



## Impact of Demonetization on Indian Citizens



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### Abstract

A paper currency *i.e.* currency note is basically a promissory note that simply recommends that the payee has 'promised' to pay that amount to the payer. The same is written on every currency paper as well. This is authenticated in India by the RBI Governor. This currency notes people can use for the exchange of goods and services. It is considered as a legal tender for performing transactions. Demonetization means the 'scrapping' of old currency notes and canceling their legal status of tender. Shri Narendra Modi, The Indian Prime Minister, in his speech to the nation on 8th November 2016 declared the demonetization of the Indian currency notes Rs. 1000 and Rs. 500 with effect midnight of 8th November 2016. This move sent the whole country in a wobbly. The Hon'ble Prime Minister specified this decision is a decisive attack against the black money being stored by the citizens of the country as well as a step to counter terrorism which was being funded by counterfeit money. This decision canceled the legal status of the high-value currency notes of INR 500 and 1000 with immediate effect and introduced new Rs. 2000 and Rs. 500 notes. This is really an unexpected surprise for all Indians. This sudden decision affected several sectors including the Indian economy. Positive and negative impacts of the demonetization decision on Indian citizens are covered in this paper with the help of primary and secondary data. This paper is a sincere attempt to study the present scenario, short term and long term effects of demonetization in India.

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## 1. Introduction

Demonetization means Withdrawal of a particular form of currency from circulation. The Indian Prime Minister declared the demonetization of the Indian currency notes Rs. 1000 and Rs. 500 with effect midnight of 8th November 2016. The Indian Prime Minister, supported his decision in the best interest of the country saying a step towards controlling the black money. This was shocking news for all citizens of India. Obviously, there are certainly short term and long term implications of this decision on Indian Economy. The researchers tried to find out the same with the help of primary and secondary data.

### *Need for the Study*

Presently, demonetization of the Indian currency notes Rs. 1000 and Rs. 500 is a hot issue for the country. Many experts, economists, analysts, researchers, and others already expressed their views from their own angles. But to know the views of common man it becomes necessary to study the aspects of demonetization. Hence, the researcher decided to study on the topic “Impact of Demonetization on Indian Citizens”.

### *Review of Literature*

Singh & Singh (2016), Ramdurg & Basavaraj (2016), stated in their paper titled “Demonetisation: Impact on the Economy”, in favor of 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, the level of activity and government finances.

Shah (2017), Dash (2017), concluded in their paper titled “Impact of Demonetization on Indian Economy” as if the money vanishes, as some collectors would not like to be seen with their cash pile, the economy will not benefit. On the other hand, if the money finds its way in the economy it could have a meaningful impact. However, experiences from different countries show that the move was one of the series that failed to fix a debt-burdened and inflation-ridden economy.

Gajjar (2016), Sinha & Rai (2016), revealed in his research paper titled “A Study on People Impact on Demonetization”, as the demonetization of the highest denomination note undertaken by the Indian government is a huge shock to the Indians. Kaur (2017), the demonetization is taken for several measures such as tax evasion, counterfeit currency, and funding of illegal activities. Some people are depositing currency notes in excess of specified limits directly into bank accounts has shown the unaccounted income, subject to higher tax and other penalties. Alternative payment methods, such as e-wallets, online transactions using e-banking, debit and credit card usage have been increased and this will shift an efficient cashless infrastructure.

Objectives of the Study:

- a) To understand the concept of Demonetization.
- b) To find out the possible effects of Demonetization on different sectors of the economy.
- c) To study the present scenario of our country in regards to Demonetization

## 2. Materials and Methods

Table 1  
Material and details

Sr. No.	Particulars	Details
1	Type of Data	Primary and Secondary Data
2	Population	Indian Citizens
3	Sampling Area	Indian Citizens in Pune city.
4	Nature of Source of Data	Quantitative.
5	Sampling Methodology	Convenience Sampling.
6	Sample Size	258.
7	Nature of Data Collection Instrument	Non – disguised Structured Questionnaire.

