



GOVERNMENT DEGREE COLLEGE, KODANGAL.

(Affiliated to Palamuru University)

DEPARTMENT OF ECONOMICS

PROJECT WORK CERTIFICATE

We the following students studying B.A. I, II, III year at Govt Degree Colleg ,Kodangal during the Academic year .....2021-22.....Here by declared that this is our original work and submitted the project work on .....A study on.....public awareness about cashless Transactions".....as partial fulfillment of B.A. I,II,III Year For This Academic Year .....2021-2022.....

Sign of Supervisor

Sign of In charge Dept

## A STUDY ON PUBLIC AWARENESS ABOUT CASHLESS TRANSACTIONS

### ➤ RELEVANCE OF THE TOPIC

#### • Introduction :

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 channels such as debit/credit cards, Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS). Government encourages cashless transactions like mobile banking, Ru-pay cards, UPI, USSD these are means and methods of digital payments. Government have also introduced Aadhar based payment system, this is for those people who don't have cards or mobile phones.

Reducing Indian economy's dependence on cash is desirable for a variety of reasons. To control counterfeit notes that could be contributing to terrorism, It also affect the monetary policy of our country and to eliminate the —black money, hawala transfers can't be made without paper currency, Curbs illegal activities altogether. A large part of black money is generated in illegal trades like selling drugs therefore without cash or less cash illegal trade might become difficult. Benefits of Cash less Economy helps in curbing generation of black money it also reduces real estate prices.

## ➤ Mode of Cashless Transactions :

There are various methods of cashless transactions by which consumer can makes methods. Following sections covers these methods one by one.

### (i) Cheque

The check is one of the most established techniques for cashless installment. It is a known technique to everybody. In this technique, you issue a check for the particular add up to another person. The check gets kept in the individual bank. The bank forms an installment through a clearing house.

The whole exchange done through check gets recorded and there is a proof of installment. In any case, there are occurrences where check installments get shamed because of mark bungle or lacking asset. So as to maintain a strategic distance from such issue, you can utilize different cashless installment alternatives.

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### (ii) Demand Draft

Demand draft is another simple method for cashless exchange. It is a most secure alternative to get installment from anybody. Demand draft (DD) never gets defaulted as it is marked by the financier. The inconvenience of DD and check is you have to

visit a bank with a specific end goal to store check and request draft. The freedom of check or DD takes extra time.



### (iii) Online Transfer- NEFT or RTGS

The third least complex technique for the cashless exchange is online exchange utilizing NEFT or RTGS. With a specific end goal to do online cash exchange, you require web managing an account office. Online exchange utilizing NEFT or RTGS is relatively speedier than check or DD. Online exchange should be possible from anyplace utilizing web office.

## NEFT

National Electronic Fund Transfer
Transactions happens in batches hence slow
Timings : 8:00 am to 6:30 pm (12:30 pm on Saturday)
No minimum limit
No maximum limit

## RTGS

Real Time Gross Settlement
Transactions happens in real time hence fast
Timings : 9:00 am to 4:30 pm (1:30 pm on Saturday)
Minimum amount for RTGS transfer is Rs. 2lakhs
No maximum limit

#### **(iv) Credit Card or Debit Card**

Credit card or Debit card is another cashless installment technique. The use of charge card and check card was constrained in India. Be that as it may, use of Visa and charge card is expanding now. The confinement of this installment technique is an accessibility of swipe card office (PoS) at dealer end.

