

Review Article

The Impactful study of Advantages and Disadvantages of Demonetization

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Abstract

The exploitation of the government is a big shock to the economy. The impact of the shock over the medium term will depend on how much currency will be replaced at the end of the exchange process and how much money will be circulated. Although the claim that money that would be extinguished would be "redundant", it must be properly extinguished to justify the distorted economic stimulus structure, but this claim is based on an impression rather than a fact. We cannot pass on the facts to anyone, but it would be reckless to claim that this is the only possibility. As discussed above, it is possible that these cash balances have been used as a medium of exchange. In other words, while cash mediates legitimate economic activity, when the currency ends, economic activity will shrink, which is the cost to be taken into account when assessing the effects of desertion on the economy. Economy and its agents.

Keywords: Demonetization, security, black money, RBI, currency.

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Introduction

Demonstration is the process whereby a certain currency or valuable minerals worsen as legal tender. This is not routinely used in the longer a particular call origin or occur when a new call is distributed. That is, Demonetization is the prohibition / cancellation of the currency unit of legal bids. Calling is required when the national currency changes. The previous currency unit must be discarded and replaced with the new currency unit.(1)

Benefits of Demonetization

The biggest advantage of demonization is the finding that many people receive the government surplus that will help you keep track of a person who is not paying a lot of money or income tax is calculated because keeping money in cash at home or in some

keep A very difficult secret place and all the money that comes with it is worthless. They have two options: depositing money into a bank account and paying taxes on the second option Was reduced to zero.(2)

Black money is going to take a few used blows the prices of the main asset classes such illegal property activities, gold, such as terrorist financing, gambling, money laundering, and such activities due to declining democracy in a while. People once again use black money to end illegal activities and end illegal activities to earn surpluses(3).

Another advantage is due to the people to deposit money into a bank account, publish the government revenue will be a good infrastructure, hospitals, educational institutions, by providing roads and other government facilities that get a lot of income available for social improvement a. Provisions for

the poor and poor parts of society(4).

Disadvantages of Demonetization

The biggest drawback of demonetization initially when the couple first learned about this people's land during that everyone is confused and violent public attitudes if you want to get rid of malicious notes sometimes and sometimes laws can lead to an order Problem I will do it. The confusing situation of banks and ATMs - the only medium to change existing monetary units into new monetary units(5).

Another disadvantage is the printing of the new currency of the destruction of the old currencies and the costs will have to be borne by the government and not to properly absorb the high cost of using malicious anger.

Another problem is that although samgo the surplus target for the majority of people this money to move, people use the money in other investment categories, real estate, gold, etc. Without the use of cash in their black money, or do not do demonization corrupt rotation It will help you catch people.(6)

Impact of Demonetization

1. Black Money And Corruption

By demonetizing black money is taken from the Indian system. As foreseen by ICICI Securities Primary Dealership, the government's plan to remove INR 500 and INR 1000 banknotes from circulation will expose a surplus of up to SEK 40 million. Corruption will be automatically reduced by eliminating surpluses in the economy.(7)

2. Financing

The smuggling and financing of terrorists will be hit because all the money will go back to the bank and you can easily recognize false phone calls there. Demonstration thus affects the financing of terrorist networks in the Jammu and Kashmir

regions in the Northeast and elsewhere.(8)

3. Real estate

Another effect of demonization is the reduction of cash transactions in real estate. This reduces the price of the property and makes it cheaper. In the short term, house prices will fall for the same reasons. Moving luggage is reduced.(9)

4. Elections

Demonetisation shocked the party. In many countries, such as Punjab and Uttar Pradesh, money donations are an important part of "election management". Political parties will neutralize themselves because money holders often do not have money. So the 2017 elections will be somewhat transparent.(10)

5. Gold / silver and jewelry

After demonetization the demand for gold and other precious metals increases enormously. Because people invest black money in money and try to whiten it in a short time. However, it is expected that the demand for jewelry and jewelery will decrease in the next two to three quarters.

6. Digital payment

In India, after banning calls with a high denomination, people take online payment systems such as pay-per-use. Digital trading systems, e-wallets and apps, online transactions using e-banking and the use of plastic money (debit and credit cards) will greatly increase demand. This behavioral change may be the game changer of India in the near future.(7)

7. Fake calls

The impact on fake money is more important. Many dealers with existing false invoices are blocked because they bring their banknotes to the bank and exhibit their rackets. This has the ability to destroy their notes and suffering loss.