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<https://sloap.org/journals/index.php/irjmis/article/view/454>

8	Types of Questions	Closed Ended and Open Ended
9	No. of Questions	12
10	Structure of the Questionnaire	The questionnaire is divided into two parts
11	Section I of Questionnaire (includes)	Respondents' Personal Information
12	Section II of the Questionnaire (includes)	Questions regarding the Impact of Demonetization on Indian Citizens
13	Data Collection Methodology	Questionnaire and Personal Interview.
14	Tools for Data Analysis	The tools such as Percentages, Proportions and Chi-square table used for the presentation of the data and its analysis.
15	Statistical Tools for Testing of Hypotheses	Chi-square test is used for Hypotheses testing.

### Limitations of Study

- Present research is based on available information collected through questionnaire from 258 respondents only and secondary information published in articles, newspapers, journals etc.
- The geographical area of the survey is Pune city for Primary Data.

### Secondary Data Analysis

As more than 86% of the money circulated in the Indian Economy was of Rs.500 and Rs.1000 notes, it can be seen that it will have a huge impact on the Indian Economy. This decision has a direct impact on Money Circulation. According to Government of India, Causes of Demonetization are as follows:

- Introduction to New Currency, Stop Black Marketing, Currency Storage, Corruption and others.
- There will be excess fake currency in the economy is the main reason of demonetization.

Table 2  
Pros and Cons of Demonetization

Pros	Details
Attack On Black Money Holders	<ol style="list-style-type: none"> <li>1. People who possess huge amounts of black money in hard cash are at a complete loss now.</li> <li>2. Now If a Black money holder wants to Deposit Money in Bank Account than he/she has to show ID.</li> <li>3. There Will Be 200 % Penalty on Income tax Amount.</li> </ol>
Death Knell to Fake Currency Rackets	<ol style="list-style-type: none"> <li>1. By demonetizing Rs. 500 and Rs. 1000 notes, Modiji has busted all these unethical rackets completely.</li> <li>2. As the use of this money will be stopped completely.</li> </ol>
End of Terrorist Funding	<ol style="list-style-type: none"> <li>1. Huge sums of money especially in hard cash in the denominations of Rs. 500 and Rs. 1000 was used to fund Islamic terrorists, Naxalites, and other non-state actors</li> <li>2. Now there will be a shortage of funds in the form of cash.</li> <li>3. The use of hard cash was extensively used to buy arms, ammunitions, and weapons.</li> </ol>
Transparency	<ol style="list-style-type: none"> <li>1. Online transaction = More transparency = <a href="#">Financial Intelligence Unit</a> Will track All Online transactions.</li> </ol>
End of Huge Donations	<ol style="list-style-type: none"> <li>1. Huge amounts of donation that are taken in the private education and healthcare sectors would be stopped.</li> <li>2. Schools, Engineering and Medical Colleges and Hospitals (private ones) used to take huge amounts of money as donations especially in the form of hard cash in the denominations of Rs. 500 and Rs. 1000.</li> </ol>

Move to a Cashless Economy	3. People running such institutions will face difficulties.
	1. There will be cashless transactions and the Indian Economy would be digitized.
	2. This will result in greater transparency.
	3. Now there will be online payments.
	4. More use of Debit and Credit Card.

Table 3  
Cons of Demonetization

Cons	Details
Rush at Banks	1. Banks are extremely overcrowded by people. 2. This lead to chaos in the people as well as bank employees and management facing some issues.
Shortage of Money to Common People	1. As there will be no money supply, there will be less amount of money in the hands of people.
The problem for House Wives	1. Many Indian housewives have stored money as the part of their savings or for daily expenses. Now they must go to the banks and deposit their savings.
Short-Term Inflation	1. The price of gold has already become sky high. 2. Prices of vegetables and fruits will be high as the common man will have very little to spend.
Marriage Season	1. As weddings in India require a huge amount of cash for expenses, families will be get severely affected.

