



DEMONETIZATION :- IMPACT ON COMMON PEOPLE MAHATSHATRA :- SPECIAL FOCUS ON VIDHARBHA REGION

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ABSTRACT:

KEYWORDS:



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A) INTRODUCTION :-

Demonetization the withdrawal of legal tender status of notes of denomination Rs. 500 and Rs 1000 – announced by India's Prime minister Narendra Modi one za televised address on 8th nov 2016 will go down in history as one of the most reactionary and illogical economic policies ever attempted in independent India.



B) DEMONETIZATION

is the act of stripping a currency, unit of its status as legal tender it occurs whenever there is a change of national currency. The currency form or forms of money is pulled from circulation and retired, often to be replaced with new notes or coins same times a country completely replaces the old currency with new currency. Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency The currency forms of money is pulled from circulation and retired, often to be replaced with new notes or coins.

C) REVIEW LIT

- 1) **S.GOEL:-** Negative effects of demonetization on Agriculture sector. According to this October 2016 CRISIL Stated that due to demonetization it doesn't achieve 65% of India's population depend on agriculture as work force, Loeb ours.
- 2) **VIJAY AND SHIVA (2016) :-** examined demonetization and its rewards financial inclusion, They felt that the rewards at demonetization are much encouraging and the demonetization is in the long terms interest of the country. They expressed that it had given temporary pain but it taught financial lessons.
- 3) **VIDHARBHA:-** Tea stall owner Ram Ratan Bhandare If was difficult to return changes for a cup of ten that cost Rs 6. The fall business led him to choose the digital mode of medium generates 20% of his daily income.
Cloth store owner Mr. selokar since switching to payments, now gets about 40% of his payment through the digital wallet.
- 4) DTP operator mr. Mahesh at Bhandara says we don't know the reason is it could either be people's

ignorance or maybe they simply don't want to change, after availing the facility it has been almost a month and we have found no Customer

- 5) Sunflag Steel company workers opened their account with Canara bank and now with the money through ATMs

Jaishree Ramteke han't been converted she raid that once the currency flow in the system returns to normal she will go back herold system to normal she will go back herold system of withdrawing money from the Bank.

D) HYPOTHESIS:-

- 1) The different impact of demonetization on common man limitis its impact on benefits?
- 2) On to cashless from cash based Transaction is difficult?

E) OBJECTIVES:-

- 1) To study the overall impact of demonetization in common man.
- 2) To suggest same measures to improve the condition at common man.
- 3) To study the economic impact. The common man.

F) THE IMPACT OF DEMONETIZATION ON THE COMMON MAN:-

The demonetization that happened will not only have economic impact but also social and political ramification both from immediate and long term perspectives

India's GDP is \$ 2000 billion Rs. 125 lakh crore and estimated parallel economy is 23% which makes it about Rs 28 lakh crore. A large percentage of this amount is divided in a real estate, gold, and cash. Real estate accounts for more than 50% and the rest 50% equally divided between cash and is kept in denominations of Rs 500 and Rs 1000 notes, A back to the envelop calculation shows that Rs 3 lakh crore or \$ 48 billion will flow in to India's white economy which is equivalent to GDP at more than low countries.

The impact at this more on the common man includes.

G) FINANCIAL BUSINESS IMPACT:-

- 1) People with large amount of black money are using linscrupulous means to convert if into legitimate currency.
- 2) A tax payer has to stand in queues to withdraw his haral earned money . Online companies are having the last laugh as most of the white income class is resorting of online.
- 3) Small medium sized business relying on cash transaction are seeing a total demand collapse.
- 4) Dem and jewelry business will be hard hit. Real estate prices will fall and the transaction volume will drop.
- 5) Second hand car morelect will crash badly.
- 6) As will be having a time of their lives Banks will be

having a lough time.

- 7) They will be flooded with cash.



H) SOCIAL IMPACT:-

- 1) Low income people have been impacted as their payments are delayed.
- 2) Some people may commit suicide.
- 3) Cashiers and Bankers will get due respect in society.
- 4) Marriage to become cheap, Death of dowry.
- 5) All medicines in white money.
- 6) Big blow to gamblers.
- 7) People now know moral status of their peers and high bonus better.
- 8) GDP will be impacted as consumption will fall indirect tax collection may be lower.
- 9) Disorganized work to more to organizer sector.



I) CONCLUSION AND SUGGESTION:-

This is a time for financial revolution, this more of demonetization will boost digital transactions Demonetization can be seen as building a bridge to digital nation. Strong infrastructure is the foundation of making a digi India. The govt. though a humbler of regulatory interventions and path breaking reforms, has significantly eliminated bottlenecks to propel the financial sector to a new growth trajectory. The sector has number of forward and back ward industry linkages, so it will result in the development of nation. Demonetization will lower gaps between haves and have nots, create increased job opportunities and will contribute to economic growth in

the long run This is also true that in this difficult time, only online players with deep pockets will survive by the time everything gets back to normal it would have done irreversible damage. The other way of looking things is to stay organized. But most importantly it should not result in survival at the richest and suffering to the common man.

- 1) Currency crunch in market having its direct impact on demand and supply for common man.
- 2) Currency exchange restrictions made life difficult for common man.
- 3) Difficulty in cash deposits because exchange of old currency notes for once no bank.
- 4) Promotion at illegal activities till old currency completely stopped in system.
- 5) Higher cash deposits in that time attracted income tax authorities for verification even it is earned though proper taxable income disclosures.

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