8. GDP

A sharp fall in the money supply and an increase in bank deposits will have a negative effect on

economic demand in the short term. This could have a negative impact on the real estate and the informal sector, which could reduce GDP growth.(11)

9. Market

In the long term, positive steps will be taken to win the confidence of foreign investors in the Indian stock market. The market is declining slightly in the short and medium term. India is still a very attractive destination in the long term. It is not the best market in the next three months(12).

10. Lowering the interest rate

We will soon cut interest rates on education credits, home loans and medical loans. Making higher education and health care institutions more user-friendly. It is difficult to cancel this change because the next government will experience great resistance if the loan is raised.(13)

11. Low inflation

If the surplus disappears from the system, the currency valuation is slightly reduced. This will lower inflation if there is no open market intervention by the Reserve Bank of India.

The security features of the newly issued 2000 and 500 notes in RBI.

According to RBI in order to reduce the fake currency there were very high-tech security features were added in the new current note which were different in new 200 rs note and 500 rs currency .

2000 (color: magenta)



1. If you hold a note on the light, check where you can see the number 2000.
 2. When you tilt the note, you can see the latent image of the 2000.
 3. The Devanagari order.
 4. Portrait of Mahatma Gandhi.
 5. Microletters 'RBI' and '2000'.
 6. Color stir security wire with 'RBI' and '2000'.
 7. Warranty clause, signature of the governor on the right and markings of the RBI.
 8. Watermark from Mahatma Gandhi and electro type 2000 numbers.
 9. Figures grow large numbers in small numbers top left and bottom right.
 10. A denomination, expressed in Rs.
 11. Ashoka pillar emblem.
- For the blind and visually impaired:
12. 2000 rectangles printed on the right.
 13. Seven edge-descending lines on increased print.

500 (color: stone green)



1. See through register in denomination numeral.
2. Latent image of the denomination numeral.
3. Denomination numeral in Devanagari.
4. Orientation of Mahatma Gandhi's portrait changed.
5. Windowed security thread changes from green to blue when note is tilted.
6. Guaranteed clause, Governor's signature and RBI emblem shifted towards right.
7. Portrait and electrotpe watermarks.
8. Number panel with numerals growing from small to big on top left and bottom right sides.

9. Denomination in numerals with rupee symbol in color changing ink (green to blue) on bottom right.

10. Ashoka pillar emblem on right.

For visually impaired:

11. Circle with 500 in raised print on the right.

12. Bleed lines on the left and right in raised print.

DATA INTERPRETATION

The following data were recorded on the basis of very basic effect of demonetization on the daily life of a common man. Over 200 peoples were tried for survey. The data were interrelated on the basis of tables and respective graph and conclusion and suggestions were made at the end of the study.

Table 1: Essentials of Demonetization for a developing Country like India

S.no	Essentials	Respondant	%
1.	Yes	110	55
2.	No	90	45
total		200	100

From the above table, it is inferred that 55 Percent of the respondents said that demonetization is essential. 45 Percent of the respondents said that demonetization is not essential.

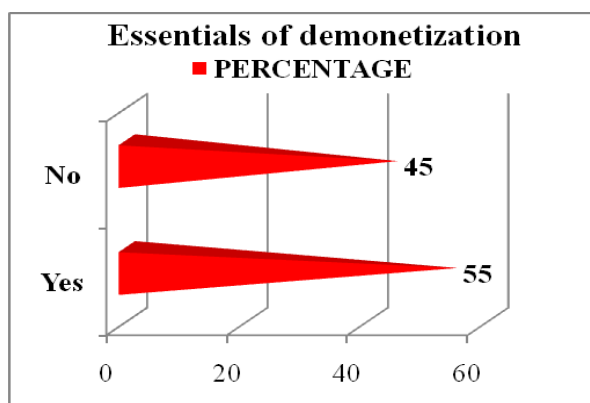


Figure 1: Essentials of Demonetization for a developing Country like India

Table 2: Existence of Black Money in India

S.No	Existence Of Black Money	Respondant	%
1.	Yes	180	90
2.	No	20	10
TOTAL		200	100

From the above table, it is inferred that 90 Percent of the respondents said Black Money exist in India. 10 Percent of the respondents said Black Money does not exist in India.

