

A Study on Replacing Currency with Digital Cash among Students in Pathanamthitta District

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Abstract: A study on replacing currency with digital cash among students in pathanamthitta district aimed to understand the factors in replacing currency with digital cash and its effects on customers, to know about the ability of the students to access e-banking transactions and usage of digital cash when and where required, to study the major problems faced by the students while using digital cash instead of paper currency and to understand the awareness of students about digital currency and its transactions. 60 respondents have been selected following convenient sampling method. Questionnaires were used as data collecting instrument. Data was analyzed using tabulation, percentages, graphs. Recommendations from the study was government and banks should give proper awareness about safety and security in digital currency among customers, Government should add more benefits and less the transaction charges. Government itself conducts awareness programmes to the society and they also try to improve government-society relationship, introduce new schemes for promoting cashless economy.

Keywords: Digital cash, Currency, E-banking, Currency transactions, Online facilities

1. Introduction

Replacing currency with digital cash makes biggest changes in all fields in India, Which changes our economic structure at a great extent. Currency is not fully replaced and it has its own merits and demerits. In paper currency transactions, this offers a direct contact with customers and banks. But it has chances of getting damages and which is difficult to carry, also there is chances of black money.

Earlier, paper currency transactions affect the customers and banking transactions, delay in transaction is one of the main problems. Entry of digital cash and e-banking facilities made changes in mankind. Banks are moving from traditional concept to modern concept. Digital currency and e-banking offers various facilities among banks and customers. Anybody can access their banking transactions in anywhere at any time without visiting their physical bank. Only a computer system and an internet connection is enough. It is very easy to access and reduces workload of banks and is very simple for balance enquiry and so on. They can control and manage transactions within seconds by 'clicks'. It has global reach and it also has demerits. One of the major demerit or disadvantage is it is difficult to understand and access by illiterate and most of the customers are in lack of trust because of virus, hackers and havoc. Unawareness is one of the biggest problems. The idea that 'Replacing currency with digital cash' leads to the economic development and various e-banking facilities which helps in easy payments. Following are the popular electronic services provided by banks: Automatic Teller Machine (ATM), Debit Card, Credit Card, E-purse, Electronic Fund Transfer, Mobile Banking, E-banking.

We can see the decision of our Honorable Prime Minister Shri. Narendra Modi, both agreeing and disagreeing by Indians. People are forced to do online banking in order to avoid queues, banks also gives support for this. Besides, these online facilities questioned our safety and security. When comparing urban and rural area, we can reach in a conclusion that people in urban area widely using digital

currency, e-banking facilities and internet banking than people in rural area. What is the reason behind that? Because of Unawareness, Lack of education, Lack of trust, Danger of fraud, Virus Hackers, Their false idea about internet banking and using digital cash, maybe not knowing the benefits of a cashless economy.

2. Objectives

The prime objectives of the study is:

- To understand the factors in replacing currency with digital cash and its effects on customers

The sub objectives are :

- To know about the ability of the students to access e-banking transactions and usage of digital cash when and where required.
- To study the major problems faced by the students while using digital cash instead of paper currency.
- To understand the awareness of students about digital currency and its transactions.

Significance of the Study

The significance of the study are:

- Determining the growth of internet banking and online transactions
- To understand the awareness of the student customers about digital cash.
- To explore the customer behavior towards digital currency
- Determining the student customer satisfaction in replacing currency with digital cash
- To understand the problems of digital transactions faced by the student customers.

Statement of the Problem

The statements of the problems are as follows: -

Our economy is trying to become cashless. In this situation awareness is more important among customers. Because of using digital currency our economy is going to be improved. Traditional transactions are quite difficult to access as

compared to digital currency.

Unawareness of people about the benefits of digital cash and cashless economy, difficulty in accessing this by illiterates, lack of trust etc, are some of the problems. In order to overcome these problems, banks adopt modern technologies like e-banking services, digital currency or cashless transactions, electronic payments, awareness programs etc.

Research Methodology

It is the basic framework which provides guidelines for the test of research process.

Data Collections

Primary data and secondary data are used for this study. Mainly primary data has been used for this study. Primary data are those data which collected by the investigator himself for the first time and they are original in character. Questionnaire is used for collecting primary data and sixty students were selected for this purpose. Secondary data are collected from some books, magazines, journals, and websites.

Size of the sample

The size of the sample determined to be 60

Period of the study

The study was conducted within a period of July 1 2017 – December 31 2017.

Data Collection Tool

Questionnaire

It is a list of questions which should be answered by the respondent.

Sample Procedure

Convenience study was used for the study.

Limitations

- This is not the true representation of total population.
- Unavailability of previous projects based on our project topic.

3. Data Analysis and Interpretation

1) Participation of Male and Female

The participation of male and female is given in Table 1

Participation of Male and Female		
Gender	Respondents	Percentage
Female	35	58%
Male	25	42%
Total	60	100%

Source: Primary Data

Inference: From the above table, it is clear that total size of 60 samples 58 % (35) respondents are female and rest of the 42% (25) respondents are male.

