

Cash vs card society: A study on survey

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Abstract

On 8 November 2016, the demonetisation of Rs500 and Rs1, 000 currency notes was a step taken by Government of India so this leads to cease the usage of all Rs500 and Rs1, 000 currency notes of the Mahatma Gandhi Series as form of legal tender in India from 9 November 2016. Before announcement about demonetisation, the Indian country is cash society but after announcement it was trend of cashless society. The government claimed the demonetisation move as an effort to stop counterfeiting of the current banknotes allegedly used for funding terrorism, as well as a crackdown on black money in the country. Demonetisation is the act of stripping a currency unit of its status as legal tender. In simple, the old unit of currency must be retired and replaced with a new currency unit. The government kept promise to solve currency crisis within 50 days from the date of announcement. As a result of it, the government wants to introduce cashless society; Cashless society is a society with no physical cash or less in usage of cash. In cashless society the people use electronic mode of payment to meet their needs. Cashless society helps to get transparency and easy to track money laundering and other such activities. This paper studies about a survey conducted by The New Indian Express on post demonetisation and result of survey shows that it was tie between cash and card.

Keywords: black money, cash society, card society, post-demonetisation

Introduction

A survey conducted by The New Indian Express across six states (South + Odisha) after Christmas returned a very mixed verdict indeed. The survey polled 1914 respondents in six states namely Karnataka, Kerala, Odisha, Telangana, Andhra and Tamil Nadu. It sought a wider geographic spread, covering more than 50 locations to ensure a more accurate assessment. The survey polled 1914 people from the seven sections deemed to be most affected by demonetisation: Salaried Class, Small Traders, Students, Housewives, Unorganised sector employees, retired people and unemployed youngsters. This survey with four questions to assess the sense of the people on a cash-sense of the people on a cashless future after having spent 50 days in the decompression chamber of demonetisation.

Apart from the hair-trigger tie produced by the question on a cashless economy, the other findings indicate that people are coming to terms with reality and prepping up for digital transactions. A majority of the people said they are ready to conduct digital transaction. However, a good majority also felt that the government did not keep its promise of solving the

cash crunch within the 50 day deadline. At the end of the 50-day period set by Modi for cash crunch to ease, India is split down the middle on the question whether a cashless economy is good for them or not. In a survey carried by Express, 46.4% of the respondents said yes and the same proportion said no.

Methodology

Nature of study

The study is mainly descriptive in nature. Secondary data are used for the purpose of the study

Secondary Data

Secondary data was collected from websites, various articles and journals

Limitation of the study

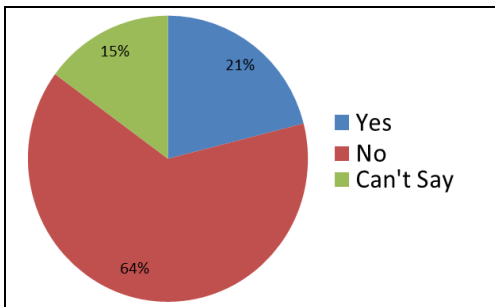
- Lack of primary data
- Time consuming
- As the research mainly depends on secondary data, it may not be hundred percent accurate.
- The study is restricted to India only

The following questions included in The New Indian Express survey

Table 1: Do you think the government has kept its promise to solve currency crisis within 50 days?

State	Number of Respondents	Yes	No	Can't Say
Karnataka	266	32.7%	51.5%	15.8%
Kerala	576	12.8%	71.2%	16.0%
Odisha	200	30.0%	61.0%	09.0%
Telangana	288	30.1%	47.5%	23.4%
Andhra	292	20.9%	66.1%	13.0%
Tamil Nadu	298	12.0%	76.5%	11.0%

Source: The New Indian Express



Source: The New Indian Express

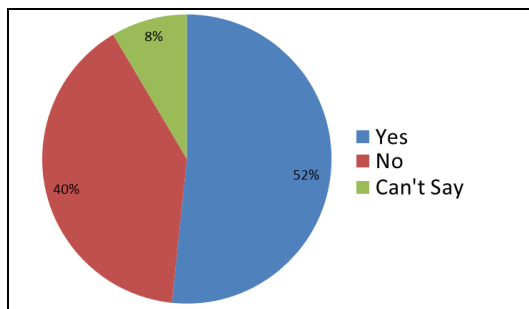
Fig 1: Do you think the government has kept its promise to solve currency crisis within 50 days? Overall Result

The 15% of total respondent says that yes, the government has kept its promise to solve currency crisis within 50 days, the 21% of total respondent says that no, the government has didn't kept its promise to solve currency crisis within 50 days and remaining 64% of total respondent says that can't say about the government has kept its promise to solve currency crisis within 50 days

Table 2: Can you do transactions through your mobile phone?