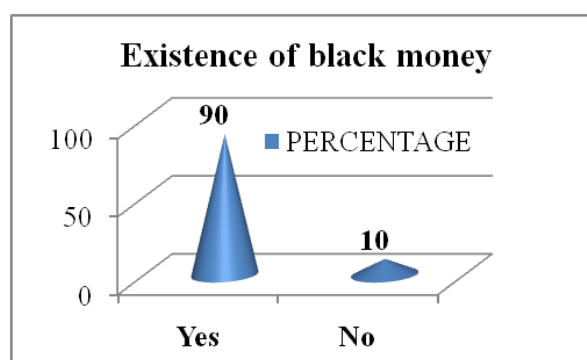


Figure 2: Respondents on the basis of Existence of Black Money in India

Table 3: Classification of Respondents on the basis of Situation come across Demonetization

S.no	Situation	Respondant	%
1.	Yes	120	60
2.	No	80	40
Total		200	100

From the above table, it is inferred that 60 Percent of the respondents satisfied the situation of demonetization. 40 Percent of the respondents not satisfied the situation of demonetization.

Figure 3: Classification of Respondents on the basis of Situation come across demonetization.

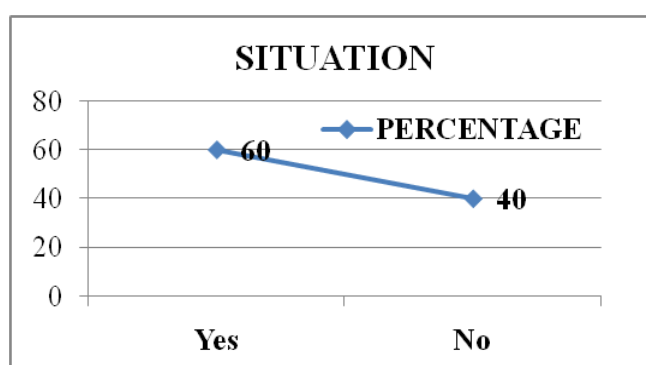


Table 4. Respondents on the basis of Business Transaction Made

S.no	Business transaction	Respondant	%
1.	Online	20	10
2.	E- Banking	30	15
3.	Cash	110	55
4.	Cheque	25	12.5
5.	Others	15	7.5
Total		200	100

From the above table, it is inferred that 10 Percent of the respondent's do business through online. 15 Percent of the respondent's do business through e- banking services. 55 Percent of the respondent's do business through cash. 12.5 Percent of the respondent's do business through cheque. 7.5 Percent of the respondent's do business through other mode of transaction.

Figure 4. Respondents on the basis of Business Transaction Made

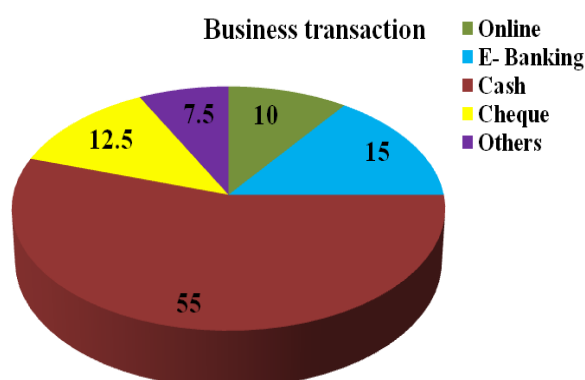


Table 5. Respondents on the basis of Technologies used to Overcome Demonetization

S.no	Technologies	Respondant	%
1.	Online	80	40
2.	E- Banking	55	27.5
3.	Cash	5	2.5
4.	Cheque	35	17.5
5.	Others	25	12.5
TOTAL		200	100

From the above table, it is inferred that 40 Percent of the respondent's use online technology. 27.5 Percent of the respondent's use e-banking technology. 2.5 Percent of the respondent's use cash technology. 17.5 Percent of the respondent's use cheque technology. 12.5 Percent of the respondent's use other technology.