2) Respondent's Bank

Respondent's Bank is given in Table 2

Respondent's Bank

Name of Bank	Respondents	Percentage
South Indian Bank	15	25%
Federal Bank	8	13%
Bank of Baroda	7	12%
State Bank of India	28	47%
Others	2	3%
Total	60	100%

Source: Primary Data

Inference: -From the above table it is clear that, 25% (15) respondents are South Indian Bank customers, 13% (8) are Federal Bank customers, 12% (7) are Bank of Baroda customers, 47% (28) are State Bank of India customers and rest of 3% (2) are other banks customers.

3) Type of Transactions

The types of transactions is given in the Table

Type of Transactions

Criteria	No. of Respondents	Percentage
Online Payment	22	37%
Internet Banking	5	8%
Digital Cash	3	5%
Online Purchasing	25	42%
Online Fund Transfer	1	2%
Others	4	7%
Total	60	100%

Source: Primary Data

Inference: From the above table it is clear that 37% (22) respondents are done online payments, 8% (5) respondents are done internet banking, 5% (3) respondents are used digital cash, 42% (25) respondents are done online purchasing, 2% (1) respondents are done online fund transfer and rest of 7% (4) others done other online transactions.

4) Sources of Information

The sources of information is given in the Table 4

Sources of Information

Criteria	No. of Respondents	Percentage
Friends	9	15%
Internet	12	20%
Bank	25	42%
Magazines/Journals	10	17%
Advertisements	4	7%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that 15% (9) respondents get information about digital transactions from friends, 20% (12) respondents get information from Internet, 42% (25) respondents get information from their bank, 17% (10) respondents get information from magazines and journals and rest of 7% (4) respondents get information from advertisements.

5) Media used for Digital Transactions

The media used for digital transactions is given in Table 5

Media used for digital transaction

Criteria	Respondents	Percentage
Mobile phone	24	40%
Debit/credit card	33	55%
Internet banking	3	5%
Others	0	0
Total	60	100%

(Source: primary data)

Inference: - From the table it is clear that 40% (24) students used mobile phones, 55% (33) used debit/credit card and 5% (3) used internet banking for digital transactions.

6) Satisfaction in Digital Currency

The satisfaction in digital currency is given in Table 6

Satisfaction in Digital Currency

Criteria	Respondents	Percentage
Highly Satisfied	2	3.33%
Satisfied	20	33.33%
Neutral	18	30%
Dissatisfied	8	13%
Highly Dissatisfied	12	20%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that, 3.33% (2) respondents are highly satisfied with digital currency, 33.33% (20) respondents are satisfied, 30% (18) respondents stands neutral, 13% (8) are dissatisfied and remaining 20% (12) are highly dissatisfied.

7) Problems faced by the customers

Problems faced by the student customers is given in Table 7

Problems faced by the customers

Criteria	Respondents	Percentage
Non co-operation	31	52%
Unawareness	15	25%
Lack of trust	10	17%
Delay in transactions	2	3%
Others	2	3%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that, 52% (31) respondents faced non co-operation from their banks, 25% (15) respondents are unaware about digital cash, 17% (10) respondents are in lack of trust, 3% (2) respondents faced delay in transactions and rest of 3% (2) are faced other problems.

8) Safety and security in digital currency

The safety and security in digital currency is given in Table 8

Safety and security in digital currency

Criteria	Respondents	Percentage
Highly Confident	5	8.33%
Confident	18	30%
Neutral	27	45%
Not Confident	8	13.33%
Highly Not Confident	2	3.33%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that, 8.33% (5) respondents were highly confident about safety and security in digital cash, 30% (18) are confident, 45% (27) stands neutral, 13.33% (8) are not confident and rest of 3.33% (2) are highly not confident.

9) Awareness about government plans to encourage digital transaction

The awareness of customers about government plans to encourage digital transaction is given in Table 9

Awareness about government plans to encourage digital transaction

Criteria	Respondents	Percentage
Highly Aware	3	5%
Aware	12	20%
Neutral	18	30%
Unaware	17	28%
Highly Unaware	10	17%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that 5% (3) respondents are highly aware about government plans to encourage digital transactions, 20% (12) are aware, 30% (18) stands neutral, 28% (17) are unaware and rest of 17% (10) are highly unaware.

10) Reasons for opting digital cash

The reasons for opting digital cash is given in the Table 10

Reasons for opting digital cash

Criteria	Respondents	Percentage
24*7 service	20	33.33%
Low cost	8	13.33%
Time saving	10	17%
Easy to use	5	8%
Speedy	12	20%
others	5	8%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that 33.33% (20) respondents are using digital currency because of its 24*7 service, 13.33% (8) are using because of low cost, 17% (10) are using because they can save time, 8% (5) are using because it is very easy to use, 20% (12) are using because of its speed and rest of 8% (5) are using because of other reasons.