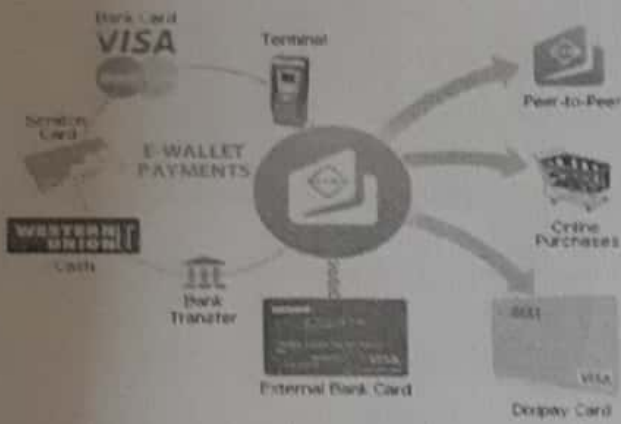


#### **(v) E-Wallets**

E-wallet is next cashless installment choice. E-wallet can be utilized to buy items beginning from basic need to aircraft tickets. Keeping in mind the end goal to utilize E-wallets client and dealer, both require a cell phone with dynamic web association.

The most well known case of E-wallet is PayPal. Aside from PayPal, you can likewise utilize Payoneer, Transferwise, Skrill, and PayZa.

In the wake of enlisting for E-wallet you have to connect your charge card or platinum card with your E-wallet id. You can utilize e-wallet for subsidize exchange or web based shopping. It is a least difficult cashless strategy.



**(vi) Mobile Wallets**

The following cashless installment technique is a versatile wallet. You needn't bother with a check card, charge card or web managing an account secret word for making installment utilizing a portable wallet. Simply stack cash in your wallet by means of IMPS and utilize it moving. You can download versatile wallet application from play store. Hardly any cases of portable wallets are Paytm, PayUmoney, Oxigen, Lime, MobiKwik and so forth.



### (vii) UPI Apps

UPI is a versatile installment framework which enables you to do different monetary exchanges on your cell phone. UPI enables you to send or get cash utilizing virtual installment address without entering bank data. Vendors can select with banks to acknowledge installments utilizing UPI. Like on account of a PoS machine, the vendor would require a present record with a bank to acknowledge UPI installments. The cases of few UPI Apps are SBI Pay, ICICI Pocket, Axis Pay UPI App, Union Bank UPI App, PNB UPI, PhonePe, TranZapp and so forth.



### (viii) Aadhaar Enabled Payment System

Aadhaar Enabled Payment System (AEPS) is one of the best cashless installment strategies. AEPS resembles Micro ATM it utilizes cell phone and a unique mark scanner for the exchange. So as to utilize this office, it is compulsory to interface your Aadhaar card to your ledger. You can utilize AEPS keeping in mind the end goal to perform exchange like Aadhar to Aadhar support exchange, Cash withdrawal, Cash store and so on.

## AADHAAR ENABLED PAYMENT SYSTEM



for Franchise & Retail

- 1 Cash Deposits
- 2 Fund Transfer
- 3 Balance Enquiry
- 4 Cash Withdrawal

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### ➤ IMPORTANCE OF THE STUDY

In the light of these developments the present study has been taken up to assess the awareness and attitude of people in relation to digitalization. Electronic based transaction seeks to drive the development and modernization of India's payment system. Efficient and modern payment system is a key enabler for driving growth and development. Less cash economy is in the interest of everyone and it will help in creating a clearer economy in future. To encourage and strengthen cashless economy it's important to inculcate the habit of making e-payments.

As the nation moves towards a cashless domain after demonetisation, the underlying wonder and perplexity have offered route to a whirlwind of concerns. Will the accentuation on online exchanges give accommodation and unmistakable advantages or simply add to stretch and extra charges

To boost the move towards a cashless economy, the legislature has concocted a rash of rebates and complimentary gifts on computerized exchanges.

Inside the most recent decade or thereabouts, our reality has turned out to be quickly more digitized. Utilization of web for buys, and social collaborations made



by means of short message benefit (SMS), messages and informal communities on the Internet has changed shopper recognition about shopping. Two imperative elements that have added to this advancement are the utilization of cell phones, and the utilization of the Internet. Presently a days there are different techniques accessible by which shoppers can make installments with respect to their buys. Exhibit think about which will be done in Solan locale of Himachal Pradesh will be centered around purchaser conduct with respect to the cashless exchanges and components which impact them to go for a specific technique for cashless installment.

