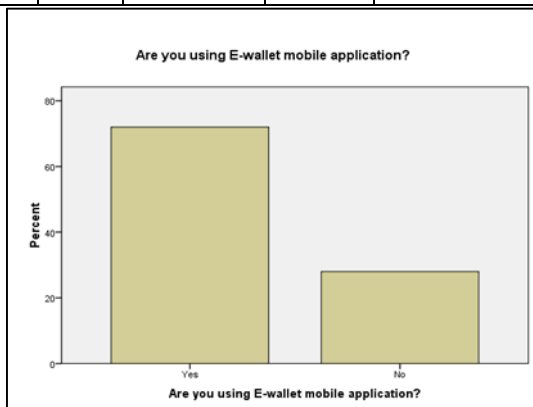
|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 36        | 71.4    | 72.4               |
|       | No    | 14        | 28.6    | 100.0              |
|       | Total | 50        | 100.0   |                    |



It was found from the table and figure with regards to the question "Did you feel secured with E-wallet transaction." Out of 100% the 71.4% of people are feeling secured with E-wallet transaction and 28.6% of people are not in favour of this out of 50 respondents.

**2) Are you using E-wallet mobile application?**

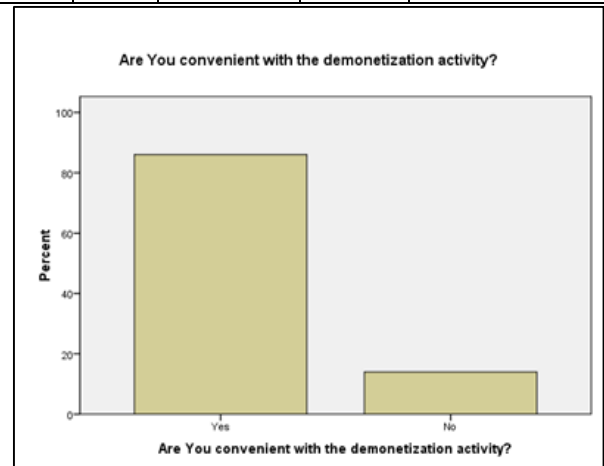
|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 36        | 71.5    | 71.5               |
|       | No    | 14        | 28.5    | 100.0              |
|       | Total | 50        | 100.00  |                    |



It was found from the table and figure with regards to the question "Are you using E-wallet mobile application?" Out of 100% the 71.5% of people are using E-wallet mobile application and 28.5% of people are not using this out of 50 respondents.

**3) Are you convenient with the demonetization activity?**

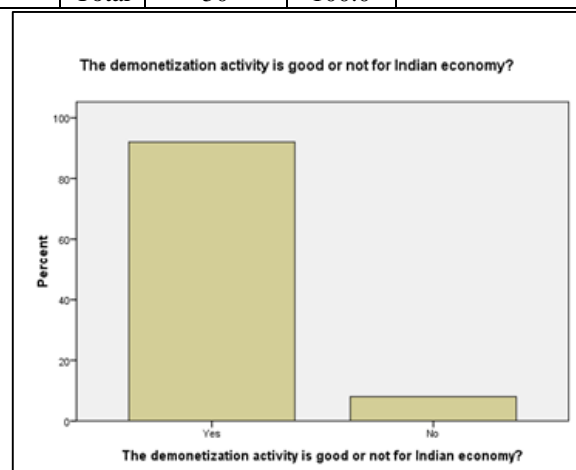
|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 43        | 85.3    | 85.3               |
|       | No    | 7         | 14.7    | 100.0              |
|       | Total | 50        | 100.0   |                    |



It was found from the table and figure with regards to the question "Are you convenient with the demonetization activity?" Out of 100% the 85.3% of people are convenient with the demonetization and 14.7% of people are not in favour of it out of 50 respondents.

**4) The demonetization activity is good or not for Indian economy?**

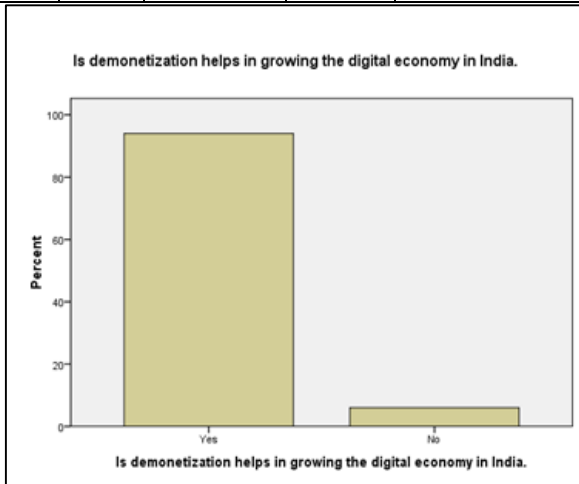
|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 46        | 91.2    | 91.2               |
|       | No    | 4         | 8.8     | 100.0              |
|       | Total | 50        | 100.0   |                    |



It was found from the table and figure with regards to the question "The demonetization activity is good or not for India economy?" Out of 100% the 91.2% of people are thought that the demonetization is good for Indian economy and 8.8% of people are not in favour of this out of 50 respondents.

