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# **A Study on Customers Perception towards Role of Demonetization in Eradicating Black Money**

**Akhilesh Patel<sup>1</sup>, Amarjit<sup>2</sup>**

<sup>1,2</sup> Student, Parul Institute of Management & Research (MBA), Parul University

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## **ABSTRACT**

This study reviews the customers' perceptions of the effectiveness of demonetization in curbing black money. The policy tool of demonetization has attracted controversy and public scrutiny since it was introduced. The intention behind this study is to find out how people perceive demonetization's role in ending circulation of illegal funds and what impact has it had on economy. Based on quantitative analysis, we shall get a general feeling towards demonetization on whether it will be effective towards ridding black money or not. Also, the research focuses on communication media's role in shaping public opinion about the removal of currency notes from circulation. These findings help in understanding better public opinion and its efficacy as regards unaccounted wealth control measures.

Keywords: Blackmoney ,Demonetization, Eradicating,Customers preception

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## **1. Introduction**

Currency demonetization is the process of nullification or discontinuation of a currency unit. Demonetization in India was made public on November 8, 2016, when the government declared that all notes of 500 and 1000 rupees would no longer have any value as legal tender. Such an action was taken to reduce the amount of the economy.

Black money is money earned or saved without paying taxes. It is usually involved in illegal activities such as bribery and smuggling. As a result, demonetization helped to flush out black money from the system because anyone who had this kind of wealth could not exchange their old notes for new ones.

One of the main purposes behind demonetization was to eliminate black money. Black money refers to income obtained illegally through tax evasion and corruption. Some analysts estimate that black money accounts for a significant chunk of Indian's economy.

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## **2. Concept- Black Money**

Black money in India is black market earned funds on which no one pays income and other taxes. Additionally, the money that is hidden from the tax department is known as black money. Criminals, smugglers and tax-evaders accumulate black money. For ulterior motives, criminals are estimated to have stocked 22,000 crores.

Sources of black money:

- Illegal activities such as drug trafficking, smuggling human beings etc
- Non-payment of taxes by the public and businesses.

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## **3. Literature Review**

1. Tandon and Kulkarni (2017)- This means that it cannot be guaranteed that there will never be black money generated in future. There is information going around that some workers from the party are queuing in front of banks to put cash in their accounts.

2. Arpit Guru and Shruti Kahaniyow (2017) In DTAA and ITEA, changes were suggested, which revealed a large amount of black money moving across India frequently hid huge amounts abroad..

3. Veerakumar. K. (2017) The effects of demonetization on tax evasion, counterfeiting as well as financing illegal activities are discussed. Cases have been reported where individuals have made huge bank deposits leading to increased taxes and penalties. Other alternative payment modes such as e-wallets and online banking have been introduced to enforce cashless economy.

4. Abhani Dhara K. (2017) reveals how payments through internet banking has taken over time due to emerging times. Even though demonetization did not totally stop black money it made people with illicit funds scared about what next would happen to them after the government's decision was made known to them. They need their bankers' support for a successful running of this program.

5. Sukanta Sarkar (2016) investigates shadow economies in India concerning reasons behind black-money with a focus on Indian political system research shows that more attention should be given to its political system because one can trace the main cause of corruption here against demonetization.

6. In 2016, Varshith J.R, commended the Indian government's move to demonetize the 500 and 1000 rupee notes as it was a major step towards fight against corruption and black money. This action was audacious and necessary for long-term economic growth of India. Black money hindered numerous sectors making investment difficult for ordinary citizens.

7. Sandeep Kaur (2016) analyses the impact of demonetization on black money, corrupt practices, finance, real estate sector, elections, gold and silver as well as digital payments highlighting negative impacts on banking and infrastructure development which is important in nation building.

## 4. Research Methodology

### 4.1 Objectives of the Study

- > To appraise the degree to which clients are informed about demonetization and its objective of eliminating corruption in India.
- > To Assessment of Customer perception of Demonetization' effectiveness in addressing black money menace.
- > To Demonetization is an analysis into customer financial behaviour in cash transfer and digital payment transactions.
- > To Customers' awareness levels on demonetization as a means to get rid of black money.

