

Paradigm Shift from Cash to Cashless: A Study of Goa

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Abstract- In the last few years the nation has witnessed a transformation where payment transactions are securely carried out through internet and electronic devices. Indian payment industry is going through a transformation phase. Demonetisation has provided this opportunity as an alternative to cash to consumers in India and across borders. This paper provides an overview of the successful transition from a cash based economy to a cashless economy and to examine the status of cashless transaction in Goa. The paper is an attempt to understand the awareness of users about cashless transactions and the reasons for their growing preference to digital transactions.

Keywords: cashless economy, digital payments, cash based economy, demonetisation.

I. INTRODUCTION

The night of November 8 2016, Prime Minister Mr. Narendra Modi announced the demonetisation of Rs 500 and Rs 1000 notes in order to weed out black money from the country. Soon after the announcement of demonetisation, all banks and the ATMs across the country were paralysed because of cash shortages. The shortage of cash due to demonetisation process resulted in disorder and chaos as large number of people rushed to banks and ATMs. Banks and ATMs soon went dry.

Demonetisation created a huge opportunity which pushed India towards becoming a cashless economy. As the cashless payments gained momentum the impact of COVID-19 further accelerated the shift in payment preferences, partly because of convenience, and partly to avoid physical cash where possible.

Regardless of the reasoning, digital payments are not disappearing, and are only going to increase in popularity over the years to come. Cards are currently the preferred choice of payments around the world, surpassing physical cash, yet digital payments are quickly gaining mass popularity. 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 media.

Cashless economy is one in which all the transactions are done through electronic channels such as debit/credit cards, Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS). Cashless society can be simply defined as an economic concept or state where all the financial transactions take place through transfer of digital information instead of physical banknotes or coins.

The study on 'Paradigm Shift from Cash To Cashless' includes how there was a shift from cash to cashless, the reason behind the shift in growing preference for cashless transactions.

II RESEARCH METHODOLOGY

2.1 Objectives of the Study:

- To comprehend how and why users chose to shift from cash to cashless transactions
- To understand users preference towards digital payments over cash transaction.

2.2 Primary Data:

Primary data was collected through a questionnaire which was administered through a Google form administered to 120 respondents of different age and class groups in Goa.

2.3 Secondary Data:

Secondary data was obtained from published sources in the academic libraries, websites, newspapers, magazine etc.

2.4 Scope of the Study

The purpose of the paper is to study how there is a shift from cash to cashless economy. Also keeping in mind, the Pandemic which resulted in a shift from cash to cashless. For the purpose of study surveys were conducted across the state of Goa that included people from business class, working class and students.

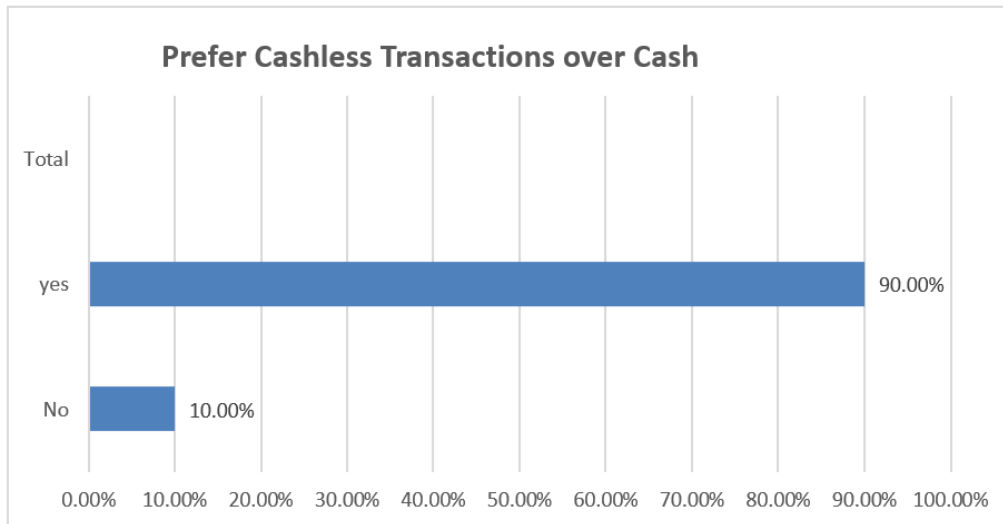
III DATA ANALYSIS AND INTERPRETATION

The Paper titled “Paradigm Shift From Cash To Cashless: A study of Goa” is an attempt to understand the views of the general public on cashless payments, the reasons for their preference to cashless transactions. This survey consists of 120 respondents which comprises of various individuals of different age groups and varied economical background.

