

# A STUDY ON IMPACT OF CASHLESS ECONOMY ON BUSINESS ENTERPRISES

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## **ABSTRACT:**

The purpose of this research is to identify the cashless economy is merit or demerit to Indians, why because to understand the problems faced by the public in using cashless economy, and to find out that cashless economy is benefited or it is a burden to a common people. This research is to analysis the, how cashless economy impacts different type of age groups and especially to middle age and among the youth, why because who faces the good impact and why it should be made mandatory in India, that is an important objective in this study, and really government is working for betterment of people or for corporate. In this research second phase includes and analysis the impact on society and research paper which is done by primary data and secondary data. Finally, by interpreting the data a conclusion is down which includes suggestions. This research is to find out digital knowledge among the different age group and whether digital medium is easy to access or burden to use, and the mode of payment is comfortable to pay it and is benefitting the user or not, cost of each transaction is convenient to the customers and to access in the digital application, and to understand the knowledge about the RFID CHIP (Radio frequencies identification) which is inserted in human body, it's a type of biometric where all the accounts details and identification are stored and it does not need carrying of the debit or credit card s and ID s to the shop for the purchasing and very flexible to access same time negative impact is also high where brain can be manipulated by others to the wrong path.

*Key words: Cashless economy, Corporate, RFID CHIP, Convenience, Biometric, Manipulation.*

## **Introduction**

Cash is an important factor that we are utilizing in our day to day activities which includes needs, wants and utility. Cash as a history when, why, who and for what.

In the history of human beings, the usage of cash goes long back nearly 40,000 years ago. Before to that cash concept was not a raised. Barter system was in the existence, in a sense goods to goods and commodity to commodity in the period of 6000 BC. Later metals objects were introduced to fill the gap between the difficulties in the barter system, around 5000 BC for example gold coins, silver coins, bronze coins etc. Evolution in the cash, Metals objects are

converted into paper currencies nearly 700 years ago. First cash invented by British and China. In the 21<sup>th</sup> century paper currencies are converted into Digital money, where no need to carry the liquid cash only digital medium is sufficient to fulfil our needs, wants and utility, in the business all the transaction are also includes.

Cashless economy is nothing but describes the economic state, where by the mode of transaction is fully digitalised no usage of money in the physical form may be paper currency or coins. Cash means a mode of payment in the form of currency notes, Economy is nothing but production, consumption of goods, services and the supply of the money.

Cashless economy as two faces they are merits and demerits, merits where its fully automated less manpower and no time limit for purchasing and selling the goods. Government can monitor the malpractices in the tax payment, the transaction is transparency and that benefits the country to move ahead in the economic status. Demerits where hacking can be done to our transaction which is inconvenient to public, there are chances for mis usage of transactions of common and innocent people which is injustice. In India digital transaction is not convenient to rural people who are still lacking in digital knowledge.

Cashless economy is already existed in India but after the demonetization that played a vital role in the Indian individual. This study is to find out the challenge faced by Business enterprise and really government is benefitting to the corporate companies. After banning the 500 Rs and 1000 Rs government promised that black money will be reduced but still its decline and ultimate sufferer is only common and small business enterprises. This research is to find out the awareness among the public whether they know the benefits of government policy. After demonetization edibles, clothes, accessories all the needs and wants of common people life became complicated and richer is moving ahead, to understand the gap between the business enterprises and the government policies.

## Literature review

Review of literature plays avital role to understand the different areas of research which are already taken by the researchers understanding the different reviews gives a clear idea about the subjects and it make a research still easier to understand the impact of cashless economy on business enterprises.

According to Woodford (2003) cashless economy decreased the liquid cash flow where that benefits to government and business enterprises, cashless economy is not the complete absence of cash. It is an economic setting in which goods and services are bought and paid for through electronic media.

According to Rotto (2010) cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money balance, and that according provide a reason for holding such balances even when they earn rate return. In a cashless economy, how much in your wallet irrelevant, you can pay for your purchases by any one of a plethora of credit cards a bank transfer.

