



Demonetization Study Related to Concerns and Confronts

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Abstract: *A nation's financial system is supported by its banks. Banks are crucial in the transfer of wealth from those who have money to others who do not. Banks pool modest savings in substantial circumstances. people having large investments in a range of commercial and agricultural sectors. India and other developing nations work to solve and facilitate the creation of employment possibilities. Start-ups are fueled by trade, industry, agriculture, and individual customer activity. As a result, we strive for an overall development of a balanced economy. Abolition is the process of replacing an economy's existing currency with a new one. It is the act of removing money from a nation's overall circulation. Abolition will aid in the fight against inflation, put an end to corruption, eradicate fake currency, and undermine the cash system.*

Keywords: denomination, fake money

I. INTRODUCTION

The worst financial and economic nightmare that black money owners and corrupt professionals have ever experienced is demonetization. The biggest strategic strategy to combat corruption and black money was unveiled by Prime Minister Narendra Modi on November 8th, 2016, and it was called demonetization. Every economic and financial sector of India was impacted by this government of India action. Daily transactions and numerous small enterprises were disrupted. In addition to suffering financial setbacks, several people also perished in the process of exchanging currencies. In a speech to the nation about the ongoing uncertainties and frequent changes following demonetization, the prime minister said, "One must be able to discern between neethi (policy) and ran-neethi (strategy) and not put them in the same basket.

Demonetization is a conclusion that is categorically clear, unshakeable, and embodies our neethi. However, our ran-neethi needs to be distinct, as beautifully stated by the proverb, we must always be one step ahead of our adversaries, as stated in the song "Tu daal daal, Main Paat Paat." The authorities' Demonetization is seen as a tactic by the Government of India to fight corruption. a campaign to stop the funding of terrorism and money incentives for various anti-social behaviours including drug and human trafficking. After the RBI and banks have the power to implement the new Rs. 500 and Rs. 2000 currency notes. effectively put the new money into use. This had a significant impact on the Indian banking sector. The job load for bank staff wasn't the only thing that although numerous banking conditions were also increased. Number of accounts, savings, loans, interest rates, internet banking, and plastic ATM operation, card use, and other factors have all altered significantly. This essay makes an effort to discuss.



II. LITERATURE REVIEW

In the past year, numerous qualitative and quantitative studies on the effects of demonetization on the Indian economy, the general people, and different economic sectors have been conducted. In his qualitative research study from the general population during the days, Dr. Arun Mittal (Mittal, 2017) during the process of demonetization, it was discovered that the people had a liquidity problem in the beginning. They also discovered all feasible methods of cashless transactions and even helped one another out with small currency notes in addition to altering their spending patterns by cutting back on expenses and saving money for emergencies.

In the last two quarters of 2016–17 and in the first quarter of 2017–18, respectively, a study on the effects of demonetization on India's GDP (Sachin, 2017) indicated negative effects of demonetization on GDP, small traders, SMEs, and the agriculture sector.

III. RESEARCH METHODOLOGY

The nature of this study is descriptive. The current study's methodology solely depends on secondary data and information at the federal and state levels. Estimates for "Demonetization-impact and problems" are based on secondary sources that are readily available, including official publications, studies from various state and national level periodicals, and books.

3.1 Objectives

1. To comprehend the problems and difficulties facing the Indian banking system.
2. To comprehend the effects of demonetization on the Indian banking system and economy.
3. To evaluate both the positive and negative effects of demonetization.
4. To comprehend the short- and long-term effects of demonetization on banking operations.

3.2 Indian Banking System Issues and Concerns

Banks are involved in risk management. The banks are essential to our daily lives. The business activity of taking and protecting the money owned by people and entities and then lending this money out in order to make a profit is referred to as banking. In essence, banking performs financial intermediation by collecting savings and directing them toward investments, maintaining the expansion of the national economy. Banks also make money through taking savings deposits, issuing credit cards, exchanging currencies, providing custodial services, and buying and selling currencies. Over 300 years have passed since the first Indian bank, the Bank of Hindustan, was founded in 1770. In India, there are currently 27 public sector banks, of which 19 are 2018 JETIR Volume 5, Issue 10, October 2018, www.jetir.org (ISSN-2349-5162) Journal of Emerging Technologies and Innovative Research (JETIR) JETIRG006011 <http://jetir.org> Of the 86 nationalised banks, SBI and its affiliated banks account for six, IDBI bank and Bharathiya Mahila bank for the remaining two. In India, there are 93 commercial banks overall.