➤ **HYPOTHESIS:**

Awareness and attitude of people towards cashless economy is positive.

➤ **REVIEW OF LITERATURE**

Review of literature paves the way for a clear understanding of the areas of research already undertaken and throws light on the potential areas which are yet to be covered. Keeping this view in mind, an attempt has been made to make a brief survey of the work undertaken on the field of Cashless economy. The reviews of some of the important studies are presented below.

According to "**Woodford (2003)**", 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 balances, and that accordingly provide a reason for holding such balances even when they earn rate of return. In a cashless economy, how much cash in your

wallet is practically irrelevant. You can pay for your purchases by any one of a plethora of credit cards or bank transfer

"Roth, [2010]" observed that developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards. Some aspects of the functioning of the cashless economy are enhanced by e-finance, e-money, e-brokering and e-exchanges. These all refer to how transactions and payments are effected in a cashless economy.

"Marco and Bandiera (2004)" argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system. However, it does conclude that central banks can lose control over monetary policy if the government does not run a responsible fiscal policy.

"Arpita Mukherjee and Tanu M Goyal" stated that the village of Ibrahimpur in the state of Telangana has become completely cashless by having bank accounts, using payment gateways and credit cards. Other villages too can replicate this success story.

"Pravakar Sahoo and Amogh Arora's" , opined that the Indian Government has taken the right step to move forward towards less cash economy. They stated that, in India, only few use non – cash payment methods therefore we need to increase the horizon of non – cash uses along with convenient, reliable, secure and affordable payment systems. However, the present challenge is to strengthen the digital

infrastructure of banks and to make transactions safe.

"Mobikwik Atul Mehta " feels that & quot;Illiterate people do not know how to use digital transactions, though they know how to use a smartphone. So there is a need to spread financial literacy. Mehta added that people in large numbers were using mobile wallets following demonetisation. Digital payments through mobile wallets are safe and they were working on making the transactions more secure.

"SushmaPatil (2014) "(Effect Of Plastic Money On Banking Trends In India) is inspected that Indian clients think that its less demanding to make physical installment (Visa or charge card installments) as opposed to conveying excessively money adding to the development of plastic cash in the nation. It benefits the buyer through improved item offerings at a lower cost and that too with lucrative arrangements enchanted with rewards conspire, steadfastness extra focuses, limited time battles and so forth. The landing of shopping centers multiplexes, web based shopping stores and shopping buildings urge the clients to make utilization of plastic cards.

"Piyush Kumar (2015) "(An Analysis Of Growth Pattern Of Cashless Transaction System) broke down that instructing clients about Cashless Transaction System there is a need to teach them about the separating variables of the Cashless Transaction System. Since Visa and Master Card are promoting routinely and in this way builds mindfulness. Attention to Technology serious conveyance channels like net keeping money, portable managing an account, and so on have made a win-win

circumstance by broadening extraordinary comfort and various alternatives for client.

Banks have been utilizing innovation to lessen cost and improve proficiency, profitability and client accommodation.

### ➤ Objective of Study

The study will be based on the following Objectives:-

1. To study the awareness and preference towards the Cashless transactions
2. To assess the factors that leads consumers towards Cashless Transaction.
3. To assess the uses pattern and nature of transaction done by the customer
4. for its different uses.
5. To identify the factors promoting Cashless Transaction System.
6. To gauge the awareness of the respondents with regard to cashless
7. transaction.
8. To study the percentage of usage of the various modes of cashless
9. transaction.
10. To elicit the opinion of the respondents in achieving cashless economy

### ➤ METHODOLOGY AND SOURCE OF DATA:

The study is conducted to obtain data on the knowledge and attitude of people regarding cashless transactions. The study project is conducted in Golconda, Hyderabad region. Primary data is obtained. As the selected topic is of recent one transactions relating to 2019 are taken.