According to Marco and Bandeira (2004) argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and the current level of e- money usage does not pose a threat in the stability of the financial system.

## Research methodology

Research design is nothing but analysing the required knowledge to carry out the research where it should suggest the proper output to overcome the problems. Research should be objective and have to help the barriers to overcome. It studies the major problems which lie in the organisation.

### Data collection

In this research both the primary data and secondary data are included. Primary data is utilised for the detail study about the problem from the respondents and secondary data is utilised to understand and the analysis the data.

### Primary data

The Data was collected from following means.

- Observation and questionnaire methods
- Information collected from different business enterprises

### Secondary data

The Data collected was from following means.

- Survey
- Internet

### Descriptive type research

In my research, descriptive method had been chosen for the scientific investigation to analyse the data collected from the different respondents and descriptive research is convenient to draw the conclusion and the interpretation

### Data collection method

In this research questionnaire method has been used for the collection of data, questionnaire type is mixed questionnaire for the better understanding of different respondent view in this research. In this research sample size is 50.

### Objectives of study

- To examine the challenges faced by the business enterprises
- Digital transactions are really convenient to access or its burden to the enterprises
- Knowledge about digital transaction is really reaching all the type of business in rural and in urban areas
- To spread the awareness about the RFID chip

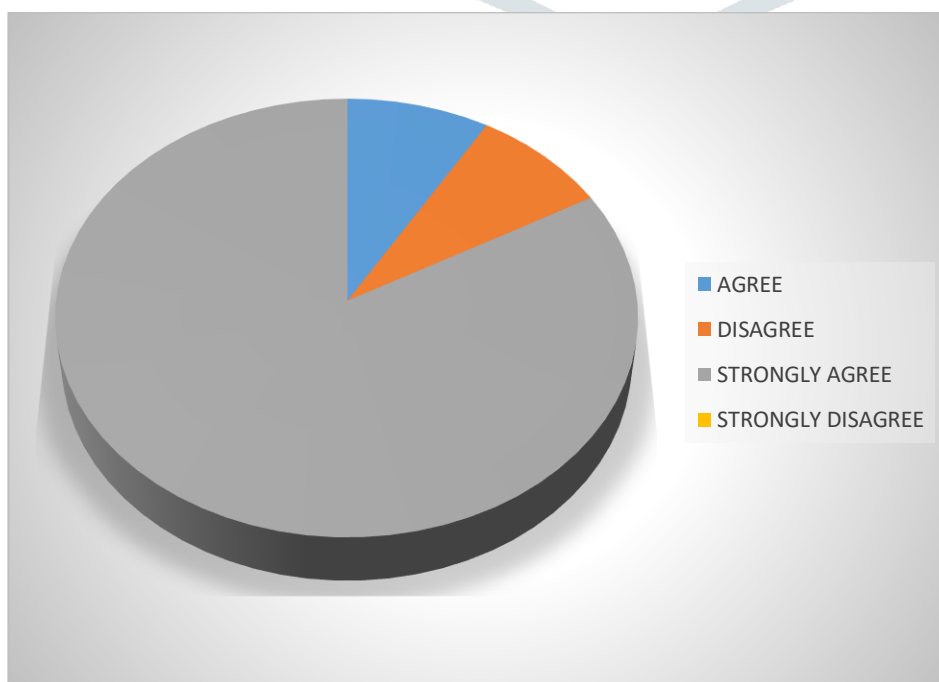
### Data analysing and interpretation

1. Do you know, what is cashless economy?

**Table**

Option	Respondents	Percentage
Agree	05	10
Disagree	04	08
Strongly agree	41	82
Strongly disagree	00	00