3.3 Demonetization

Demonetization is the act of replacing the current currency with a new one for a variety of financial and economic benefits to the nation. The government has made a significant effort to combat corruption.

Demonetization is an extremely potent tool that has the potential to change countless lives. Thus, it is crucial to thoroughly and authoritatively manage the entire demonetization process. The Indian government, led by Prime Minister Mr. Narendra Modi, announced the removal of the Rs. 500 and Rs. 1000 notes from legal circulation on November 8 at 20:00 IST. The entire nation was shocked by the government's abrupt strike action.

3.4 Reason for Demonetization

1. To combat the economy's use of dark money.
2. To reduce the amount of money in circulation that mostly comes from corrupt, unlawful sources.
3. To stop using counterfeit money and stop supporting terrorism.

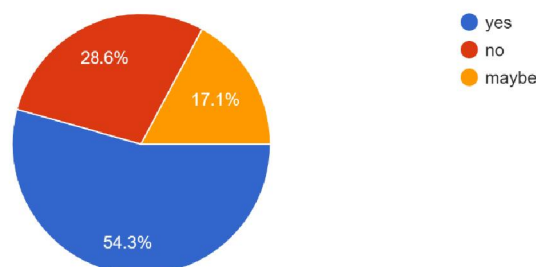
India has always battled corruption and illicit financial activity. Corruption, black money, and terrorism have a significant negative impact on the current economic development of India. Regarding black money, economic theories lack a proper definition of the term. Black money in India is defined as capital obtained through the black market on which no income or other taxes have been paid. In essence, black money is the wealth that India's legal economy cannot depend on to grow. Fake money is the next greatest danger. When counterfeit money enters the system, the amount of money in the economy as a whole increases. As a result of greater money circulation and rising consumer demand, production and supply both rise.

IV. FINDINGS AND CONCLUSION

4.1 Data Analysis

Does demonetization have a favourable or unfavourable impact?

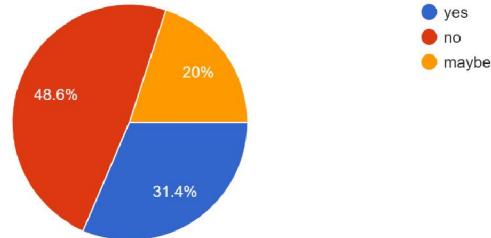
35 responses





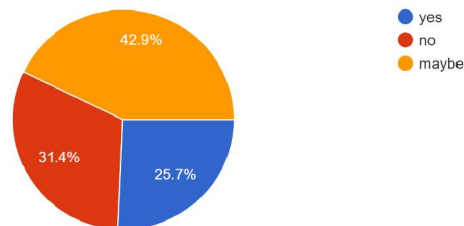
The corruption in india has it decreased?

35 responses



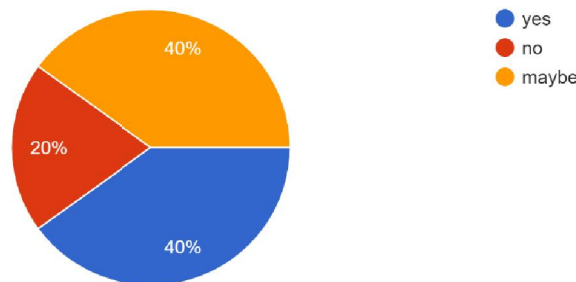
Does demonetization contribute to economic stability?

35 responses



Did the Indian government take the proper action to stop the flow of black money into the country?

35 responses



4.2 Conclusion

Demonetization is being implemented for structural change over the long run, not for a quick windfall profit. Whoever the black money may have belonged to—corrupt officials, businesspeople, professionals, or politicians—it has been forced into the open. Terrorists, Maoists, and other extremists who were in possession of counterfeit notes have been neutralised. Dangerous and extremely destructive criminal operations like the narcotics trade and human trafficking have also suffered debilitating effects. The anonymity of the black money is destroyed when it is returned to the bank.

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