

IMPACT OF DEMONETIZATION ON ELECTRONIC PAYMENT SYSTEM WITH SPECIAL REFERENCE TO BANGALORE SOUTH

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Abstract: Many people whose e-payment systems were inactive have become active, the dealing limits on the e-payment systems are grown, their values gone up, the quantity of mobile banking and e-payment transactions are collected attributable to conclusion of the currencies. decision could be a generation's unforgettable expertise and drives to be one in each of the economic events of our time. Its impact is felt by each Indian national. decision affects the economy through the liquidity facet. it's a progressive shift to a cashless economy with the bigger concentrate on the electronic transactions. Rising use of credit/debit cards, internet banking and different on-line payments mechanisms are another positive impact of conclusion, as these wouldn't solely lower dealing values but some these may facilitate to make a number of fee financial gain moreover. Demonetization of the very best denomination currency notes is a component of many measures undertaken by the govt. to deal with nonpayment, counterfeit currency and funding of ineligible activities. The payment eco-system within the country provides multiple choice to the various segments of users for fund transfer moreover as for creating payments in exchange of import for merchandise and services. 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

Key word: Demonetization, Electronic Payment System.

Introduction

The ending of the very best denomination currency notes is an element of many measures undertaken by the govt. To handle evasion, counterfeit currency and funding of illegal activities. The necessity to deposit currency notes in far more than such limits directly into bank accounts has resulted within the declaration of unaccounted financial gain, subject to higher tax and different penalties. Asian country has one in every of the very best levels of currencies in circulation at over the gross domestic product and of this money, eighty-seven is within the variety of rs500 and rs1,000 notes. Globally, this can be common because the central banks of many countries pump large amounts of money into the economy, principally in terribly massive denominations. Facilitating quicker payment services, the payments eco-system within the country provides multiple choices to completely different segments of users for funds transfer moreover as for creating payments in exchange of worth for

merchandise and services. With increasing adoption of electronic payments, significantly those driving e-commerce and m-commerce, there's a growing demand for quicker payment services that, in turn, facilitate ease in doing money transactions.

Review of Literature

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 also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Taru Baswan (2012) in his article “Demonetisation An initiative towards cashless economy “focused on two issues , Corruption and black money have ensconced Indian Economy For long and have been major issue concerning public interest .

Kruti Patel, Shweta Mehta, Krupa Mehta (2016), “Demonetization: Shifting gears from Physical Cash to Digital Cash. In this paper, researcher aims to study the merits and limitations of Demonetisation and its impact on banking sector. They point that though there have been many attempts made for promoting cashless payments, physical cash is being in use widely but due to suspension of current currency (Rs 500 and Rs 1000) people tend to adopt alternative methods of physical cash payments such as Online bank transfer, e-clearing, e-KYC, Digital Locker, Unified payment interface”.

Ms.Smita Mahesh Pachare, “Demonetization: Unpacking the Digital wallet (2016) “The researcher draws the attention on the historical perspective of the demonetization in India and marks the scarcity of cash as an opportunity for the e-wallet companies to flourish and increase the customer base. E-wallets are turning out to be fast, safe and secure alternative for cash transactions which has brought a revelation in the payment system industry”.

Statement of Problem

Post demonetization, due to non-availability of cash people started looking towards online transaction and electronic payments. But it wasn't an easy task to get adjusted to E-banking to Indian civilians. Having poor knowledge about e banking, poor network connectivity and inability to access the internet made things tougher. Though e banking seems to be very convenient for payment over cash, but it is not far from difficulties. So, this is an attempt to know the impact of demonetization one payment system.

Scope of Study

The study limited to identify and evaluate the impact of demonetization only on the electronic payment of banking system and excludes its impact on other phenomena. The study is

conducted with in Bangalore and data are collected from respondents within Bangalore south especially Electronic city.

Objectives of The Study

- To understand the scenario of electronic payment system
- To explore the civilian's knowledge about electronic payment and its usage
- To study the impact of demonetization on electronic payment system

Research Methodology

- **Sample Design:** Descriptive and Analytical method has been adopted for the study.
- **Sources of Data:**

Primary Data: primary data is collected through questionnaire answered by chosen respondents in Bangalore

Secondary Data: secondary data is collected from the websites, articles, and magazines and from other sources.