### 4.2 Research Design

Descriptive	Research
Data Collection Method	Primary and Secondary
Sample Size	100
Research Instrument	Questionnaire
Sampling Method	Non -Probability Method

## 5. Data Analysis

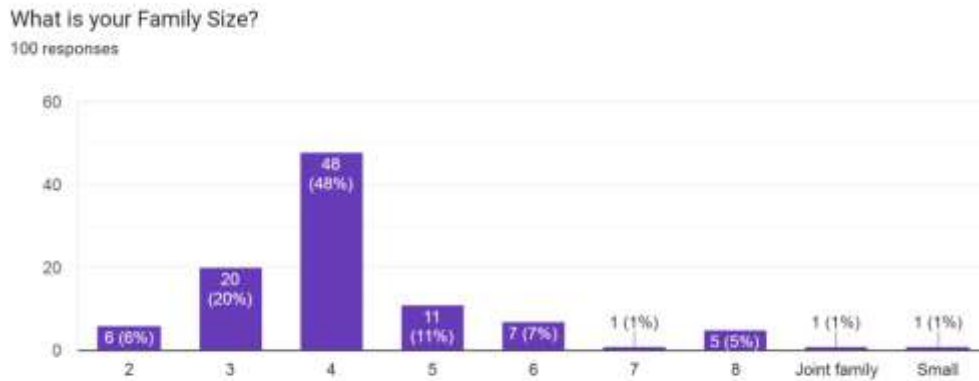
Table 1 Descriptive Statistics

### Descriptive Statistics

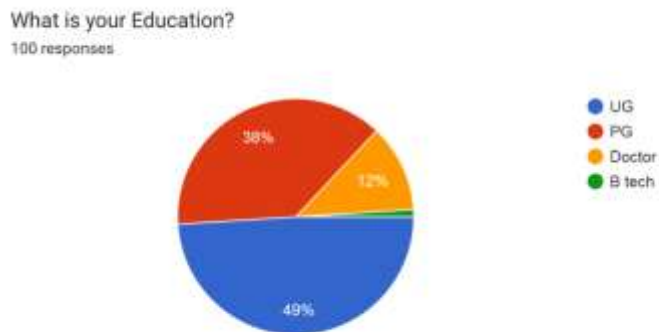
	Age	What is your occupation?	What is Monthly Income?	What is your Gender?	How did demonetization affect your personal financial situation?	Do you believe that demonetization was successful in achieving its objectives in eradicating black money?
Valid N	100	100	100	100	100	100
Mean	2.0600	2.8200	2.7700	1.4100	1.6500	1.5300
Median	2.0000	3.0000	3.0000	1.0000	2.0000	1.0000
Mode	1.00	4.00	1.00	1.00	1.00	1.00

Std. Deviation	1.15312	1.14926	1.61967	.49431	.72995	.71711
Minimum	1.00	1.00	1.00	1.00	1.00	1.00
Maximum	5.00	4.00	5.00	2.00	4.00	3.00

The Chart Represent the data 100 responses that there are 33% to curb corruption ,36% to encourage digital transactions, 31% to identify and eliminate unaccounted wealth.



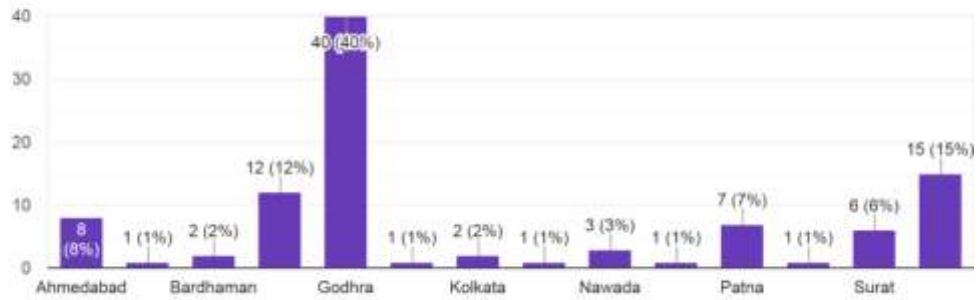
2 to 8 members are the range of family sizes. The term “joint family” is used for families where a number of persons live together, generally extended families. Among other things, there are many cases of four-member households which are said to be the most common family size in the records. Other most typical family sizes include three member households, five member households, six person households and eight people household. In addition, there are also some smaller families that have only two members and larger ones like seven members.



