

A EMPIRICAL STUDY ON PEOPLE PERCEPTION ON DEMONETIZATION IN SURYAPET DISTRICT (T.S)

Dr. S. NAGARAJU

*Associate Professor,
Department of Business Management,
Gandhi Academy of Technical Education, Kodad. (T.S).
Email-raj4202@gmail.com*

ABSTRACT: Demonetization is a generation's memorable experienced and it has been one of the economic events of our times. It had a greater significant and immediate impact is effected on every citizen. It refers to withdrawal of a particular form of currency from circulation. It is necessary whenever there is a change of national currency. The old unit of a currency must be removed and substituted with a new currency unit. This is a bold step taken by the government for the betterment of economy of a country.

The demonetization had a great significant and immediate impact on the Suryapet District. In this paper, an attempt has been made to find the impact of demonetization on the public. Samples of 1000 respondents were randomly selected from Suryapet District. It is found that five variables namely gender, age, annual income, occupation, perception have the significant association with the impact of demonetization. It also results that demonetization helps to destroy black money is the first ranking given by the respondents and it is followed by corruption, terrorism etc.

Key Words: Demonetization, Black Money, Government, Corruption & Currency Etc.

1. INTRODUCTION

Demonetization is the most important and necessary when there is a change of national currency. The old unit of currency replaced with the new currency. Demonetization is the process where government declares the currently running currency notes illegal to be tender after the declaration is made. There are both pros and cons of demonetization in the Indian economy. The reasons for demonetization are to control counterfeit notes that could be contributing to terrorism, and to undermine or eliminate the "black economy". There are some potential ways in which the pre-demonetization money supply will stand altered.

Demonetization in India:

- 1946: Rs1, 000, Rs5, 000, and Rs10, 000 notes were taken out of circulation in January 1946. The Rs10, 000 notes were the largest currency denomination ever printed by the Reserve Bank of India, introduced for the first time in 1938. All three notes were reintroduced in 1954.
- Historically, previous Indian governments had demonetized bank notes. In January 1946, banknotes of Rs1, 000, Rs5, 000, and Rs10, 000 notes were taken out of circulation. The Rs10, 000 notes were the largest currency denomination ever printed by the Reserve Bank of India, introduced for the first time in 1938. In the year 1945, all three notes were reintroduced.
- In 1977 Wanchoo committee (set up in the 1970s), a direct tax inquiry committee suggested demonetization as a measure to unearth and counter the spread of black money.
- On 28 October 2016, the total banknotes in circulation in India were Rs.17.77 trillion (US\$260 billion). In terms of value, the annual report of Reserve Bank of India (RBI) of 31 March 2016 stated that total banknotes in circulation valued to Rs.16.42 trillion (US\$240 billion) of which nearly 86% (around Rs.14.18 trillion (US\$210 billion)) were Rs.500 and Rs.1,000 banknotes. They were taken out of circulation from 2016.

2. NEED FOR THE STUDY

1. The fake Indian currency notes in higher denomination have increased.
2. Unaccounted money, often used in any form of corruption and illegal activities.
3. The Financial Action Task Force, a global body that looks at the criminal use of the international financial system, notes that high-value bills are used in money laundering schemes, racketeering, etc
4. The highest denomination note is essentially 50-100 times the smallest denomination note of one dollar or one pound.

3. REVIEW OF LITERATURE

Tax Research Team (2016)¹ in their working paper stated in favor of the demonetization its main objective is to analyze the impact of demonetization on Indian economy. This paper shows the impact of such a move on the availability of credit, spending, and level of activity and government finances.

Arpit Guru and Shruti Kahanijow (2010)² : He analyzed the black money income? Need for amendment in DTAA & ITEA and analyzed that black money is spread everywhere in India up to a large extent International Journal of Interdisciplinary Research in Arts and Humanities (IJIRAH) Impact Factor: 4.675, ISSN (Online): 2456 - 3145 (www.dvpublication.com) Volume 2, Issue 1, 2017 10 which continuously stashed towards abroad in a very large amount. The researcher also identified how black money had caused menaces in our economy and in what ways it is used.

¹ Tax Research Team , **Demonetisation: Impact on the Economy** No. 182 14-Nov-2016 , National Institute of Public Finance and Policy ,New Delhi.

² Ahuja, R. (2007). “Social Problems in India” (2nd Ed). Jaipur: Rawat Publications

Sukanta Sarkar (2010)³ conducted a study on the parallel economy in India: Causes, impacts & government initiatives in which the researcher focused on the existence of causes and impacts of black money in India. According to the study, the main reason behind the generation of black money in the Indian Political System i.e. Indian govt. just focused on making committees rather than to implement it. The study concludes that laws should be implemented properly to control black money in our economy.

