



Volume 10, Issue 1, January 2022  
**International Journal of  
Advance Research in  
Computer Science and  
Management Studies**  
Research Article / Survey Paper / Case Study  
Available online at: [www.ijarcsms.com](http://www.ijarcsms.com)



**Special Issue: National Conference on "Self Reliant India (Atmanirbhar Bharat) Opportunities & Challenges"**  
Organised by: Department of Commerce in association with IQAC of Sheth T.J. Education Society's, Sheth N.K.T.T. College of Commerce and Sheth J.T.T. College of Arts, (Reaccredited by NAAC B+ (2.62), 3<sup>rd</sup> Cycle, ISO Certified: 9001:2015).  
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## *Digital India: Moving From Cash to Cashless Economy*

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**Abstract:** In today's world, due to hi-tech advancements and innovations, a very significant level of change is possible in the means of making and receiving payments. Digitalization has transferred and improved the lives of people in many ways and enhanced society to achieve its goal more transparently in economic transactions. The digital India program, an initiative of honourable Prime Minister Mr. Narendra Modi, is an attempt to connect the government and society which in turn helps the government and improve the lives of the whole society. The initiation will emerge new development in every sector by creating new opportunities by helping them to participate and build a more transparent and responsive system.

**Keyword:** Cashless, Digitalisation, Digital-India, Indian Government.

### I. INTRODUCTION

2016 is the year which will be always linked to demonetisation for the withdrawal high amount denomination Rs.500 and Rs.1000 of India's currency in circulation on November 8. Government is making every possible effort to make digitalisation possible through web portals or electronic transactions which would ensure transparency and smoothness. The Reserve Bank of India has reported an unprecedented rise in currency held by public. It has grown a whopping 57% — from Rs. 17.5 trillion on Nov 4, 2016 to Rs 28 trillion on Oct 8, 2021. The cash to GDP ratio in India is now at 14.5 %, the highest since independence. "Cashless Economy" refers to the physical stream of national exchange being replaced with the digital platforms such as online transactions, the introduction of plastic cards, Internet banking, etc. With this change, the currency is not restricted from use, whether it means to slow down the usage of cash currency by utilizing the appropriate procedure. The role of digital transactions becomes more prominent; hence it provides an alternative solution to the population for different perspectives.

With programmes like digital India, government of India to help and encourage the country to adopt digitalisation in every form. These initiatives which like Digital India which expected to root out the dependency on lengthy bureaucratic processes, weed out corruption and help cut down time in taking public services to the citizens of the country. Digitalisation of economy helps the government to reach out the touched and most venerable people of our country. Our decent Prime minister imagines changing our country and making data accessible for all the residents. His vision is to enable the resident with access to advanced and quick administration, learning and data. This will not be achievable without making our digital system more strong and up to date. Advanced India is the following enormous thing that India is seeing. It goes for significantly contracting the lives of residents with the change venturing to every part of the ways of both provincial and urban India. Various

programmes like E-health, Digital lockers, E- education making individuals more accessible and appreciate the advantage of the most of up to date data and mechanical advancement.

India needs to digitise at the speed of Aarogya Setu app. With Aarogya Setu, India has demonstrated its capability to conceptualise, build, deploy and distribute technology platforms to solve real world problems at an unprecedented pace. Corporate India is ready to embrace digitisation in managing its regulatory and compliance obligations. Programmes like Digital India has been propelled the nation into digitally engaged and learning economy. With increase in retail payments, along with fundamental reconstruction of cash economy, a steep growth observed in retail digital payments. Increasing acceptance and convenience for digital payments, average value per digital transaction has also decreased. More important and necessary steps like Taxation being made online and steps like demonetisation in which government is trying weed out corruption and black money.

Digitalisation has been playing a vital role in developing our economy. The best example would be more job creation for our youth population and giving them opportunities to expand our economy to next level. Digital payments not only make transactions flexible but it also follows the legal path which in turn help to flourish the economy. Moreover, Digital payment has global reach and leads to economic development. Since cash is the mode of transaction in terrorism and money laundering, a digital economy and society would discourage such activities. With the availability of better internet facilities and technological advancements, the services through Digitalisation has been delivered in an efficient manner. In addition to the above, initiatives like "Adhaar card" or digital identification for every citizen which give an unique identification to every citizen which will reduce corruption and better management

“Cashless economy” does not mean the complete absence of cash; it is just a medium of money supply in which goods and services are purchased and sold, and payment is made or received electronically.