5) *Is demonetization helps in growing the digital economy in India.*

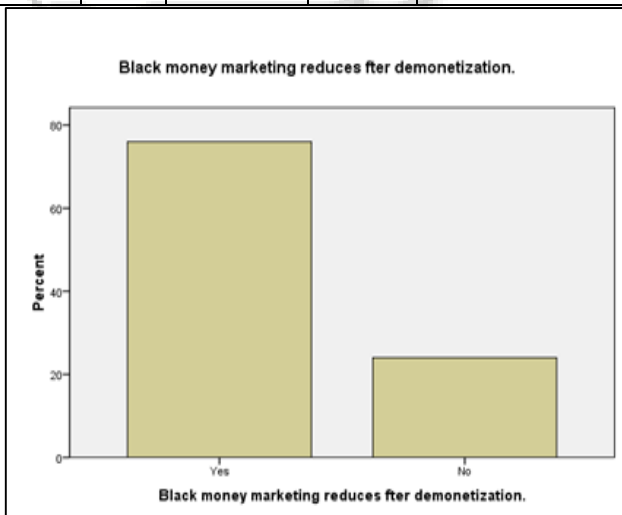
|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 47        | 93.2    | 93.2               |
|       | No    | 3         | 6.8     | 100.0              |
|       | Total | 50        | 100.0   |                    |



It was found from the table and figure with regards to the question “Is demonetization help in growing the digital economy in India.” Out of 100% the 93.2% of people are thought that the demonetization helps in growing the digital economy of India and 6.8% of people are not in favour of this out of 50 respondents.

6) *Black money marketing reduces after demonetization.*

|       |       | Frequency | Percent | Cumulative Percent |
|-------|-------|-----------|---------|--------------------|
| Valid | Yes   | 38        | 75.5    | 75.5               |
|       | No    | 12        | 24.5    | 100.0              |
|       | Total | 50        | 100.0   |                    |



It was found from the table and figure with regards to the question “Black money marketing reduces after demonetization.” Out of 100% the 75.5% of people have their opinion regarding black money marketing reduces after demonetization and 24.5% of people are not in favour

G. Correlations

|   |                                   | Are you feeling secured with E-wallet transaction? | Are you using E-wallet mobile application? |
|---|-----------------------------------|--|--|
| Are you feel secured with E-wallet transaction? | Pearson Correlation               | 1  | .802**                                     |
|   | Sig. (2-tailed)                   |  | .000                                       |
|   | Sum of Squares and Cross-products | 10.080   | 8.080                                      |
|   | Covariance                        | .206   | .165                                       |
|   | N                                 | 50   | 50   |
| Are you using E-wallet mobile application?      | Pearson Correlation               | .802**   | 1  |
|   | Sig. (2-tailed)                   | .000   |  |
|   | Sum of Squares and Cross-products | 8.080  | 10.080                                     |
|   | Covariance                        | .165   | .206                                       |
|   | N                                 | 50   | 50   |

\*\* Correlation is significant at the 0.01 level (2-tailed).

There was a positive relation between feeling secure with E-wallet and using E-wallet mobile application, Pearson correlation value is 80.2%. Showing moderate positive correlation between feeling secure with E-wallet and using E-wallet mobile application.

V. STUDY LIMITATION

In this survey we have used limited sample size, the sample size was only 50 and data is collected only in Nagpur city. So we got the limited opinions about the demonetization and its effect on E-wallet from certain number of respondents. It is on non-probabilistic convenient research methodology technique.

VI. CONCLUSION

This research was conducted to know the awareness of demonetization among various categories of human being who belong to different profession like housewives, Government employee, youth etc. Basically it helps to get the knowledge about the opinions from people who were the respondent in this study. We were able to see the reaction of people behind this kind of activity which was the positive. Very few amount of people were not aware about the demonetization, those people were illiterate. It is shown in this research that the people are moving towards the digital economy which will help in making our country developed country. All transactions are happening digitally or online. There are number of mobile application which are used by the people for the daily transactions such as UPI, Internet banking, mobile wallet, PayTm, Google Pay, Phone Pay etc.

## VII. FINDINGS

Through this study the various kinds of opinions were arrived from groups of people. Many of them are with this demonetization activity, and some of them are not satisfied with it. But all youths will prefer for their better future as all transaction are made online, and this is very positive action towards the developing our nation.

## REFERENCES

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