The chart Represent the data of responses there are 49% student , 38% Pg student , 12% Doctor student that take education of my responses.

What is your city name?

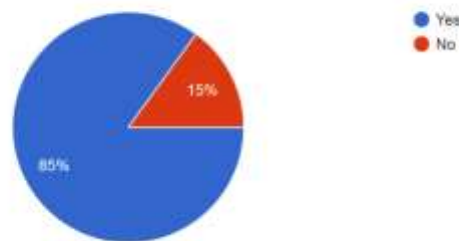
100 responses



Out of the mentioned cities, Godhra is the most mentioned one, and then Baroda and Vadodara though I guess they refer to the same city. Other cities include Surat, Ahmedabad, Patna, Kolkata, Bardhaman, Nawada, Manish Mehra, Rajgira and Jharkhand. Notably some city names are duplicated like "Godhra", "Baroda", and "Vadodara" which means that these are the cities that feature more in this data set.

Were you aware of the demonetization policy implemented in your country?

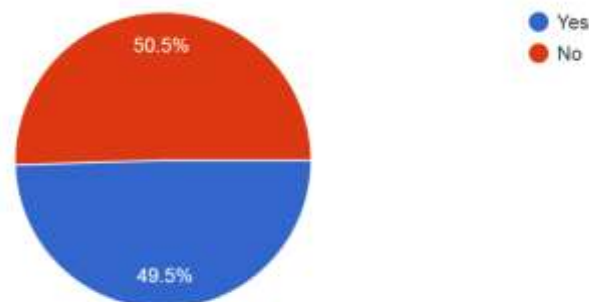
100 responses



Majority of respondents answered "Yes" which showed awareness about demonetisation policy. However, there are also cases where respondents answered "No", which suggests that some people are not aware of the policy.

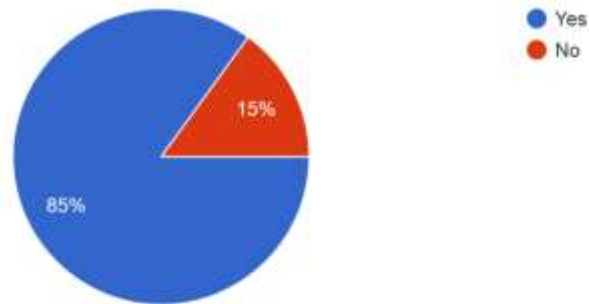
Do you think demonetization has helped to make the Indian economy more cashless?

99 responses



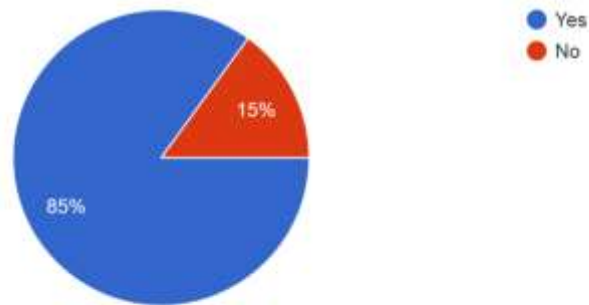
Were you aware of the demonetization policy implemented in your country?

100 responses



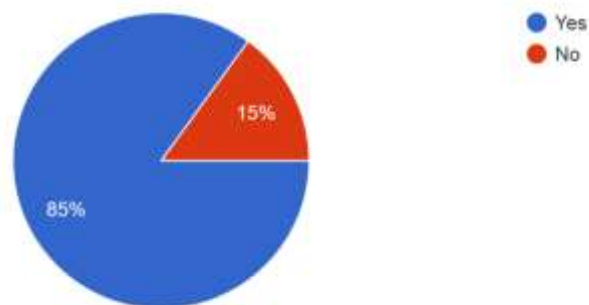
Were you aware of the demonetization policy implemented in your country?

100 responses



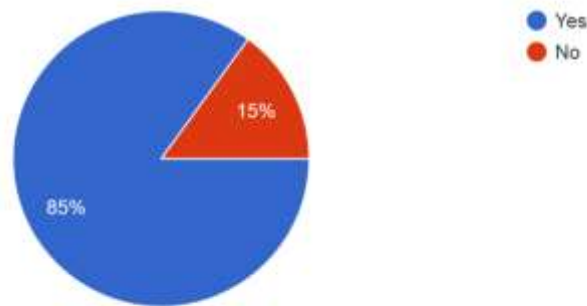
Were you aware of the demonetization policy implemented in your country?