### Graph



## Finding

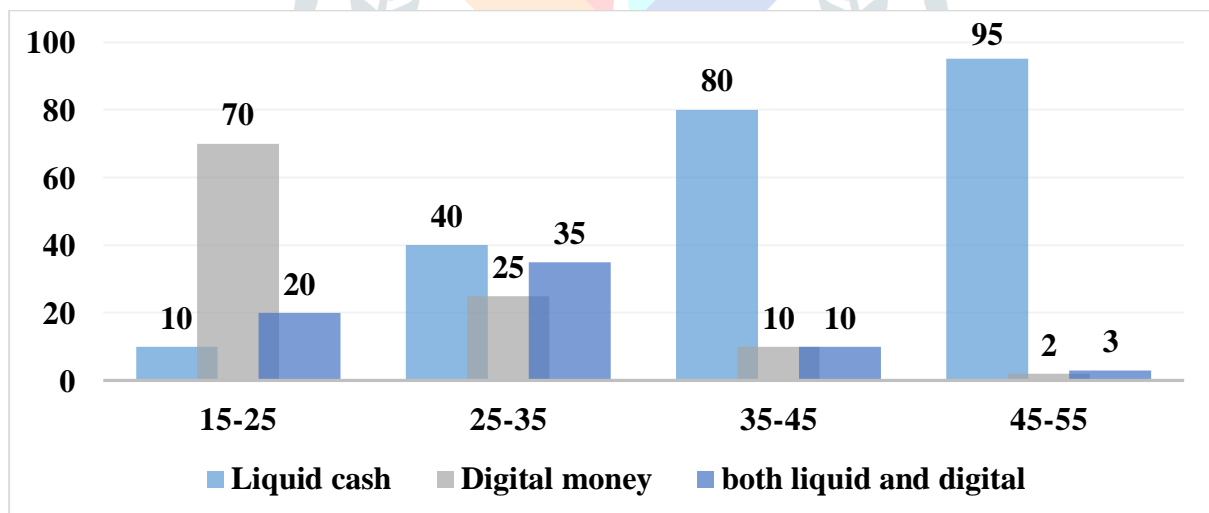
According to the above-mentioned table 82% of the respondents strongly agreed that they knew about the cashless economy.

## 2. Which mode of payment will you prefer for your transaction?

**Table**

Option	Respondents view in percentage			
	15-25	25-35	35-45	45-55
Liquid cash	10	40	80	95
Digital money	70	25	10	02
Both liquid and digital	20	25	10	03

**Graph**



## Finding

According to the above-mentioned table maximum preference given to the digital transaction, age group between 15-25 very young population feels that its easy to access and age group between 25-45 faces quit difficulty in using the digital transaction.

## Significance

Cashless economy made mandatory by government to overcome the barrier, In India liquid cash transaction are high in number compared to digital transaction, there are chances to hiding income and taxations are decline. So, government made important policy that should benefit the government as well as the enterprises and for the growth of Indian economy.

Indian citizens duty is to follow all the rules and regulation, transparency and accountability to the government is an important factor, where government can track the fund flow and can able to identify the corruption and there are less chances for fake liquid cash flow in a country and less availability of cash for illegal activities are controllable in the view of government.

## Suggestions

According to this study we can able to find out the merits and demerits faced by government and as well as the business enterprises view about the cashless economy in India.

There is positive and negative impact on the enterprises, but still enterprises are not willing to adopt the complete conversion towards cashless economy. So, in this study Indian society is clear, they will not adopt the complete conversion to cashless economy their wish is to use the liquid cash and as well as the digital money according to the mode of transactions.

Government should implement the policies with proper security provided to public and rules and regulation should be regulated properly to the business and where there is high chance of corruption and norms have to be followed by government authorities without fail for the betterment of country.

## Conclusion

India is in the path of digitalised country, day by day user are switching to digital mode of payment for all the transactions. Enterprise belief is cashless economy is easy to access and they enjoying the cashback in the digital mode of payment, but they are unaware of scam behind the digital mode of payment, there are chances for hacking and that can be utilised illegally which is unsafe to the business enterprises. Compared to digital transaction liquid cash is safe to the extent, yes, we can agree bank account is mandatory accountability to government is very much important and government should make the policies very strict for the misusers and should give the full protection for the cybercrime and where all the enterprises should enjoy the digital transaction without any hacking threats to the business enterprises.

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