#### Impacts of Demonetization on Indian Economy

- Liquidity Crunch (short-term effect)*: liquidity shock means there is not a sufficient amount of money i.e. denomination of Rs. 500 in the country. This currency note is the most favorable as it is the most frequently used note.
- Welfare Loss for the Currency Using Population*: The daily wage earners, laborers, small traders etc. are the class of working people who need the frequent use of the cash. These are the class of people who don't use much plastic money (debit or credit cards) will be adversely affected.
- Consumption will be hit*: When liquidity shortage strikes, it is consumption that is going to be adversely affected first.
- Consumption ↓ → Production ↓ → Employment ↓ → Growth ↓ → Tax revenue ↓
- Loss of Growth Momentum*: As India is the largest growing economy in the world, demonetization will have its impact for 4 to 6 months on the Indian Economy. GDP growth rate might reduce during this period.
- Impact on Bank Deposits and Interest Rate*: As the decision regarding the cancellation of old 500 rupees and 1000 rupees notes were announced all of sudden, people had very little time to react to the situation. Initially, Banks, as well as people, had faced lots of issues regarding the money deposited for the replacement of old notes to the new notes. Deposits were high all over the country as there was liquid cash available with banks in the form saving deposits from the people.
- Impact on Black Money*: Generally, the amount of black money in the form of cash is less. The people with black income have converted their black money in the form of physical assets like Buildings, Investments, Gold etc. Hence, the amount of black money countered by demonetization depends upon the amount of black money held in the form of cash and it will be smaller than expected. People are now much convinced about the need to fight black income. Such a decision will encourage the government to come out with even strong measures.
- Impact on Counterfeit Currency*: The real impact will be on counterfeit/fake currency as its circulation will be checked after this exercise.

Demonetization as a cleaning exercise may produce several good things in the economy. At the same time, it will have its adverse effects on the welfare earners, daily wages, poor people etc. for the short term.

### 3. Results and Discussions

#### 3.1 Primary Data Analysis and Interpretation

Table 4  
Gender Status of the Respondents

Particulars	Respondents	Percentage
Male	188	73 %
Female	70	27 %
Total	258	100.00 %

Out of the total 258 respondents, 188 were males and 70 were females.

Table 5  
Age Group of the Respondents

Particulars	Total Respondents	Percentage
20 – 25 years	148	62.18 %
25 – 35 years	58	24.37%
35 – 45 years	20	8.40%
45 years and above	12	5.04%
Total	238	100.00 %

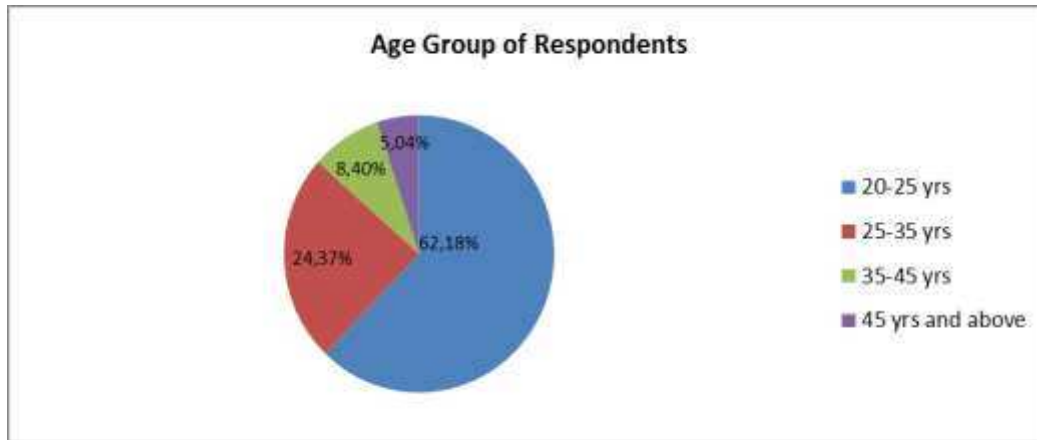


Figure 1. Age group of respondents

Only 238 respondents were mentioned their age group out of the total 258 respondents. Maximum respondents i.e. 148 are in the age group of 20 – 25 years whereas the 58 numbers of respondents are in the age group 25 – 35 years, 20 numbers of respondents are in the age group 35 – 45 years followed by 12 respondent 45 years and above.