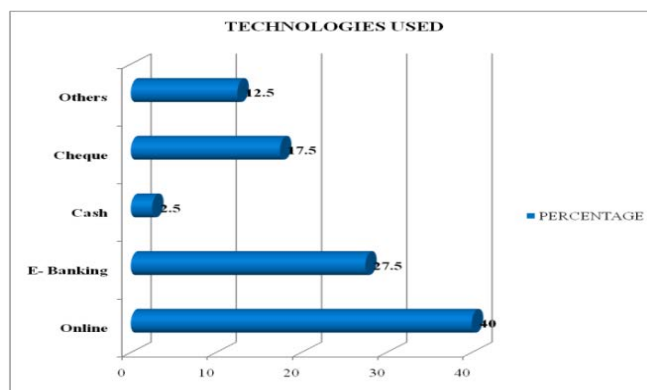


Figure 5. Respondents on the basis of Technologies used to Overcome Demonetization

Table 6. Perception about Demonetization

S.no	Perception	Respondant	%
1.	Highly Satisfied	55	27.5
2.	Satisfied	60	30
3.	Not Satisfied	50	25
4.	Highly Not Satisfied	35	17.5
TOTAL		200	100

From the above table, it is inferred that 27.5 Percent of the respondents were highly satisfied. 30 Percent of the respondents were satisfied. 25 Percent of the respondents were not satisfied. 17.5 Percent of the respondents were highly not satisfied.

Figure 6: Respondents on the basis of Perception about Demonetization

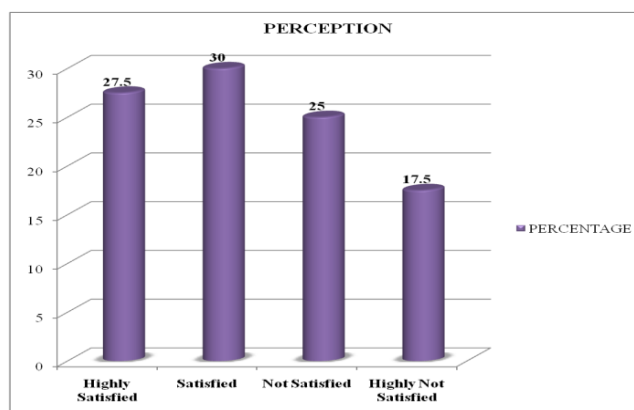


Table 7. Respondents on the basis of Time Duration taken to Exchange the Currency

S.no	Time duration	Respondant	%
1.	Once in a Day	30	15
2.	Once in Two Days	45	22.5
3.	Once in a Week	75	37.5
4.	Once in a Month	50	25
Total		200	100

From the above table, it is inferred that 15 Percent of the respondent's took once in a day to exchange currency. 22.5 Percent of the respondent's took once in a two days to exchange currency. 37.5 Percent of the respondent's took once in a week to exchange currency. 25 Percent of the respondent's took once in a month to exchange currency.

Figure 7. Respondents on the basis of Time Duration taken to Exchange the Currency

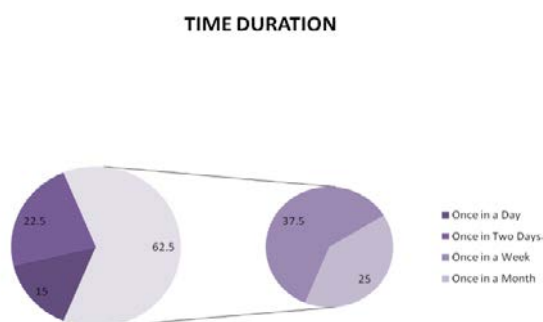


Table 8. Respondents on the basis of Risk occurred due to Demonetization

S.no	Risk occurred	Respondant	%
1.	Yes	105	52.5
2.	No	95	47.5
TOTAL		200	100

From the above table, it is inferred that 52.5 Percent of the respondent possessed risk. 47.5 Percent of the respondent does not possessed risk.

Figure 8. Respondents on the basis of Risk occurred due to Demonetization

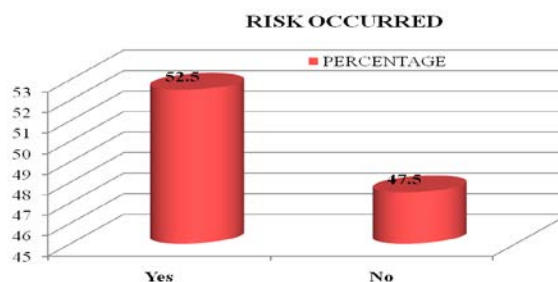


Table 9. Respondents on the basis of Business Affected through Demonetization

S.no	Business affected	Respondant	%
1.	Fully Affected	45	22.5
2.	Affected	65	32.5
3.	Partly Affected	50	25
4.	Not Affected	40	20
Total		200	100

From the above table, it is inferred that 22.5 Percent of the respondent's business were fully affected. 32.5 Percent of the respondent's business were affected. 25 Percent of the respondent's businesses were partly affected. 20 Percent of the respondents were not affected.