## II. METHODS OF DIGITAL PAYMENTS IN INDIA

**Banking Cards:** Banking Cards: These includes all types of plastic cards such as credit card, debit card, cash card, travel card etc. they provide factor authentications for a secure transaction.

**USSD:** Unstructured Supplementary Service Data is an innovative of making payments without the use of internet and smartphone. The payments can be made by a feature phone by dialling \*99#.

**AEPS:** Aadhar Enabled Payment System is a means by which a person can make payments at the point of sale by Aadhar authentication.

**UPI:** Unified Payment Interface powers multiple bank accounts into a single mobile application, merging all or some of the banking services.

**Mobile Wallets:** It is a means of carrying cash in digital format. Credit card or debit card can be linked to the mobile wallet for making payments or some money can be loaded into the mobile wallet.

**Internet Banking:** It is a medium through which various banking services like NEFT, RTGS, ECS, and IMPS etc. can be availed over the institution's website.

**Mobile Banking:** It is a service provided by banks providing its customers a platform to conduct various banking services by use of their mobile phones or tablets through the apps provided by the bank.

**III. LITERATURE REVIEW**

Mr. Pradeep H. Tawade (2017), "Future and scope of cashless economy in India." This paper helps in assessing the future trends and the impact of going cashless in the Indian economic scenario. After the study was conducted it was seen that the Government of India should consider many more steps in digitalizing India. And payment methods should be made more secure and risk-free.

Dhanda and Arora (2017), Genesis of cashless society: A study on growing acceptability towards plastic money. This paper is aimed towards studying the factors responsible for the rapid increase in acceptability of plastic card in the recent years. After the study was conducted it was seen that use of plastic cards is a matter of great pride among teenagers and is considered safe and free from any frauds.

Dr. Asha Sharma (2017), Potential for cashless economy in India. The study was conducted to find the scope of India becoming a cashless economy, challenges and opportunities related to cashless economy. The study shows that there is a significant scope of Cashless India as we can abolish various problems we face today but we must be prepared for the challenges and problems which cashless economy will bring.

Thomas and Krishnamurthy (2017), Cashless rural economy- a dream or reality. The study is focussed towards understanding the impact of demonetisation on rural India and to keep a check on the government initiatives to make rural market a cashless economy. The studies show that the government of India should initiate various schemes to make the dream of cashless economy a reality.

Garg and Panchal (2017), Study on Introduction of cashless economy in India 2016: Benefits & challenges. The study focusses on finding benefits and challenges related to cashless economy in India. The study shows that there are various benefits related to cashless economy and various challenges related to the cashless economy.

Metri and Jindappa (2017), Impact of cashless economy on common man in India. The study focusses on effect of going cashless on a common man living in India and the challenges related to going cashless. The study shows that India can never turn into a fully cashless economy as cash has been the dominating factor and always will be. Going cashless will only be feasible for a very small section of the society but not the whole nation.

Felix, Rebecca and Igbino (2015), Appraisal of the impact of e-banking and cashless society in the Nigerian economy. The paper was aimed towards understanding the impact of e-banking and cashless society on the people of Nigeria. But after the study was conducted it was seen that most of Nigerian citizens were not at all aware of such concepts and those who were aware were not fully using such facilities and there was no infrastructure development before implementing such changes.

Thilagavathy and Santhi (2017), Impact and importance of Cashless Transaction in India. The paper focuses on impact and importance of cashless transactions in India. The study shows that if India becomes a cashless economy there will be both positive and negative impact, but negative impacts can be overlooked if the gain from positive impact is considered.

Shrikala K.K. (2017), Cashless Transaction: Opportunities and Challenges with special reference to Kodagu district of Karnataka. The paper is aimed to find the opportunities available in the rural part of India and the challenges which may be faced while moving towards a cashless economy. It was seen that there are many opportunities and every opportunity come with its own challenges, but they can be avoided with proper implementation.

## IV. OBJECTIVES

1. To study the benefits of cashless economy.
2. To understand the future trends of cashless transactions.
3. To examine the impact of transaction related factors including convenience, security, costs, incentives and procedures on cashless transactions in India.
4. To study the impact of digitalisation on Indian society
5. To provide necessary suggestion

## V. RESEARCH METHODOLOGY

This study reviews literature chosen with the primary as well as secondary data. The research is analytical and descriptive in nature. The researcher for the purpose here had made use of primary data and secondary data. The researcher has made use of close ended questionnaire where sample of 123 is used. Secondary sources were also used with respect to Review of Literature, Journals and articles. Descriptive Statistics was done by using Chi square and Kendall's Tau b: correlation.