4. OBJECTIVES OF THE STUDY

1. The first and foremost objective is to attempt to make India a corruption free country.
2. To describe the demonetization concept in India.
3. To analyze the demographic profile of the respondents in Suryapet District.
4. To identify the people's impact on demonetization.
5. To Stop fund flow to illegal activity
6. To know the problems and prospects of the public.

5. HYPOTHESES

Based on the above objectives following hypotheses were formulated and tested in the present study:

H₀: There is no significant difference in the perception of Respondents on Demonetization.

H_a: There is a significant difference in the perception of Respondents on Demonetization.

6. RESEARCH METHODOLOGY

For the present research, the study is based on exploratory research. The major emphasis of exploratory research is on the discovery of ideas. Through exploration, the researcher develops concepts more clearly, establish priorities, develop operational definitions and improve the final research design. This research is based on the data collected through structured questionnaire. The methodology used in the present study is as follows:

6.1. Sources of Data: The source of data has been grouped into two main categories i.e., primary and secondary data. The secondary data has been compiled from the newspaper, journals, magazines, and websites. The Primary data is collected through well - structured questionnaire of 1000 respondents in Suryapet District. The questionnaire is developed according to Likert's five- point scale. The respondents are asked to select the response for each statement in multiple item scales ranging from 'strongly agree' to 'strongly disagree'. These questions are designed on the basis of the operational definition of each variable which is discussed in the section of hypotheses formulation.

6.2. Type of Sample: The current study is a survey - based research, using non-probability sampling technique. The sample frame is limited Suryapet District Telangana State.

³ Sukanta Sarkar (2010). "The parallel economy in India: Causes, impacts & government initiatives". *Economic Journal of Development Issues*, Volume 11-12 no.(1-2) p.124-134

6.3. Research Tools & Techniques: This research study is used applied SPSS software for Chi-square test.

7. DATA ANALYSIS AND INTERPRETATION

7.1. Gender - Wise Classification of Respondents: The purpose of this analysis is to know the gender of selected respondents. The relevant data is presented in table-1.1

Table-1: Gender - Wise Classification of Respondents

Gender	No. Of respondents	Percentage
MALE	615	61.5
FEMALE	385	38.5
TOTAL	1000	100.00

Interpretation: From the table - 1, it is observed that out of 1000 selected respondents, 615 respondents (61.5%) are male, and 385 respondents (38.5%) are female. Finally, it is found that Male respondents are more than female respondents. . The classification of Respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value

	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	52.900	1	0.000

Source: Compiled from table-1

From the above, it is found that the chi-square test statistic value is 52.900 and p- value is 0.000. The P-value is less than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the respondents on gender classification.

7.2. Age-wise Classification of Respondents: In order to analyze the perception of respondents categorized based on age. The purpose of this analysis is to know the age of respondents draw the inferences based on the age and the relevant data is presented in table-2

Table - 2: Age-wise Classification of Respondents

Age/Years	No. Of respondents	Percentage
18-25	242	24.2
26-40	542	54.2

40 +	216	21.6
TOTAL	1000	100.00

Interpretation: From the table - 2, it is observed that, out of 1000 selected respondents, 242 respondents (24.2%) age between 18-25 years, 542 offenders (54.2%) age is middle of 26-40 years and 216 defendants (21.6%) are more than 40 years. Finally, it is concluded from the table majority respondent's age between 26 years to 40 years. The classification of Respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value

	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	196.952	2	0.000
Source: Compiled from table-2			

From the above, it is found that the chi-square test statistic value is 196.952 and p- value is 0.000. The p - value is less than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the respondents on age classification.

7.3. Occupation-wise Classification of Respondents: In order to know the profession of Respondents this analysis is helpful. The relevant data collected through questionnaire is tabulated and presented in table-3

Table - 3: Occupation-wise Classification of Respondents

Category	No. Of respondents	Percentage of Responses
Private employee	379	37.9
Government employee	136	13.6
Businessman	252	25.2
Farmers	42	4.2
Students	139	13.9
Others	52	5.2
TOTAL	1000	100.0

Interpretation: From the table -3, it is found that, out of 1000 selected respondents, 379 respondents (37.9%) are Private employees, 136 respondents (13.6%) are Government employees, 252 respondents (25.2%) are doing Business, 42 respondents (4.2%) are farmers, 139 respondents (13.9%) are students, and 52 (5.2%) are others. Finally, it is concluded that private employees are more than other respondents. The classification of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	496.580	5	0.000
Source: Compiled from table-3			

From the above, it is found that the chi-square test statistic value is 496.580 and p- value is 0.000. The p - value is less than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the respondents on occupation wise classification.