Figure 9. Respondents on the basis of Business Affected through Demonetization

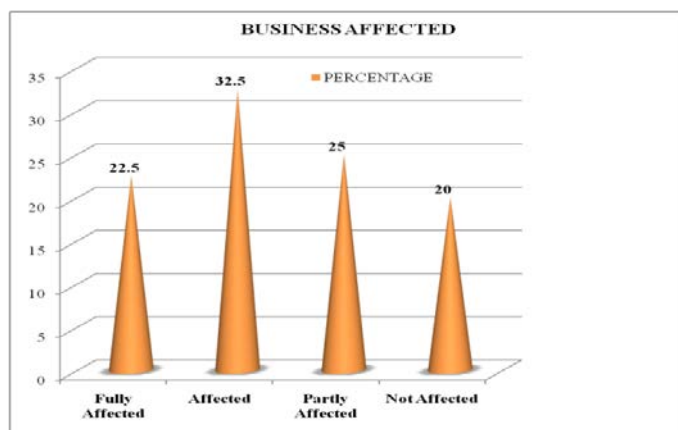


Table 10. Demonetization affected the GDP

S.no	Level of satisfaction	Respondant	%
1.	Yes	160	80
2.	No	40	20
TOTAL		200	100

From the above table, it is inferred that 80 Percent of the respondents said GDP level is affected 20 Percent of the respondents said GDP level is not affected.

Figure 10. Demonetization affected the GDP level.

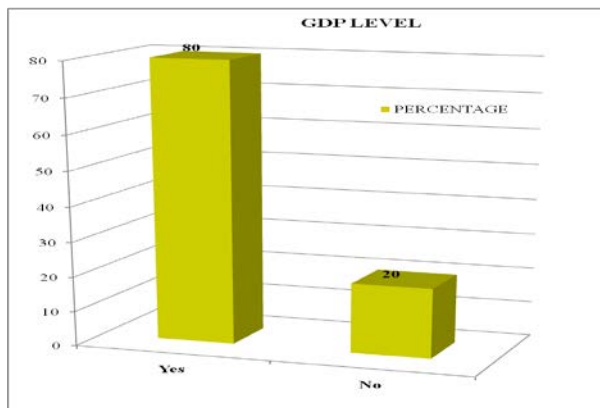


Table 11. Respondents on the basis of Sectors affected by Demonetization

S.no	Sectors	Respondant	%
1.	Health	70	35
2.	Real Estate	35	17.5
3.	Stock Market	5	25
4.	Others	45	22.5
Total		200	100

From the above table, it is inferred that 35 Percent of the respondents said demonetization affects health. 17.5 Percent of the respondents said demonetization affects real estate. 25 Percent of the respondents said demonetization affects stock market 22.5 Percent of the respondents said demonetization affects other sectors.

Figure 11. Respondents on the basis of Sectors affected by Demonetization

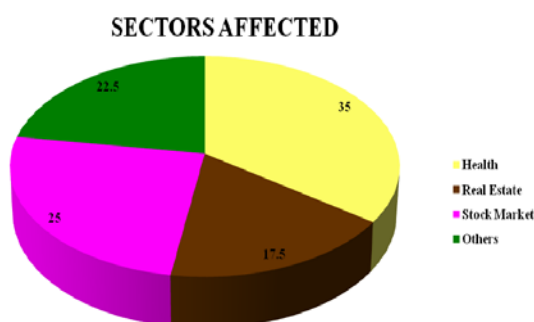


Table 12. Business compared to Last Year

S.no	Level of satisfaction	Respondant	%
1.	Excellent	35	17.5
2.	Good	70	35
3.	Bad	45	22.5
4.	Average	50	25
TOTAL		200	100

From the above table, it is inferred that 17.5 Percent of the respondent business was excellent. 35 Percent of the respondent business was good. 22.5 Percent of the respondent business was bad. 25 Percent of the respondent business was average.