Convenience survey method is used for collecting data with the help of structured questionnaire .The responses from the respondents are collected and

analyzed using the simple percentage method. The data is represented through Pie diagram & bar charts.

A sample size of 300 was selected using the random sampling procedure. The sample includes both literate and illiterate population. They comprise of students, "Government servants, Shopkeepers, vegetable vendors in vegetable market, fruit market vendors, general stores, textile , furniture vendors, medical stores, stationary etc., since they are the ones who can give their views on use of digital payment methods, there response determine the reliability of survey.

➤ **SOURCE OF DATA: PRIMARY DATA**

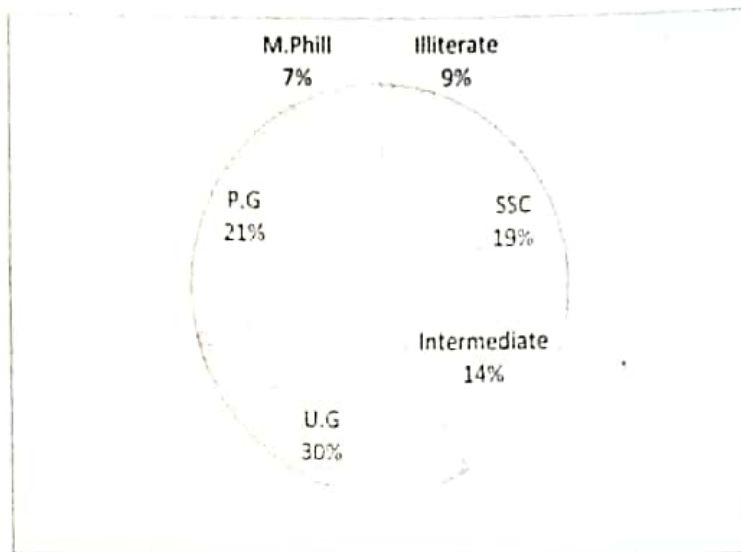
• **ANALYSIS OF DATA:**

The present study has been done in the Vicinity of Golconda,Hyderabad.Total of 300 respondents have given their feedback on cashless transaction,they belong to the age group of minimum 16 yrs and above 50 years. Of the total respondents 50% of the respondents are in between 16 yrs-30 yrs and another 50% are in between 31>50. Of this 183 respondents are male and 117 are female.

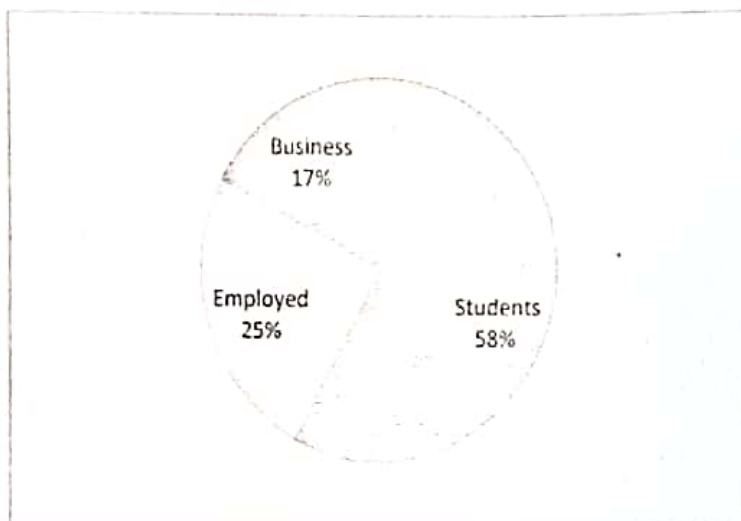
**TABLE -I**

Literacy status	F	Percentage
Illiterate	27	09
SSC	58	19
Intermediate	45	15
U.G	92	31
P.G	65	21
M.Phill	23	4
Respondents stature		
Students	174	58
Employed	74	25
Business	52	17

## LITERACY STATUS



## RESPONDENTS STATURE



The respondents in the survey belong to different educational qualifications. Of the total data 9% are illiterate. Those who have between SSC 19%, Intermediate 15%, Undergraduate degree 31%, post graduates 21% and M.Phil 4% co, Care has been taken to know the awareness of people with different levels of educational background regarding cashless modes of transaction.