7.4. Government brings an end to black money with this demonetization: Through demonetization government control block money, Opinions are collected from selected respondents and presented in table-4.

Table -4: Government brings an end to black money with this decision

Defendants Response	No. of Respondents	Percentage of Respondents
Strongly Agree	220	22.0
Agree	442	44.2
Strongly Disagree	125	12.5
Disagree	67	6.7
Can't Say	146	14.6
Total	1000	100.0

Interpretation: From the table 4, it is found that 220 respondents (22%) are strongly agreed that government breaks block money, 442 respondents (44.2%) are agreed, 125 respondents (12.5%) are strongly agreed, 67 respondents (6.7%) disagreed, and 146 respondents (14.6%) are said that no idea about it. Finally, it is concluded from the table that maximum respondents are agreed government brings the end to block money from this decision. The perception of Respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	425.970	4	0.000
Source: Compiled from table - 4			

It is found that the chi-square test statistic value is 425.970 and the P-value is 0.000 and it is less than the alpha value at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement.

7.5. Demonetization Decision inconvenience to Public: Perception of select respondents are collected and presented in the table-5. This analysis is initiated to know that demonetization is inconvenience or not.

Table - 5: Demonetization Decision inconvenience to Public

Response	No. of responses	Percentage of responses
Yes	840	84
No	260	26
TOTAL	1000	100.00

Interpretation: From the table-5, it is found that 840 respondents (84%) are said that demonetization creates pain to them, and 260 respondents have felt no disturbance to them. Finally, from the table, it is concluded that demonetization decision upset the public. The perception of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value

	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	462.400	1	0.000
Source: Compiled from table-5			

From the above, it is found that the chi-square test statistic value is 462.400 and p- value is 0.000. The P-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement demonetization decision inconvenience to the public.

7.6. ATMs/Banks in your locality been regularly re-stocked with cash: Perception of select respondents are collected and presented in the table-1.6 on the statement, Banks are restocked ATMs with money.

Table - 6: ATMs/Banks in your locality been regularly re-stocked with cash

Response	No. of Responses	Percentage
Yes	275	27.5
No	650	65.0
Don't Know	75	7.5
Total	1000	100.0

Interpretation: From the table- 6, it is found that ATM and Banks are restocked with money. Out of 1000 respondents, 275 respondents (27.5%) are agreed, 650 respondents (65%) are opposed to restored money in ATMs and Banks. Finally, it is concluded from the analysis; Banks are not reconditioning the

ATM with money. The perception of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig.
Pearson Chi-Square	511.250	2	0.000
Source: Compiled from table- 6.			

From the above, it is found that the chi-square test statistic value is 511.250 and p- value is 0.000. The P-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement ATMs/Banks in your locality been regularly re-stocked with cash.

7.7. Time spent at ATMs/Banks to withdraw the money: Opinions of select Respondents are collected and presented in table -7. The objective of this table is to know how much time respondent's time extends at ATMs.

Table-7: Time spent at ATMs/Banks to withdraw the money?

Time/ Hours	No. of responses	Percentage
0-1 Hour	221	22.1
1-3 Hours	540	54.0
3-5 Hours	239	23.9
TOTAL	1000	100.00

Interpretation: From the table -7, it is found that time invests at ATM. Out of 1000 respondents, 221 respondents (22.1%) are spent for below 1 hour, 540 respondents (54%) have to pay up for 1 to 3 hours at ATMs and Banks, and 239 respondents have spent 3 hrs to 5 hrs. Finally, it is concluded from the table topmost of respondents is waited of 3 hrs at ATMs/ Banks for drawing money. The perception of Respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig. (2- sided)
Pearson Chi-Square	192.686	2	0.000
Source: Compiled from table-7			

From the above, it is found that the chi-square test statistic value is 192.686 and p- value is 0.000. The P-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement much time spent at ATMs/Banks to withdraw the money.

7.8. Difficult in Exchange Rs. 2000 note in Market: Opinions are collected from selected respondents about the marketability of new 2,000 rupees in the market, is presented in table -8

Table - 8: Faced any difficulty in using the new Rs. 2000 note in the market

Response/ Opinion	No. of responses	Percentage
Yes	695	69.5
No	305	30.5
TOTAL	1000	100.00

Interpretation: From the table 1.8, it is found that difficult with Rs. 2,000 notes. Out of 1,000 respondents, 695 respondents (69.5%) are agreed that they faced problems with 2,000 notes, and 305 (30.5%) opinion is no pain with new notes in the market. Finally, it is concluded from the table that public faced problems with newly introduced 2,000 notes. The perception of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value

	χ^2 Value	d.f	Asymp. Sig. (2- sided)
Pearson Chi-Square	152.100	1	0.000
Source: Compiled from table- 8			

From the above, it is found that the chi-square test statistic value is 152.100 and p- value is 0.000. The p-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement difficult in Exchange Rs. 2000 note in Market.