Figure 12. Respondents on the basis of Business compared to Last Year

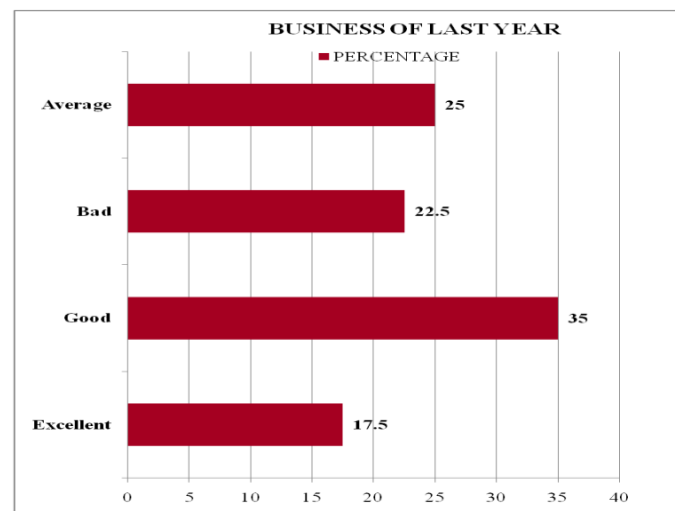


Table 13. Liabilities on Implementing Demonetization

S.no	Satisfaction	Respondant	%
1.	Yes	90	45
2.	No	110	55
TOTAL		200	100

From the above table, it is inferred that 45 Percent of the respondent's come across liabilities. 55 Percent of the respondent's does not come across any liabilities.

Figure 13. Respondents on the basis of Liabilities on Implementing Demonetization

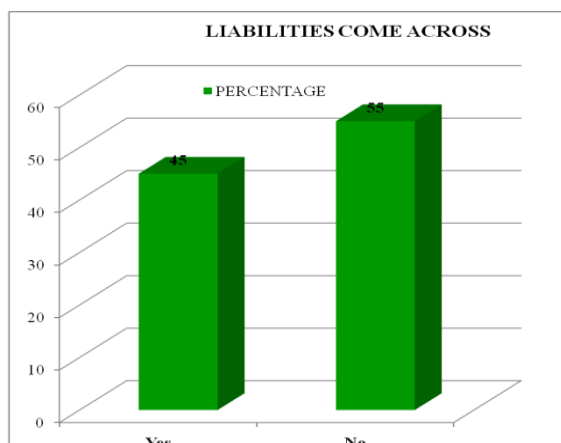


Table 14. Experience on Demonetization

S.no	Level of satisfaction	Respondant	%
1.	Excellent	50	25
2.	Good	60	30
3.	Bad	40	20
4.	Average	50	25
Total		200	100

From the above table, it is inferred that 25 Percent of the respondent's experience was excellent. 30 Percent of the respondent's experience was good. 20 Percent of the respondent's experience was bad. 25 Percent of the respondent's experience was average.

Figure 14. Respondents on the basis of Experience on Demonetization

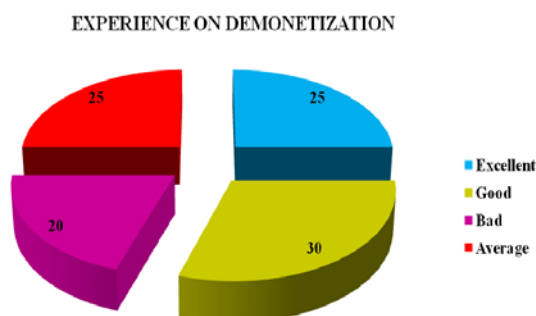


Table 15. Respondents on the basis of Current Business Situation

S.no	Sales	Respondant	%
1.	Excellent	15	7.5
2.	Good	65	32.5
3.	Bad	30	15
4.	Average	90	45
Total		200	100

From the above table, it is inferred that 7.5 Percent of the respondent's business situation was excellent. 32.5 Percent of the respondent's business situation was good. 15 Percent of the respondent's business situation was bad. 45 Percent of the respondent's business situation was average.

