

## Demonetization Impact, Advantages and Disadvantages

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### **ABSTRACT :**

*The paper aims to explain meaning of demonetization, and its effect on the Indian economic as well as human life. The objective of the paper is to explain that demonetization is done to Removing black money from currency, stopping terror funds, Reducing fake notes and Increase cashless transactions. It also highlights points like why it is done, what is its affects in India, impact of it on social and environmental issues etc. the paper is explanatory paper. Main aim of the paper is to explain that, the decision of our grate prime minister Mr. Narendra Modi was positive although it face many challenges politically and socially, overall people satisfied with his decision and help government to normalize the situation.*

**Keywords:** Demonetization, eradicate, Black Money, Terror Fund

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### **INTRODUCTION:-**

On eight November 2016, the government of India announced the demonetization of all rupees 500 and rupees 1000 bank notes of Mahatma Gandhi Series. Prime Minister of India Narendra Modi announced the demonetization in the live telecast on television at 20.00 India Standard Time (IST). He declared that use of all 500 and 1000 banknotes of the Mahatma Gandhi series would be invalid from past midnight. The main purpose of demonetization is to take out „black money“ held outside the formal economic system. There are multiple reason why nations demonetize their local unit of currency i.e. to combat inflation, to combat corruption and crime, to discourage a cash dependent economy, to facilitate trade. Example of demonetization for trade purpose occurs when the nations of European Union officially began to use euro as their everyday currencies in 2002. When the physical euro bills and coins were introduced, the old national currencies, such as the German mark, the French franc and the Italian lira were demonetized. These varied currencies remained convertible into Euros at fixed exchange rates for a while to assure a smooth transition.

Definition of ‘Demonetization Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change in national currency. It is current forms of money that is pulled from circulation and it is often replaced with new notes or coins. Sometimes a country completely the replaces the old currency with new one. The dictionary meaning of demonetization is “to deprive (a metal) of its capacity as a monetary standard” or to withdraw from use as currency”. Finance minister ArunJaitely said that demonetization of rs. 500 and rs. 1000 notes will expand the size of economy, increase revenue base and make the system cleaner while preserving its credibility.

### **Objective:**

1. To study of impact of demonetization.
2. To study of advantages of demonetization.
3. To study of disadvantages of demonetization.

Why Demonetization? Well know political and economic analyst from Chennai, have been written about its evils and suggestions to tackle the issue. He said this move was long overdue. The growth of cash economy

in proportion to the GDP was less than 10% until 2001, which is now 12% of GDP. He said cash economy has moved deep into the Indian economy. As more than 50% of Indian economy is in cash. Cash economy is not illegal. But it has destroyed the economy. He said only a strong prime minister can take this decision, it also have some negative consequences. Out of total circulation of currency about 16.6 lakhcrores, 87% is in Rs. 500 and 1000. On the other hand fake currency in circulation is also high, and it affects the security of India. According to an estimate by State Bank of India, out of 12 lakhcrores in the cash economy, 3 lakhcrore may never come back into the system. And it will be monetary surplus to Reserve Bank of India.

**Demonetization in India:** India has carried out demonetization exercises twice before, in 1946 and 1978. In January 1978, 1.7% of total notes in circulation was demonetized. In 1946 the first demonetization took place and Rs. 1000 and Rs. 10000 notes were demonetized. Later in 1978, Rs. 1000, Rs. 5000 and Rs. 10000 were demonetized. The value of demonetization was very small in 1978 and that is only 0.1% of GDP. However in 2016 demonetization efforts covers 86% of total currency in circulation (11% of GDP). This is the third time demonetization has taken place. 78% Indian customers transactions are in cash. In this conditions bank line outside ATM and bank increase. New currency is different in size or specification so re-calibration of ATM is require. Government also restricted withdrawal limit, create problems for some days to the civilians. It is effecting more to the small business and daily wages workers.

**Demonetization and black money:** Black money is money which is earned through any illegal activity controlled by country regulations. These money are usually received in cash and this income is not taxed. Recipients of black money must hide it, spend it only in the underground economy. Addressing the media after demonetization finance minister ArunJaitley said that the aim of government is to get rid of black money. Over the past decades Indian economy is facing growing challenge related to black money. India's black economic currency could be upto 75% of the GDP, as per a confidential report submitted by NIPFP in December, 2013, which is accessed by the Hindu. In common, black money can be define as assets or resources that have neither been reported to the public authority at the time of their generation nor disclosed at any point of time. NIPFP in its report of 1985 defined „black income“ as „the aggregates of incomes which are taxable but not reported to the public authorities.“

**Demonetization in India with its social and environmental impact:** When PM NarendraModi announced that Rs. 500/- and Rs. 1000/- notes where illegal from 9th of November, social media was flooded with massage and information. Some people rush to the Jewelers shop to invest their dying currency. In this time people will get only Rs. 4000/- of old demonetization exchange with new one. There are big queues before banks and ATM. The main aim of this move is to eliminate black money, corruption and fake notes. The new currency which replace old notes where Rs. 500/- and Rs. 2000/- notes. The people did not criticize government for inconvenience owing to shortage of funds. Many times Prime Minister Mr. NarendraModi addressed people and request them to cooperate in this mahayagna. Most interesting things regarding demonetization is the people are inventing unique method for transforming their black money into the white one. Some of them are listed below:

1. Depositing money in the account of their poor relatives and friends.
2. People who leave their old parents in the old age home and does not ask them for their requirement, call them at home and deposit money in their account.
3. Offering people with percentage of money in exchange.
4. Pressurizing their employees to send in queues of banks and ATM to exchange or deposit money.
5. Giving few month salary in advance to their employees
6. Paying bank loans.