Table 6  
Views on demonetization will help in controlling and reducing Black Money

Particulars	Respondents	Percentage
Yes	182	72.22 %
No	40	15.87 %
If 'Yes' specify the percentage	10	3.87%
Can't Say	20	7.75 %
Total	252	100 %

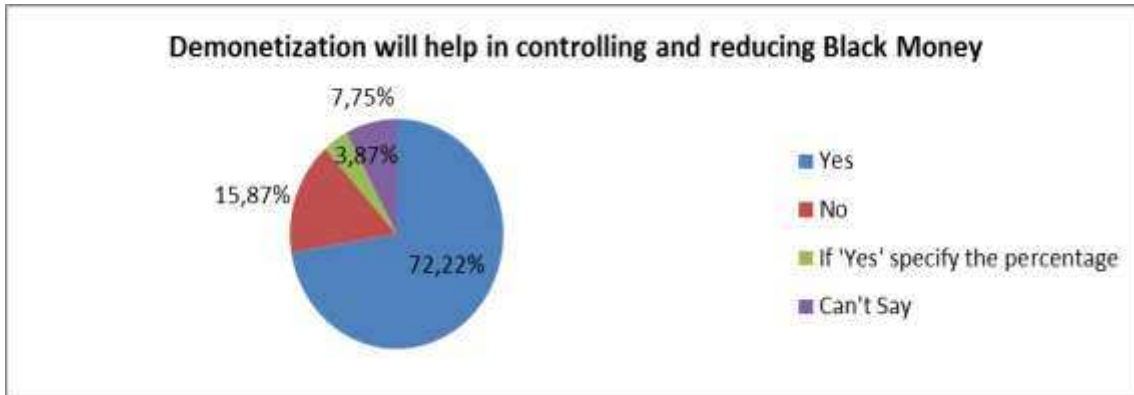


Figure 2. Demonetization will help in controlling and reducing Black Money

Out of the total 252 respondents, 182 respondents said yes that demonetization will help in controlling and reducing Black Money, whereas 40 respondents said no, 10 respondents specified their percentage and 20 respondents were not sure.

Table 4  
Opinions on demonetization will help in controlling and reducing Corruption?

Particulars	Respondents	Percentage
Yes	156	62.40 %
No	68	27.20 %
If 'Yes' specify the percentage	02	00.80%
Can't Say	24	09.60 %
Total	250	100 %

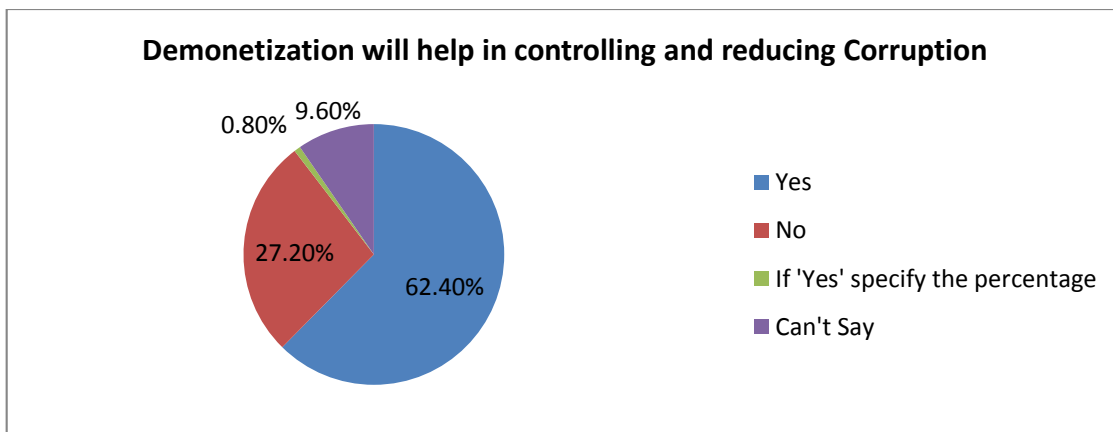


Figure 3. Demonetization will help in controlling and reducing Corruption

According to 156 respondents out of the total 250 respondents, demonetization will help in controlling and reducing corruption, whereas 68 respondents said no, 02 respondents specified the percentage and 24 respondents were not sure.

Table 5  
Sights on demonetization a planned move or unplanned?