Figure 15. Respondents on the basis of Current Business Situation

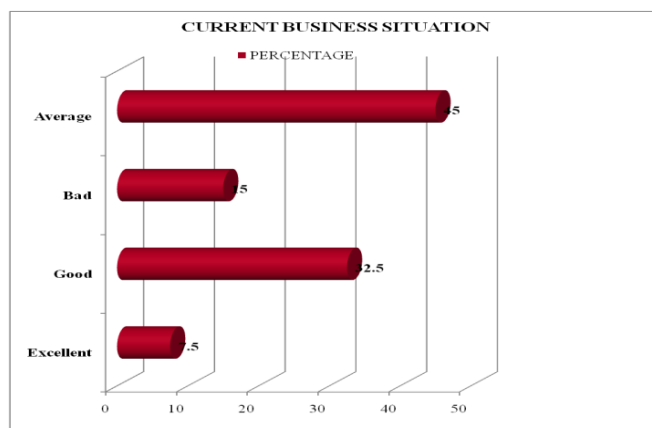


Table 16. Respondents on the basis of Average Sale before Demonetization

S.no	Sale	Resp.	%
1.	Below ₹10000	5	2.5
2.	₹10000–₹ 25000	50	25
3.	₹25000 –₹ 50000	35	17.5
4.	Above 50000	110	55
TOTAL		200	100

From the above table, it is inferred that 2.5 Percent of the respondents have sale below ₹10000. 25 Percent of the respondents have sale between 10000 to ₹25000. 17.5 Percent of the respondents have sale between ₹25000 to ₹ 50000. 55 Percent of the respondents have sale above ₹50000.

Figure 16. Respondents on the basis of Average Sale before Demonetization

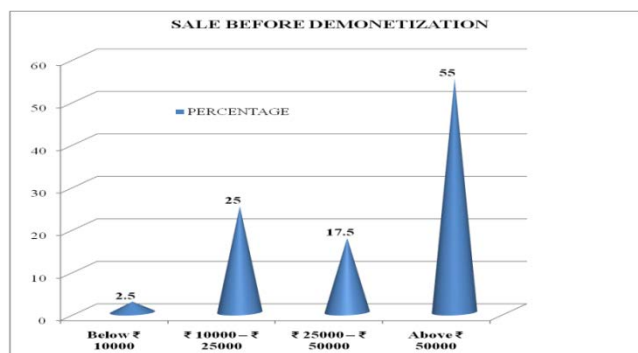
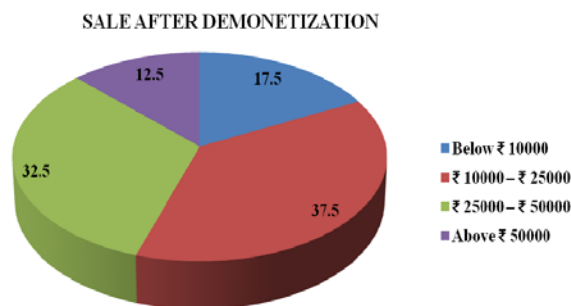


Table 17. Average Sale after Demonetization

S.no	Sale	Resp.	%
1.	Below ₹10000	35	17.5
2.	₹ 10000 – ₹25000	75	37.5
3.	₹25000 – ₹ 50000	65	32.5
4.	Above ₹50000	25	12.5
TOTAL		200	100

From the above table, it is inferred that 17.5 Percent of the respondents have sale below ₹10000. 37.5 Percent of the respondents have sale between ₹10000 to ₹25000. 32.5 Percent of the respondents have sale between ₹25000 to ₹50000. 12.5 Percent of the respondents have sale above ₹50000.

Figure 17. Respondents on the basis of Average Sale after Demonetization



ORDINAL OR RANKING SCALE METHOD

Table 18a. Ranking the type of category the company is engaged into the business

Si.no	Category	Respondant
1.	Stock Broking	10
2.	Health Care	35
3.	Real Estate	100
4.	Non-Profit Business	40
5.	Others	15
TOTAL		200

From the table it is seen that category the company is engaged in the business as under:

Table 18b. Ranking the type of category the company is engaged into the business

Si.no	Category	Rank
1.	Stock Broking	V
2.	Health Care	III
3.	Real Estate	I
4.	Non-Profit Business	II
5.	Others	IV

Table 19a. Ranking the type of business in which transactions are made.