100 responses



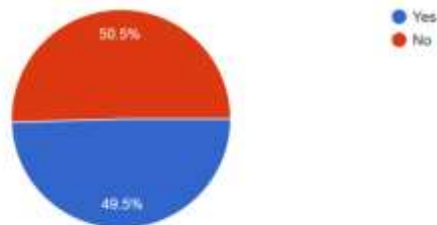
Were you aware of the demonetization policy implemented in your country?

100 responses



Do you think demonetization has helped to make the Indian economy more cashless?

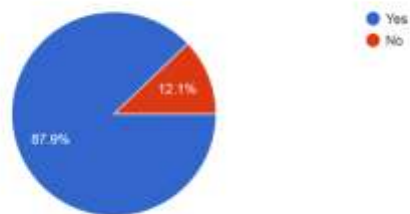
99 responses



Some individuals believe that the Indian economy has become more cash-strapped as a result of demonetisation, but there are respondents who have another viewpoint on this matter. The fact that responses can be found in both categories suggests that opinions differ about whether demonetization can promote a cashless economy.

Did you start using digital payment methods more frequently after demonetization?

99 responses



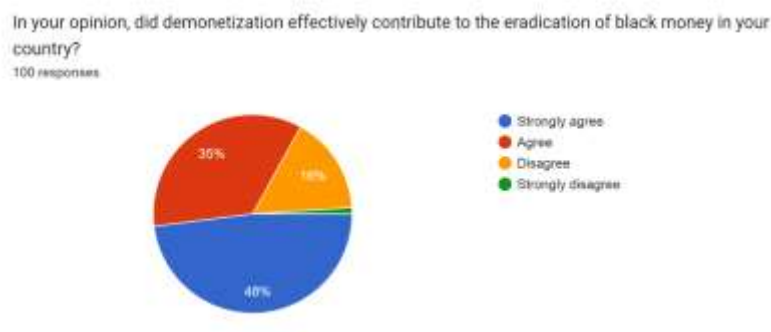
In this chart, 87.9% use digital payment methods after demonetization and 12.1% do not use digital payment methods after demonetization.

If yes, which digital payment methods do you use?

98 responses



In this chart, GooglePay 48% and PhonePay 22% " are the most frequently mentioned digital payment platforms. In addition, respondents also mentioned banking apps, debit cards and BHIM (Bharat Interface for Money), a mobile payment app developed by the National Payments Corporation of India.



Different viewpoints are shown on the Chart by respondents. According to the chart, a majority of the people were in agreement with such a statement and some strongly agreed that demonetization is effective against black money. Even though this was the case, there are those who opposed this idea. In general, various opinions can be seen from findings on whether demonetization has been successful in getting rid of black money or not.

## 6. Findings

- According to the survey, demonetization is (85%) implemented in your country and only (15%) is not implemented in your country.
- According to the survey (60%) are very successful in achieving their goals in eradicating black money and (27%) are somewhat unsuccessful in achieving their goals through black money and (13%) are very unsuccessful in achieving their goals.
- According to the survey, there are (72%) people who affect their personal financial situation through demonetization and (28%) who do not affect the financial situation of demonetization.
- According to the survey, (49.5%) think that demonetization helped the Indian economy to become cashless and (50.5%) did not respond to demonetization helped the Indian economy to become cashless.
- According to the survey (87.9%) people using digital payment methods after demonetization most people using digital payment methods after demonetization .
- According to the survey (48%) most people use Googlepay and (22.4 %) people use digital payments, most people use googlepay and phonepay.
- Most believe that demonetization is aimed at eradicating unaccounted wealth, while others believe it to promote digital transactions or fight corruption. Awareness of demonetization.

## 7. Conclusion

> The data presented herein shows varying opinions on demonetization and its effectiveness in eliminating black money in India, with some of the respondents claiming that it was very successful, while others believed that it did not work as intended.

> According to many respondents, the primary aim was to flush out unaccounted wealth although there were other viewpoints presented concerning promoting e-payments and checking graft.

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