Particulars	Respondents	Percentage
Yes	162	65.32 %
No	26	10.48 %
Can't Say	60	24.19 %
Total	248	100 %

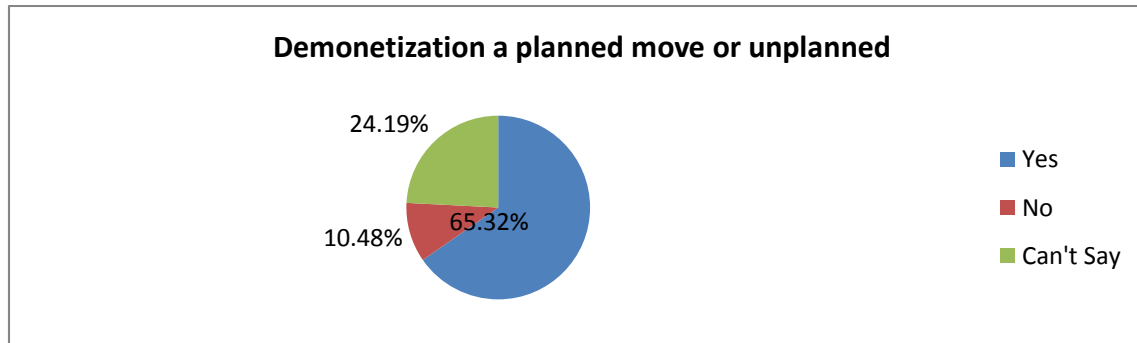


Figure 4. Demonetization a planned move or planned

Out of the total 248 respondents, 162 respondents said yes that demonetization was a planned move, whereas 26 respondents said no and 60 respondents were not sure whether it is planned a move or unplanned move.

Table 6  
Was it the right time to take such a dashing decision?

Particulars	Respondents	Percentage
Yes	180	71.43 %
No	30	11.90 %
Can't Say	42	16.67 %
Total	252	100 %

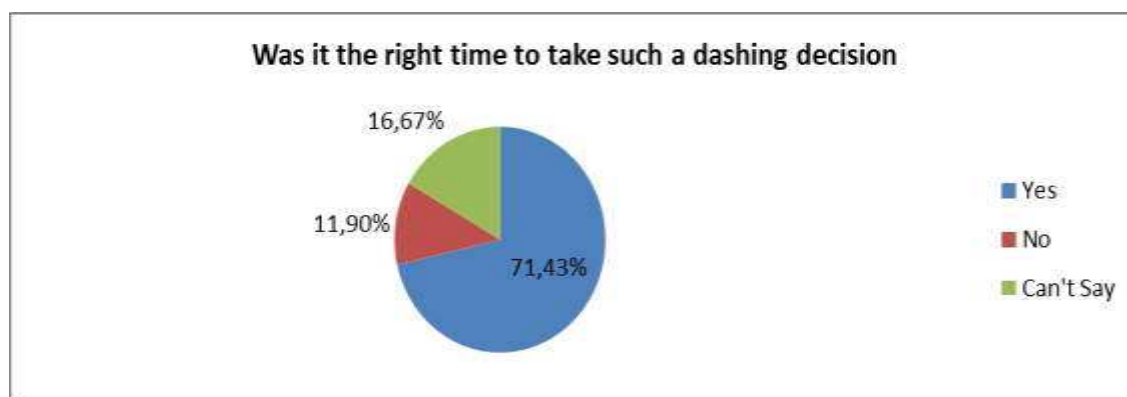


Figure 5. Was it the right time to take such a dashing decision

Out of the total 252 respondents, 180 respondents said yes that it is the right time to take such a dashing decision, whereas 30 respondents said no and 42 respondents were not sure.