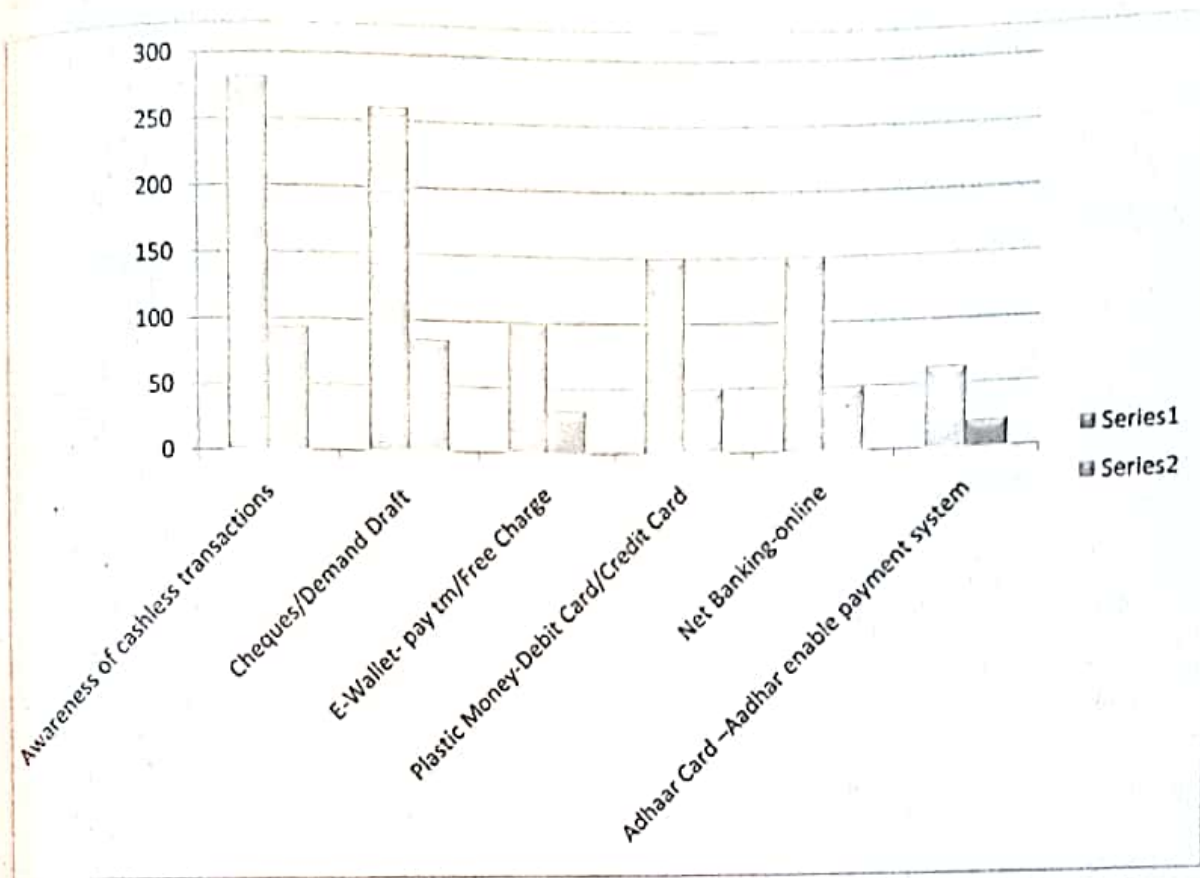
The respondents constitute students, business people like furniture shops, paanshops, medical shops, general stores, stationary, fruit vendors, tea stall, contractors, canteen owners, textile shops, teachers, lecturers, Government servants etc.