## HYPOTHESIS-1

H0: There is significant impact of consumer age in their cashless transactions.

H1: There is no significant impact of consumer age in their cashless transactions

Comparison of different parameters against Age: The comparison is carried out to find out whether response to different parameter is age specific or not.

**Comparison of different parameters against Age:** the comparison is carried out to find out whether response to different parameter is age specific or not.

		Age							
		20 to 30		31 to 40		41 to 50		Above 50	
		Count	%	Count	%	Count	%	Count	%
Frequency of Online transaction	Daily	42	42.0%	8	47.1%	2	50.0%	0	0.0%
	Weekly	44	44.0%	6	35.3%	1	25.0%	3	100.0%
	Monthly	14	14.0%	3	17.6%	1	25.0%	0	0.0%
Cashless will affect future trends	No	2	2.0%	2	11.8%	0	0.0%	0	0.0%
	May be	27	27.0%	2	11.8%	0	0.0%	0	0.0%
	Yes	71	71.0%	13	76.5%	4	100.0%	3	100.0%
Cashless are safe	No	6	6.0%	2	11.8%	0	0.0%	1	33.3%
	May be	22	22.0%	2	11.8%	1	25.0%	0	0.0%
	Yes	72	72.0%	13	76.5%	3	75.0%	2	66.7%
trust my bank for online transactions	No	3	3.0%	1	5.9%	0	0.0%	0	0.0%
	May be	11	11.0%	0	0.0%	1	25.0%	0	0.0%
	Yes	86	86.0%	16	94.1%	3	75.0%	3	100.0%
Do you think someone is eavesdropping on your online transactions?	No	36	36.4%	7	41.2%	1	33.3%	1	33.3%
	May be	49	49.5%	8	47.1%	1	33.3%	1	33.3%
	Yes	14	14.1%	2	11.8%	1	33.3%	1	33.3%

Data is secure in online transaction	No	14	14.0%	6	35.3%	0	0.0%	1	33.3%
	May be	39	39.0%	4	23.5%	2	50.0%	1	33.3%
	Yes	47	47.0%	7	41.2%	2	50.0%	1	33.3%

**Pearson Chi-Square Tests:**

Parameters of study	Chi-square value	d.f.	p-value	Interpretation
Frequency of Online transaction	5.08	6	0.534	NS
Cashless will affect future trends	8.486	6	0.205	NS
Cashless are safe	5.266	6	0.51	NS
trust my bank for online transactions	3.935	6	0.686	NS
think someone is eavesdropping	1.957	6	0.924	NS
Data is secure in online transaction	6.404	6	0.379	NS

**Interpretation:** p-value greater than that of 0.05 indicates no significance of association between parameters and age group. Therefore we conclude that the response to all the parameter is independent of age of the respondent.

**HYPOTHESIS-2**

H0: There is significant impact of gender in their cashless transactions.

H1: There is no significant impact of gender in their cashless transactions.

**Comparison of different parameters against gender:** the comparison is carried out to find out whether response to different parameter is gender specific or not.

		Gender			
		Male		Female	
		Count	%	Count	%
Frequency of Online transaction	Daily	35	48.6%	17	32.7%
	Weekly	27	37.5%	27	51.9%
	Monthly	10	13.9%	8	15.4%
Cashless will affect future trends	No	3	4.2%	1	1.9%
	May be	19	26.4%	10	19.2%
	Yes	50	69.4%	41	78.8%
Cashless are safe	No	4	5.6%	5	9.6%
	May be	14	19.4%	11	21.2%
	Yes	54	75.0%	36	69.2%
trust my bank for online transactions	No	2	2.8%	2	3.8%
	May be	5	6.9%	7	13.5%
	Yes	65	90.3%	43	82.7%
Do you think someone is eavesdropping on your online transactions?	No	26	37.1%	19	36.5%
	May be	33	47.1%	26	50.0%
	Yes	11	15.7%	7	13.5%
Data is secure in online transaction	No	12	16.7%	9	17.3%
	May be	29	40.3%	17	32.7%
	Yes	31	43.1%	26	50.0%

**Pearson Chi-Square Tests:**

Parameters of study	Chi-square value	d.f.	p-value	Interpretation
Frequency of Online transaction	3.313	2	0.191	NS
Cashless will affect future trends	1.496	2	0.473	NS
Cashless are safe	0.868	2	0.648	NS
trust my bank for online transactions	1.631	2	0.442	NS
think someone is eavesdropping	0.156	2	0.925	NS
Data is secure in online transaction	0.792	2	0.673	NS

**Interpretation:** p-value greater than that of 0.05 indicates no significance of association between parameters and gender.