7.9. Demonetization decision improves the quality of life of the common man in India: Opinions are collected and presented in table1.9 about demonetization improves the life quality of Public.

Table -9: Demonetization improves quality life of human

Opinion/Response	No. of responses	Percentage
Strongly agreed	133	13.3
Agreed	237	23.7
Can't say	78	7.8
Disagree	374	37.4
Strongly Disagree	178	17.8
TOTAL	1000	100.0

Interpretation: From the table - 9, it is found that demonetization improves the lives of people. Out of 1,000 respondents 133 members (13.3%) are strongly agreed, 237 respondents (23.7%) are agreed, 78 respondents (7.8%) are said that no idea about it, 374 respondents (37.4%) disagreed, and 178 respondents (17.8%)are strongly disagreed that demonetization improves life quality of public. Finally, it

is concluded from the table demonetization not improves the quality of life. The perception of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig. (2- sided)
Pearson Chi-Square	258.560	4	0.000
Source: Compiled from table-9.			

From the above, it is found that the chi-square test statistic value is 258.560 and p- value is 0.000. The p-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement Demonetization decision improves the quality life of the common man in India.

7.10. Demonetization has affected the poor, middle class and the rich equally across the country:

Opinions are collected from selected respondents and presented in table- 10 about demonetization affect the public.

Table -10: Affect of demonetization on Public

Response/Opinion	No. of responses	Percentage of response
Yes	243	24.3
No	705	70.5
Can't say	52	5.2
TOTAL	500	100.00

Interpretation: Opinions are collected and presented in table-10 about the reaction of respondents about demonetization perception. Out of 1,000 respondents, 243 respondents (24.3%) are agreed, and 705(70.5%) are not agreed that demonetization not affected the poor, middle, and rich people equally. Finally, it is concluded from the table that demonetization not affected equally across the country. The perception of respondents on this statement is tested with the help of Chi-Square test.

Chi-Square Value			
	χ^2 Value	d.f	Asymp. Sig. (2- sided)
Pearson Chi-Square	673.334	2	0.000
Source: Compiled from table-10			

From the above, it is found that the chi-square test statistic value is 673.334 and p- value is 0.000. The P-value is more than the alpha level of significance of at 0.05. The null hypothesis is rejected. Hence, it is concluded that there is a significant difference in the perception of respondents on this statement Demonetization decision improves the quality life of the common man in India.

8. FINDINGS OF STUDY

1. It is found that many online payments Applications (Apps) come into existence to ease the cashless society.
2. It is found that most of the bank account holders are now habituated to online banking and other online facilities given by the bank in order to help in making the cashless society.
3. It is found that Government brings an end to Block money with Demonetization.
4. It is found that Public feel Demonetization is incontinence and pain to them.
5. It is found that Exchange of 2,000 rupee notes is very risky in the market.
6. It is found that Demonetization improved quality of life.

9. SUGGESTIONS FOR THE STUDY

1. **Create More Awareness among the Customers about electronic payments:** Demonetization decision is not aware of all the customers especially rural and village background people. It is suggested that the awareness creation among the existing customers and providing special benefits for using the mobile banking or net banking or pay tm will increase the non banking users. The action plan to the banker is that they need to visit various places by organizing seminars, conference, advertisements through print and electronic media etc, which is likely to increase their customer base and also activate intending users to use mobile banking services.
2. **Mobile Banking APPs:** Even, the Government is very keen to route the payments and receipts through mobile banking in the era of *demonetization* of Rs.500 and Rs.1000 currency notes in India. Hence, this is the right time to prepare and educate the people to do transactions with mobile banking operations. There for, this study is very much useful at present to the various users.

10. CONCLUSION

This time demonetization is the highest denomination note undertaken by the government is a big shock for Indian citizens. The impact of the shock is a function how much of the currency will be replaced until the end. The demonetization is taken for several measures such as removing black money from the public; it stops corruptions and fake currency. It cannot solve all the problems of India as the government expected. However, it is unfair to expect because it is a first step to cashless society which is good for the country. The step that the government had taken is right which is going to give a positive impact on economy or country not in the immediate way but definitely, it will support the Indian economy.

11. LIMITATIONS OF THE STUDY

The study is restricted to the selected sample of Suryapet District and hence the result of the study cannot be generalized. The statistical methods used to analyze the data have their own limitation.

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