11)After effects of Demonetozation

The aftereffects of demonetization is given in Table 11

Aftereffects of Demonetozation

Criteria	Respondents	Percentage
Running out of ATMs	38	63%
Long Queues	12	20%
Unavailability of notes	5	8.33%
Decrease in purchasing capacity	5	8.33%
Others	60	100%

Source: Primary Data

Inference: -From the above table it is clear that 63% (38) respondents were faced running out of ATMs, 20% (12) were faced long queues, 8.33% (5) were faced unavailability of notes, and rest of 8.33% (5) were faced decrease in their purchasing capacity.

12) Privacy in online transactions

The privacy on online transactions is given in the Table 12

Privacy in online transactions

Criteria	Respondents	Percentage
Highly Secured	2	3.33%
Secured	8	13.33%
Neutral	20	33.33%
Not Secured	19	32%
Highly Not Secured	11	18%
Total	60	100%

(Source: Primary Data)

Inference: -From the above table it is clear that 3.33% (2) respondents feels high secured privacy in online transactions, 13.33% (8) respondents are secured, 33.33% (20) are stands neutral, 32% (19) are not secured and rest of 18% (11) are highly not secured.

13) Public opinion about replacing currency with digital cash

The public opinion about replacing currency with digital currency is given in Table 4.13

Public opinion about replacing currency with digital cash

Criteria	Respondents	Percentage
Excellent	3	5%
Good	30	50%
Average	22	37%
Below Average	5	8%
Total	60	100%

Source: Primary Data

Inference: -From the above table it is clear that 5% (3) respondents are highly agree with digital currency, 50% (30) are says good, 37% (22) are stands average, 8% (5) are says replacing currency with digital cash is below average.

4. Research Findings and Discussions

Among the total size of 60 samples, 58% (35) respondents are female and rest of the 42% (25) respondents are male. Bank wise analysis shows that, 25% (15) respondents are South Indian Bank customers, Here explained that, 37% (22) respondents are done online payments, 8% (5) respondents are done internet banking, Further it is noted that, 15% (9) respondents get information about digital transactions from friends, 20% (12) respondents get information from Internet, 42% (25) respondents get information from their bank, 17% (10) respondents get information from magazines and journals and rest of 7% (4) respondents get information from advertisements. It is founded that, 40% (24) students used mobile phones, 55% (33) used debit/credit card and 5% (3) used internet banking for digital transactions. Further it noted that, 3.33% (2) respondents are highly satisfied with digital currency noted that, 52% (31) respondents faced non co-operation from their banks, 25% (15) respondents are unaware about digital cash, 17% (10) respondents are in lack

of trust, 3% (2) respondents faced delay in transactions. It is founded that, 8.33% (5) respondents were highly confident about safety and security in digital cash, 30% (18) are confident, 12. It is founded that, 5% (3) respondents are highly aware about government plans to encourage digital transactions, 20% (12) are aware, 30% (18) stands neutral, 28% (17) are unaware and rest of 17% (10) are highly unaware. The test shows that, 33.33% (20) respondents are using digital currency because of its 24*7 service, 13.33% (8) are using because of low cost, 17% (10) are using because they can save time, 8% (5) are using because it is very easy to use, 20% (12) are using because of its speed. Here explained that, 63% (38) respondents were faced running out of ATMs, 20% (12) were faced long queues, 8.33% (5) were faced unavailability of notes, and rest of 8.33% (5) were faced decrease in their purchasing capacity. 3.33% (2) respondents feels high secured privacy in online transactions, 13.33% (8) respondents are secured, 33.33% (20) are stands neutral, 32% (19) are not secured and rest of 18% (11) are highly not secured. 5% (3) respondents are highly agree with digital currency, 50% (30) are says good, 37% (22) are stands average, 8% (5) are says replacing currency with digital cash is below average. It is founded that, 72% (43) respondents saying private banks are encourage more in digital transactions and 28% (17) are saying public banks encourage more. The test shows that, 7% (4) respondents been victim in internet fraud once, 3% (2) been more than once and 90% (54) are never been victim of internet fraud.

5. Conclusions and Recommendations

The objective for which the present project work was taken up were to to understand the factors in replacing currency with digital cash and its effects on customers, to know about the ability of the students to access e-banking transactions and usage of digital cash when and where required, to study the major problems faced by the students while using digital cash instead of paper currency and to understand the awareness of students about digital currency and its transactions. As per study majority of respondents faced non co-operation from their banks, Majority of respondents are satisfied with digital currency.) Majority of respondents are using digital currency because of its 24*7 service. Recommendations from the study was government and banks should give proper awareness about safety and security in digital currency among customers, Government should add more benefits and less the transaction charges. Government itself conducts awareness programes to the society and they also try to improve government-society relationship, introduce new schemes for promoting cashless economy.

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