Limitations of the Study

1. Only impact of demonetization on electronic payment system is studied and excludes other aspects demonetization.
2. The study is limited to Bangalore and respondents within Bangalore
3. The authenticity of data relies on respondents knowledge and true response
4. The study can't be generalized as it's the opinion of a particular group of people
5. Time is also a constraint for collecting information and analysis of study

Data and Interpretation

Table: 1: Income base respondents' usage of EPS After demonetization

Monthly income	Total Income	Percentage
No income	41	40.59%
Less than 15000	24	23.76%
16000-30000	28	27.72%
31000-50000	5	4.95%
More than 50000	3	2.97%
Grand Total	101	100.00%

From the above table shows that 40.59% (41) are belongs to no income respondents, 23.76% (24) of respondents are earn less than 15000 , 23.72% of respondents are earn between

16000-30000, 4.% (5)of respondents are earn income between 31000-50000 and 2.97%(3) of respondents are earn more than 50000 of income. They have given their positive opinion on demonetization impact on EPS – A study in Bangalore south.

Table: 2: table shows usage of E- payment service after demonetization

Particulars	Total	Percentage
Yes	91	90%
No	10	10%
Grand Total	101	100.00%

From the above table analyze and interpret that there are 90 percent (91) respondents are used Electronic payment system after Demonetization.

Below presents the Perceived Benefits of E- payment system after demonetization.

		Frequency	Percentage
More Growth of E- Payment system.	Agree	38	37.62%
	Disagree	4	3.96%
	Neutral	27	26.73%
	Strongly agree	30	29.70%
	Strongly disagree	2	1.98%
More Time saving process in E-payment system	Agree	41	40.59%
	Disagree	2	1.98%
	Neutral	27	26.73%
	Strongly agree	28	27.72%
	Strongly disagree	3	2.97%
More preference on credit card and debit Card.	Agree	37	36.63%
	Disagree	2	1.98%
	Neutral	22	21.78%
	Strongly agree	39	38.61%
	Strongly disagree	1	0.99%
E-payment system has become very popular after demonetization	Agree	28	27.72%
	Disagree	11	10.89%
	Neutral	28	27.72%
	Strongly agree	34	33.66%
High Transparency and efficiency	Agree	51	50.50%
	Disagree	4	3.96%

	Neutral	25	24.75%
	Strongly agree	17	16.83%
	Strongly disagree	4	3.96%
Making more payments using my mobile phone	Agree	49	48.51%
	Disagree	7	6.96%
	Neutral	29	28.71%
	Strongly agree	16	15.84%

Above table shows that 37.62% (38) respondents are agree and 29.70% (30) respondents are strongly agree for mobile payment are growing and are expected to continue after demonetization, 40.59% (41) of respondents are agree and 27.72% (28) respondents are strongly agree in context on time saving through digital payment mode after demonetization, 36.63% (37) respondents are agree and 38.61% (39) respondents are strongly agree for the credit card and debit card are most preferred payment after demonetization, 34 (33.66%) respondents are strongly agree in case e-payment system has become very popular after demonetization, 50.50% (51) respondents are agree and 16.83% (17) respondents are strongly agree for Transparency and efficiency have improved post demonetization by using the e-payment system and 48.51% (49) respondents are agree and 15.84% (16) respondents are strongly agree consider for making payment using mobile phone in future.

Findings

Majority of people will accepted strongly with regard to after demonetization increase in Growth and time saving, more people are accepted and preferred debit and credit card, high transparency and efficiency finally they are ready to making the payments using the mobile phones after the demonetization.

In EPS Reserve bank of India should provide interbank transactions free of cost to promote digital/electronic money transfer. Government have to bring transparency and efficiency in e-payment system, strategies used by government and RBI to encourage electronic transactions by licensing payment banks, promoting mobile wallets and withdrawing service charge on cards and digital payments. Government have to control cybercrime and illegal access to primary data with regard to bank holder financial information. RBI have to increase the number of use of Electronic transaction in Interbank and other bank also. Abolishment of term fees on master card transactions, reduction of interchange fee on card transactions; increase in taxes on ATM withdrawals. Tax rebates for

consumers and for merchants who adopt electronic payments. would like is to rescale the capabilities of POS machines for quicker rollouts in country. creating Electronic payment infrastructure completely safe and secure thus that incidents of Cybercrimes may be reduced and folks develop religion in electronic payment system. Reserve bank of India too can ought to come back to terms with some problems, from working out what digital payments across borders means that for its capital controls to however the new modes of payment have an effect on key financial variables such

Conclusion

Electronic payment system is become terribly easier, safe and even remunerative to stay one's cash in a very checking account and it became still easier and safe to use, transfer cash in bank accounts for creating payments for the economic transactions. This was additional thus for big price transactions when conclusion. conclusion has opened several of the roads within the digital payment system in India. people are currently turning into less apprehensive of technology, and are getting comfy with the digital world with terribly passing day. The package business has additionally been given a giant boost. The e-commerce business did suffer with the onset of conclusion, has currently tremendous scope for growth. though extraordinarily useful and really convenient and also the security of those strategies ar currently here close to good.

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