
A STUDY ON THE IMPACT OF DEMONETIZATION IN AND AROUND COIMBATORE CITY

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ABSTRACT

Demonetization is a demonstration by eliminating long-distance exchanges from old cash to new cash. This happens whenever there is an adjustment in public cash. Current types of currencies are abolished, abandoned and regularly exchanged for new banknotes and coins. From time to time, the country completely replaces old cash with other money. This paper contains the monetization of high value cash coupons highlighting the value of notes Rs 500 and Rs 1,000 and the remarkable progress by the Government of India. Reasons for Demonetization in India. This white paper addresses issues related to the monetization phase, provides precautions accordingly, and provides ideas for addressing the issues. This paper also intimates the story of demonization in India.

I. INTRODUCTION

Demonetization is a demonstration of eliminating long-distance use of old cash for new ones. This happens whenever there is an adjustment in the public wallet. Current types of currencies are abolished, abandoned and regularly exchanged for new banknotes and coins. From time to time, the country completely replaces old cash with other money.

Demonetization is a rare mediation in the economy, including removing the legitimate and unstable status of money.

Demonetization can cause a downturn in the economy if it ends badly.

On 2016, November 8, Head of State Narendra Modi reported a "demonization" to remove long term cash in circulation. The step, which banned 500 and 1,000 rupees banknotes, has so far disclosed 86% of India's cash.

OBJECTIVES:

To study about how the economy recover from demonetization.

II. REVIEW OF LITERATURE

Tax Research Team(2016) the main purpose is to analyze the impact of democratization on the Indian economy, which shows the availability of credit, the level of activity spending, and the impact of such movements on government finances.

Rani (2016) investigated the impact of monetization on retail stores. Research shows that the impact of monetization on the market was initially painful, but shopkeepers and consumers are now using cashless means such as Paytm, debit cards and Internet banking to buy their products. The effect of demonization will be positive for the Indian economy in the future. Indian consumers want to learn new ways of cashless transactions.

Dr.K.Chcrian Varghese (2017) After a while, three subgoals were added. Supporting the creation of a cashless economy, formalizing the economy through digitalization and expanding its tax base,

Abhani Dhara K. (2017) expects this democratization to be more successful than its predecessor, The times are changing. People use online banking as a means of payment. Bank employees are doing their best to successfully monetize them. Your support is extremely important. The democratization movement failed to win all the black gold in the economy, but at least created fear in the hearts of the people who own it. He concluded that democratization is an essential step to address issues such as surplus, terrorism and corruption.

What is demonetization?

Demonetization is the process of stripping a currency of its status relative to fiat money. Occurs whenever the country's currency changes. One or more existing forms of money go out of circulation and are discarded, often in exchange for new coins or coins.

Economy recover from Demonetization:

What surprised economists the most was that on January 31, 2019, the Statistics Department revised up its growth estimate for 201617, the year of demonetization, from 7.1% to 8.2%, thus becoming the fastest year of economic growth under the previous government. . Similarly, the data for 201718 in which the Goods and Services Tax (GST) was applied has been revised upwards from the previous estimate of 6.6% to 7.2%.

Despite the government's stated goal of reducing the currency-to-GDP ratio to make the country a less illiquid economy, circulating currency has returned with a vengeance even on payments. digital has increased dramatically. Former Minister for Economic Affairs at the Ministry of Finance, Subhash Chandra Garg, said cash was still quite high in the system and 2,000 yen was introduced after monetization was used for hoarding.

The government's major forex culling program has boosted the virtual bill. The use of debit playing cards is popular among dealers because a few coins are on hand and processed immediately. Prior to 2016, debit playing cards were specifically used to withdraw coins from ATMs. It also provided many startups, including Paytm and MobiKwik, with male-to-female billing opportunities. Similarly, the use of cell banking, the unified payment interface for real-time billing gadgets, has grown exponentially. Other schemes, including the Bharat Bill Payment System pricing portal, were added with the help of the RBI-sponsored National Payments Corp. Released to make invoicing in India easy, straightforward and over the phone.

III. SUGGESTIONS

Instruct everyone on how to use an e-wallet as well as debit and credit cards. Every office, organization, company, etc., whether private or government, should attend proper lessons on how to utilize an e-wallet and cards. Camps can be held at all levels of a village and in all parts of a city. Social workers, panchayat members, municipal corporation members, and staff should come out and teach how to acquire commodities in the market using digital media.

Give a swipe machine to any businessman who has a bank account as soon as possible. The tragedy is that many bank offices still do not supply swipe machines to their customers. The appropriate authorities must take immediate action to provide banks with these equipment so that they can be delivered to traders. Traders should also receive sufficient instruction on how to use it.

IV. CONCLUSION

In the long run, demonetization in India is a success. After the demonetization act of 2016 has increased the percentage of taxpayers. demonetization. In 2016 there was a great push for digital payment. Digital payment, digital transactions became popular after demonetization.

V. REFERENCES

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