3.1 Prefer Cashless Transactions Over Cash

It is observed from the bar graph that of 120 respondents, 90% prefer cashless transactions over cash transaction and only 10% don't prefer cashless transactions. It can be concluded that majority of the respondents prefer cashless transactions over cash transaction as a mode of payment

Chart No. 3.1

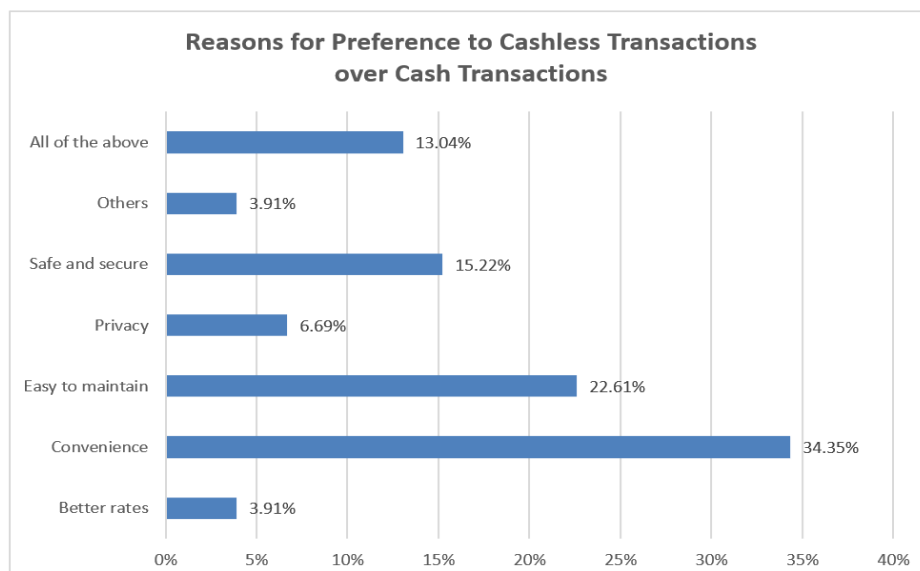


3.2 Reasons for Preference To Cashless Transactions Over Cash Transactions

It is observed from the bar graph that of the 120 respondents, 34.35% choose convenience as the reason for going cashless, 22.61% favor cashless transactions as it is easy to maintain, 15.22% choose cashless transactions because it is safe and secure, 13.04% use cashless transactions for all the above

listed reasons, 6.96% use cashless transactions for its privacy, 3.91% utilize cashless transactions for its better rates that it provides and 3.91% use cashless transactions for other reasons. It can be concluded that cashless transactions are mostly preferred for its convenience with ease of use being its second most popular reason.

Chart No. 3.2

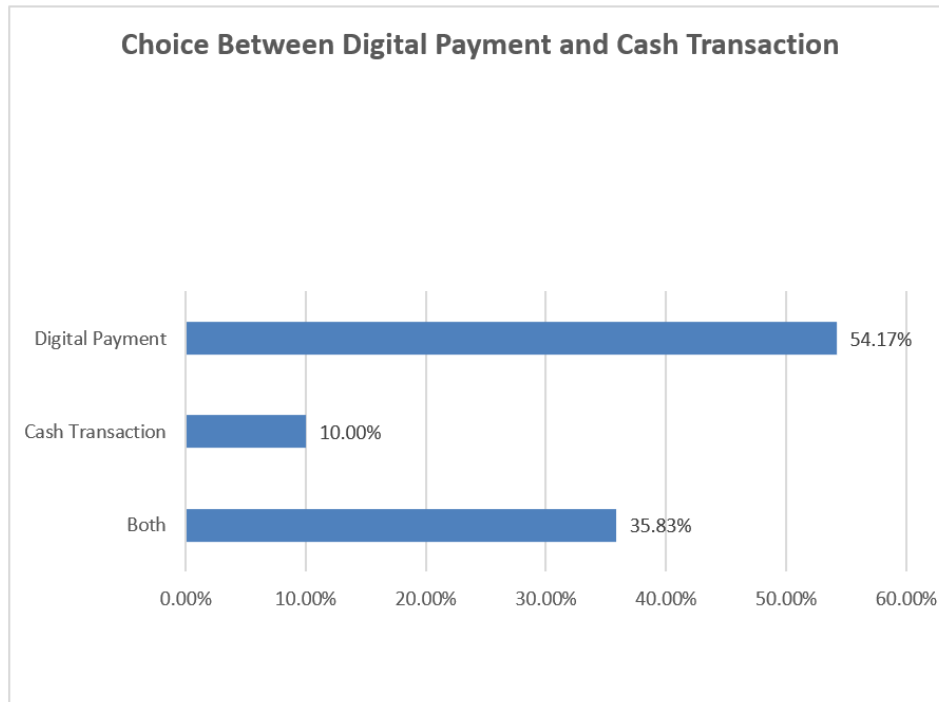


3.3 Choice between Digital Payment and Cash Transaction

It is observed from the bar graph that out of 120 respondents, 54.17% prefer digital payment over cash transaction. 35.83% prefer both digital payment

as well as cash transaction. Whereas, 10% prefer cash transaction over digital payment. It can be concluded that a majority of the respondents prefer digital payment over cash transaction.

Chart No. 3.3



IV CONCLUSION

Human kind has evolved tremendously. It cannot be denied that there have been astounding changes in all facets of human life. One of them is how we use money in trading with each other. Cashless transaction and Digital payment methods are accepted without the use of hard cash today.. The transactions are done via mobile banking, RuPay cards, UPI, USSD, virtual wallets, etc. The transaction shift in the economy from cash to cashless is growing as there are end to end encryptions thus resulting in the payments being secure and frauds are avoided. Primarily, cashless transactions are faster and much more convenient compared to cash transactions. Furthermore, a cashless society eliminates the need to carry cash and count it out every time a transaction occurs. The issues related to achieving a proper cashless economy is by providing financial education to the people along with better internet services. The availability of smart phones and their computer-like capabilities have led to the creation of mobile wallets, which are a digital versions of traditional wallets. Thus, a cashless economy is definitely an

integral part of our financial system now and is here to stay.

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