7. Paying house tax and other tax in advance.
8. Depositing their money in cooperative banks.

**Impact of demonetization in India Society:** There is a great impact of demonetization in the Indian society and economy. And most important is that people will have lower expenditure power and they cannot purchase luxurious things. Expenditure on marriage and other celebration decreases. Indian economy will see a big boom and booming real assets sector shall fall on the ground. The things become cheaper and Indian currency shall get respect in the international market. Innovative publication and corruption are down to a considerable extent. Thus it will bridge a gap between haves and have notes.

#### **Advantages of Demonetization:**

1. The biggest advantage is that it helps the government to track people who keep unaccounted money in cash on which no income tax has been paid, they kept these money at their houses and in some secret place. These money do not value after demonetization.
2. Legal activities like terrorism funding, gambling these black money are used. So indirect war against terrorism and other illegal activity.
3. Black money inflating the price of major assets like real estate, gold etc. due to demonetization demand of these assets decrease result into decreasing price.
4. Good amount of tax is received which can be used by the government towards betterment of society.

#### **Disadvantages of Demonetization**

1. As everyone is in rush to change their money there is a situation of Chaos which lead to law and order problem and chaotic situation as these money can be exchanged from banks and ATMs only.
2. Destruction of old currency and printing of new currency involve costs, these cost has to be born y the government, if the cost is higher than benefit, then there is no use of demonetization.
3. If black money are not kept in terms of liquid cash and it will be kept as real estate or gold then there will be no use of demonetization.

#### **CONCLUSION**

The above decision in on the recent decision of our prime minister Mr. NarendraModi on demonetization of Rs. 500/- and Rs. 1000/- notes. This decision is not new it has done before in 1946 and 1978. Other countries like Europe, Germany, France and Italy demonetize their currency in the past. Various definition have declared that demonetization is just to eradicate black money from the economy. This also reduces terror funds and fake notes. More Indian transactions are done in cash, although cash transaction are not bad but it destroy economy. This decision also helps to encourage projects like digital India or case less India. It is also found that although many inconveniences people do not criticized government decision. This affects adversely to the daily wages worker and small business. But all most people stand by the government decision. It is also found that people who own black money find various method to convert this money into white. And at last but not least as „every coin has two sides“ this decision also do have their own positive and negative impact. So the paper concluded by identifying various pros and corns of demonetization.

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## Information Technology: It's Role in Marketing Research

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### **ABSTRACT :**

*Information Technology (IT) has grown and evolved over the last 50 years; you cannot think and plan a project, business or other initiative without the usage of this technology. In the past few decades there has been a revolution in computing and communications, and all indications are that technological progress and use of information technology will continue. This study was carried out to identify and examine the role of information technology in marketing research as a basis for making sound decisions. Attempt was made to highlights some of the literature review on the marketing research and information technology. The descriptive research design was adopted for the study. Findings include that information technology tools such as internet, online marketing research, computer networks, information technology parks etc. assist marketing researchers a lot to carryout researches that provide management with relevant, accurate, valid and current information for sound decisions making. Some recommendations made include the following: the management, companies or sponsors of any marketing research study should provide adequate funds to the researchers to guarantee valid, relevant and accurate outcome for sound decisions making, the respondents should be adequately educated on the intended purpose and usage of the research study embarks upon by the marketing researchers and the latest information technology tools should be provided to the researchers to ensure accurate, relevant and valid outcomes.*

**Keywords - Information Technology, Marketing Research, Internet, IT Parks**

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### **I. INTRODUCTION:**

The efficient and successful business is operating in an environment characterized by information, dynamism, and globalization, driving it to be flexible and react quickly to changes in the market. Business's reaction is the result of continuous, accurate, and rapid flow of information possible through information systems and information technology. The continuous development of communication and information technologies has had a profound implication on businesses and business functions like sales and marketing, procurement, finance and accounting, research and development. Different scholars analyze the different ways technology is applicable to marketing practices. For this research, it is the different factors of marketing practices that technology directly influences that is the focus. Information is the life blood of both an individual and organization. It is fundamental and essential to the growth and survival of every organization. In marketing, information serves both as a catalyst and channel for which the organizations' products, services and ideas reached the desire destination. Information technology has played an important role in marketing research. The business environment of today is so complex that no normal manager would want to make vital decision without securing enough information. However, it must be noted that all collected information is not relevant for making decisions. In marketing research, information gathering must be systematic and objective in order to provide a comprehensive and relevance information to the researcher. This will aid decision making.

Information technology is the technology that supports activities involving the creation, storage, manipulation and communication of information together with their related methods, management and application. The rate at which information technology is being developed will definitely change the process