State	Number of Respondents	Yes	No	Can't Say
Karnataka	266	56.8%	34.6%	08.6%
Kerala	576	43.2%	46.2%	10.6%
Odisha	200	39.5%	52.0%	08.5%
Telangana	288	62.4%	30.5%	07.1%
Andhra	292	58.6%	37.0%	07.9%
Tamil Nadu	298	41.9%	50.0%	08.1%

Source: The New Indian Express



Source: The New Indian Express

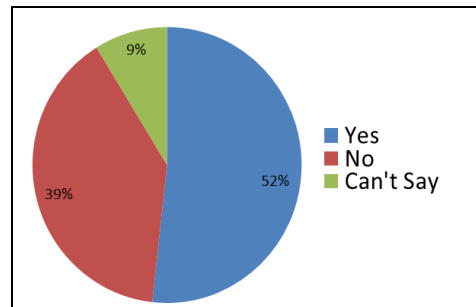
Fig 2: Can you do transactions through your mobile phone?

The 52% of total respondent says that they do transactions through their mobile phone; the 40% of the total respondent says that they can do transactions through their mobile phone and remaining 8% of the total respondent says they can't say about it.

Table 3: Are you ready for digital transactions currency?

State	Number of Respondents	Yes	No	Can't Say
Karnataka	266	51.9%	41.0%	07.1%
Kerala	576	50.2%	39.4%	10.4%
Odisha	200	39.5%	50.5%	10.0%
Telangana	288	67.4%	25.5%	07.1%
Andhra	292	58.9%	32.2%	08.9%
Tamil Nadu	298	41.3%	51.0%	07.7%

Source: The New Indian Express



Source: The New Indian Express

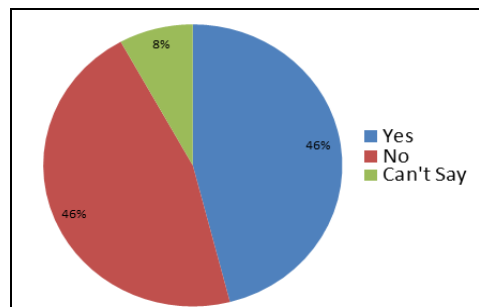
Fig 3: Are you ready for digital transactions currency? Overall Result

The 52% of total respondent says that, they are ready for digital transaction currency; the 39% of total respondent says that, they are not ready for digital transaction currency and 9% of total respondent says that can't say about this.

Table 4: Is a cashless economy good for you?

State	Number of Respondents	Yes	No	Can't Say
Karnataka	266	41.7%	46.2%	12.1%
Kerala	576	49.7%	40.4%	09.9%
Odisha	200	57.0%	37.0%	06.0%
Telangana	288	56.7%	38.3%	05.0%
Andhra	292	51.4%	45.5%	03.8%
Tamil Nadu	298	34.9%	62.1%	03.0%

Source: The New Indian Express



Source: The New Indian Express

Fig 4: Is a cashless economy good for you?

The 46% of total respondent says that, the cashless economy is good for them, the 46% of total respondent says that, the cashless economy is not good for them and remaining 8% of total respondent says that can't about this

Additional Finding

Apart from the hair-trigger tie produced by the question on a cashless economy, the other findings indicate that people are coming to terms with reality and prepping up for digital transactions. A majority of the people said they are ready to conduct digital transaction. However, a good majority also felt that the government did not keep its promise of solving the cash crunch within the 50 day deadline. As regards individual states include in the survey, TN seemed to have the most digital sceptics, with 62.1 per cent saying a cashless economy was not for them. Odisha and Telangana were the most enthusiastic with nearly 57 per cent eager about that nirvana. At the end of the 50-day period set by Modi for cash crunch to ease, India is split down the middle on the question whether a cashless economy is good for them or not. In a survey carried

by Express, 46.4% of the respondents said yes and the same proportion said no.

Conclusion

In country people are facing the currency problem, since the demand of currency is not meeting its supply. Hence the government had failed to keep its promise to solve currency crisis within 50 days from the date of demonetisation announcement. But last 3 weeks of December 2016 the situation in banks has improved; no queues. In country like India, people are providing favourable note for transaction through mobile phone and any digital mode. The survey result says that tie between cashless society and cash society.

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