Si.no	Category	Respondant
1.	Online	20
2.	E- Banking	30
3.	Cash	110
4.	Cheque	25
5.	Others	15
TOTAL		200

From the table it is seen that the type of transactions which is made by the business areas under:

Table 19a. Ranking the type of business in which transactions are made.

SI.NO	CATEGORY	RANK
1.	Online	IV
2.	E- Banking	II
3.	Cash	I
4.	Cheque	III
5.	Others	V

SWOT ANALYSIS

STRENGTHS

- End the excess economy in India.
- Strict IT department that monitors individual bank accounts.
- Encourage cashless transactions.
- Replication is difficult due to the new security features of the newly introduced currency.

WEAK POINTS

- Recalibration of ATMs on time.
- There is not enough infrastructure available for the current banking system.
- Sudden cash shortage due to insufficient cash reserves.

- Inadequate channeling and money distribution in different cities.
- Demand in rural areas is completely ignored.
- Large communication gaps within the expiry date.
- The supply cycle, retail and procurement divisions are significantly hampered by the payment gap in the money mode in the process cycle.
- The medical and pharmaceutical sectors have been severely hampered by incorrect instructions to channel deteriorated money.
- The wedding planner company is suspended for a certain period of time.
- Inflation can see a steep, steady hype because of the delay in sending food that is needed on time for the market.
- The travel and tourism sector is suddenly bankrupt due to lack of cash.

OPPORTUNITIES

- The rising online wallet economy.
- The payment gateway of the seller and the POS terminal economy have increased enormously.
- Improved visibility of transactions to the government at individual level.
- More accurate tax since this financial year.
- The real estate company becomes more transparent.
- Investment in gold and other commodities is more accurate and transparent.
- More online markets in different sectors are welcome.

THREATS

- Illegal transaction of cash.
- The gray market of fraudulent account holders accumulates as much cash as possible in multiple accounts.
- Weak people have been saving IT department scanners for a long time.
- The proposal to reintroduce high value currencies may put the surplus market into operation.

FINDINGS

The deterioration eliminates corruption in the long term. We also confirmed that non-cash transactions will be the future payment standard. After demonization of Indian currencies, the Indian rupees have weakened than the currencies of 96 countries or economies. The rupee fell 2.66% from 66.40 to 68.17 INR against the US dollar. The GDP ratio fell from 7.6% to 7.1%.

The surplus in India has decreased. Most transactions are done in digital currency. New security features have been added to new calls. The need for rural areas is completely ignored. Most small business segments are affected by malware. There is a high risk of hair loss in most business sectors. Sales of payment terminals have increased.

65% of the respondents were men. 32.5% of the respondents are graduates and alumni. 32.5% of the respondents have an income between 25,000 and 50,000. 50% of the respondents were occupied with real estate. 55% of the respondents said that democratization is essential in India. Ninety percent of the respondents said there is a surplus in India. Most respondents were satisfied with the situation of hair loss. Most respondents used online transactions to overcome the malicious result.

Most respondents said the GDP level in India was affected. The business situation improves. 55% of the respondents have an average sale of more than 50,000 for the tongue. The average turnover of the majority of respondents fell between 10,000 and 25,000 after conviction.

Suggestions

Smaller companies can improve their business by introducing new technologies. The rural sector must be highly concentrated. Make new calls available. You must increase the withdrawal amount via ATM. Improve the infrastructure of your bank. The medical and pharmaceutical sectors deserve more importance. In order to manage black money in the future, more protection must be provided. The bank must provide an account to all persons. Taxes must be collected accurately from everyone.

Conclusion

There may be a sport on the bank deposit. However, in interpreting this phenomenon, it should be borne in mind that a large proportion of deposits have previously been used for trading purposes. For example, if a small vendor deposits 2 lakh rupees into a Jan Dhan account, it would be incorrect to interpret this as a success in the program because the currency containing this balance for transaction purposes was discarded. I hid black money. Because deposits will continue to exist for a much shorter period of savings-based deposits, the banking sector cannot be interpreted as an additional balance that can be lent on the same basis as the previous deposit.

There is an expectation that there is fear and fear among the public today, but the benefits in the long term will come to the fore.

The government takes all necessary measures and measures to meet the demand for currencies, and the smooth flow of new currencies will put an end to the processes and processes of the company.

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