**TABLE- II**

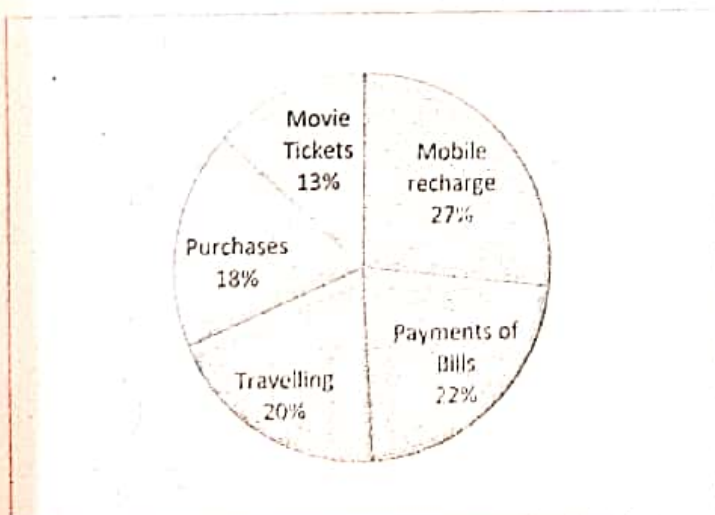
**AWARENESS OF DIFFERENT MODES AND USAGE OF CASHLESS TRANSACTIONS**

	<b>FREQUENCY</b>	<b>PERCENTAGE</b>
Awareness of cashless transactions	282	94
Cheques/Demand Draft	260	86
E-Wallet- pay tm/Free Charge	99	33
Plastic Money-Debit Card/Credit Card	150	50
Net Banking-online	150	50
Adhaar Card –Aadhar enable payment system	63	21
<b><u>Purpose of usage</u></b>		
Mobile recharge	250	83
Payments of Bills	208	69
Travelling	182	61
Purchases	169	56
Movie Tickets	123	41

## AWARENESS OF DIFFERENT MODES AND USAGE OF CASHLESS TRANSACTIONS



## PURPOSE OF USAGE





## ➤ FINDINGS

From the above table it is evident that there is high degree of awareness. About 94 % respondents are aware of different modes of cashless transactions and 88% of them expressed that it is quite easy to use cash less modes of transaction. It is expressed by the respondents that because of Cash crunch they are forced to know about electronic payments and transfers. The policy of the government to bring in transparency of all transactions has mandated banks to limit the number of cash transactions. This has forced the respondents to look at alternate modes of carrying out their payments, purchases and sales.

Few respondents however showed strong dislike they preferred cash transactions. They do not want to have their transactions recorded in order to avoid paying taxes and buyers find cash payments are more convenient. Few are afraid about the safety of their funds in cards usage and online transactions. They feel that usage of smart phone and internet is essential and they donot have access to it.

## ➤ CONCLUSION AND SUGGESTION

Cashless transactions gained importance and is mostly used due to the government and banker's policies. Linkage of all welfare activities with bank accounts is a very strategic step. Many of the respondents are using mobile phones, credit and debit cards for making their transactions. For instance, mobile wallets have seen notable traction, and it is possible that a large number of Indians will move straight from cash to mobile wallets.

Responses from respondents shows that cashless transactions enabled them to overcome the difficulties of tendering exact payments, counterfeit fake currency, reduces cash related robbery. It is also felt that this transition will help in curbing black money and improves economic growth of our country.

It is suggested that availability and quality of telecom network will play an important role. People face difficulties in making electronic payments because of poor network. Service providers will have to constantly invest in technology in order to improve security and ease of transaction. Major challenge to overcome is cyber fraud, bring in more efficient digital payment system and create awareness on financial literacy.

People will only shift when it's easier, certain and safe to make cashless transactions. The government will also need to play its part. It will have to find ways to incentivize cashless transactions and discourage cash payments.

The study shows that the introduction of cashless economy in India can be seen as a step in right direction. It helps in growth and development of economy.

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