Table 7  
Ready to support demonetization

Particulars	Respondents	Percentage
Yes	216	85.04 %
No	38	14.96 %
Total	254	100 %

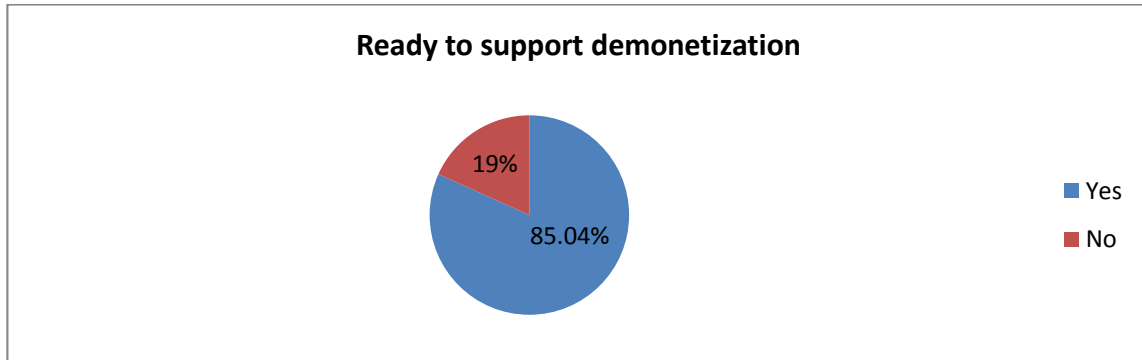


Figure 6. Ready to support demonetization

Out of the total 254 respondents, 216 respondents ready to support demonetization, whereas 38 respondents said no.

Table 8  
Faced professional or personal problems due to currency ban

Particulars	Respondents	Percentage
Yes	122	48.03 %
No	128	50.40 %
If yes specify in one or two lines	04	1.57%
Total	254	100 %

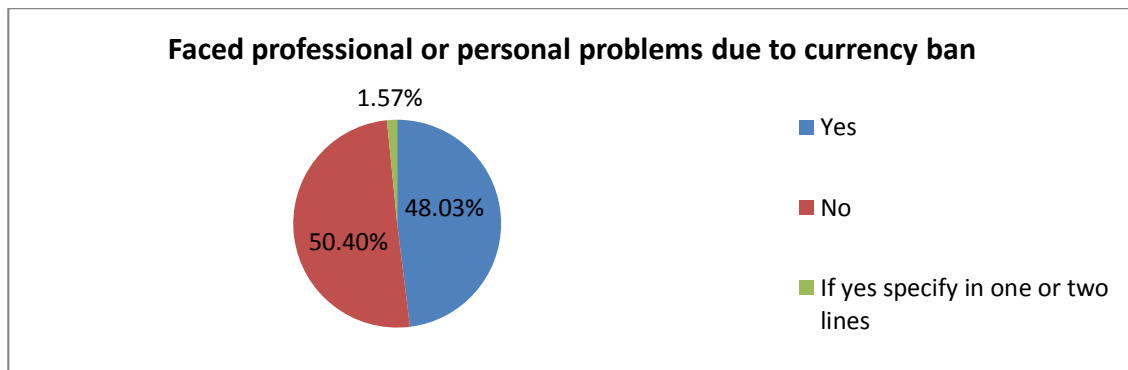


Figure 7. Faced professional or personal problems due to currency ban

Out of the total of 254 respondents, 122 respondents faced professional or personal problems due to currency ban, whereas 128 respondents said no and 4 respondents specified their percentage in one or two lines.



Table 9  
Views on demonetization affected adversely on a day to day life, work routine, and family welfare

Particulars	Respondents	Percentage
Yes	108	42.52 %
No	146	57.48 %
Total	254	100 %

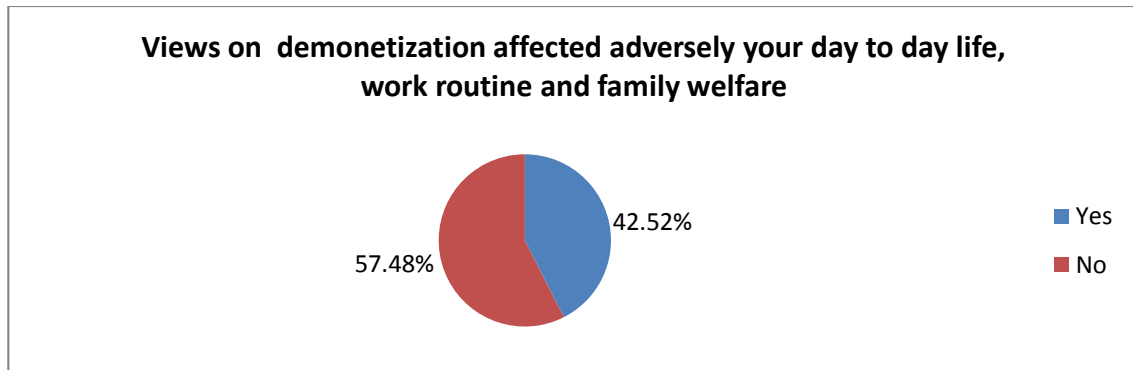


Figure 8. View on demonetization affected adversely your day to day life, work routine and family welfare

Out of the total 254 respondents, 108 respondents said demonetization affected adversely on their day to day life, work routine, and family welfare, whereas 146 respondents said no.