Therefore we conclude that the response to all the parameter is independent of gender of the respondent.

### HYPOTHESIS-3

H0: There is no significant impact of cashless transactions on future market trends.

H1: There is significant impact of cashless transactions on future market trends.

**Comparison of different parameters against Frequency of Online transaction:** the comparison is carried out to find out whether response to different parameter is Frequency of Online transaction specific or not.

		Frequency of Online transaction					
		Daily		Weekly		Monthly	
		Count	%	Count	%	Count	%
Cashless will affect future trends	No	1	1.9%	3	5.6%	0	0.0%
	May be	7	13.5%	13	24.1%	9	50.0%
	Yes	44	84.6%	38	70.4%	9	50.0%
Cashless are safe	No	1	1.9%	6	11.1%	2	11.1%
	May be	7	13.5%	8	14.8%	10	55.6%
	Yes	44	84.6%	40	74.1%	6	33.3%
trust my bank for online transactions	No	1	1.9%	2	3.7%	1	5.6%
	May be	5	9.6%	4	7.4%	3	16.7%
	Yes	46	88.5%	48	88.9%	14	77.8%
Do you think someone is eavesdropping on your online transactions?	No	21	41.2%	21	38.9%	3	17.6%
	May be	22	43.1%	25	46.3%	12	70.6%
	Yes	8	15.7%	8	14.8%	2	11.8%
Data is secure in online transaction	No	5	9.6%	11	20.4%	5	27.8%
	May be	21	40.4%	19	35.2%	6	33.3%
	Yes	26	50.0%	24	44.4%	7	38.9%

### Pearson Chi-Square Tests:

Parameters of study	Chi-square value	d.f.	p-value	Interpretation
Cashless will affect future trends	11.717	4	.020*	Significant
Cashless are safe	21.494	4	.000*	Significant
trust my bank for online transactions	2.022	4	0.732	NS
think someone is eavesdropping	4.224	4	0.376	NS
Data is secure in online transaction	3.952	4	0.413	NS

**Interpretation:** p-value less than that of 0.05 indicates significance of association between parameters and frequency of online transactions for Cashless will affect future trends and Cashless is safe is significantly associated with frequency of online transactions. While as for other parameters it is nonsignificant.

We also used Kendall's tau b correlation coefficient to establish the type of association with frequency of use.

### Kendall's Tau b: correlation against the frequency of use online transactions

#### Coding Frequency:

1- Daily, 2-weekly, 3-Monthly

#### Coding for the parameters below in the table:

**1- No, 2-Maybe, 3-Yes**

	<b>Correlation Value</b>	<b>p-value</b>	<b>Interpretation</b>
Cashless will affect future trends	-.233**	0.006	<b>Significant negative correlation</b>
Cashless are safe	-.296**	0.000	<b>Significant negative correlation</b>
trust my bank for online transactions	-0.07	0.412	<b>No Correlation</b>
Do you think someone is eavesdropping on your online transactions?	0.075	0.367	No Correlation
Data is secure in online transaction	-0.117	0.155	<b>Non-Significant negative correlation</b>

**Interpretation:**

1. p-value less than 0.05 with negative correlation coefficient value indicates Significant negative correlation.
2. p-value greater than 0.05 with negative correlation coefficient value indicates Non Significant negative correlation.

**VI. FINDINGS AND CONCLUSION**

Our country is moving towards a digital economy. Digitalization is a social reform brought by the adaptation of digital techniques to generate process, share and manage digital information. A well-equipped and digitally connected India can help in providing social and economic conditions of people through reducing corruption and overall development of the Indian economy. A cashless economy helps to trace each and every transaction in an economy and reduce the operating cost of printing currency. It reduces the risk of fake currency and makes data accessible globally. Our government is encouraging people to move towards a cashless economy. Our government is trying to achieve this through supporting and enhancing elements such as literacy, basic infrastructure, overall business environment, regulatory environment, etc.

**VII. KEY SUGGESTIONS**

The government of India should provide proper education about cashless transactions.

- Government should tell about the benefits and opportunities which the public will get if they prefer cashless transactions.
- The government of India should provide proper and stable infrastructure to cope up with the policy change.
- People and government should work together to move towards a cashless economy.

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