Table 10  
Opinions on difficult to use the new currency of Rs.2000 in the market for want of change

Particulars	Respondents	Percentage
Yes	182	71.65 %
No	72	28.34 %
Total	254	100 %

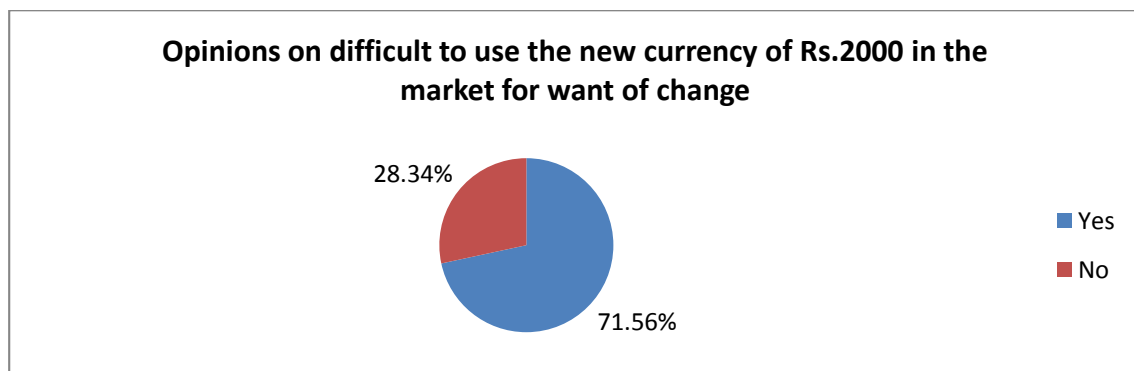


Figure 9. Opinions on difficult to use the new currency of Rs. 2000 in the market for want of change

Out of the total 254 respondents, 182 respondents said that they find it difficult to use the new currency of Rs.2000 in the market for want of change, whereas 72 respondents said no.

Table 11

Views on currency ban adversely affected all the economic classes (lower, middle and upper) equally across the country

Particulars	Respondents	Percentage
Yes	92	37.10 %
No	112	45.16 %
Can't Say	44	17.74 %
Total	248	100 %

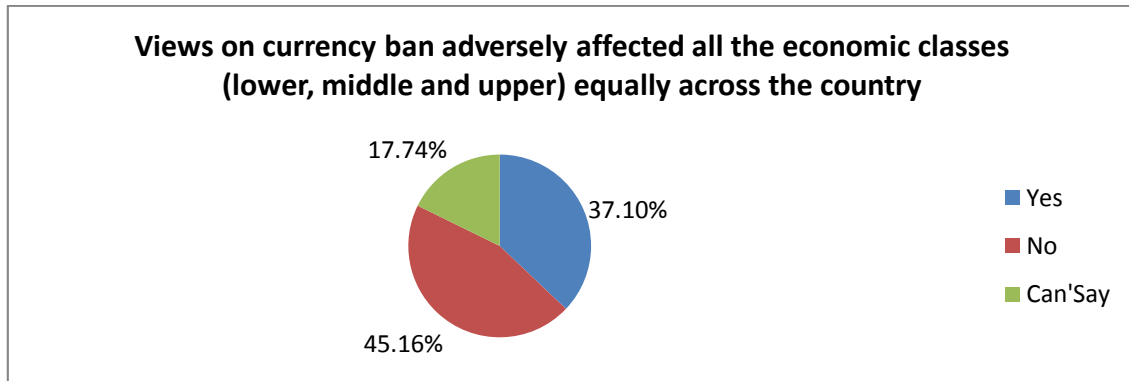


Figure 10. Views on currency ban adversely affected all the economic classes (lower, middle and upper) equally across the country

According to 92 respondents out of the total 248 respondents, the currency ban adversely affected all the economic classes (lower, middle and upper) equally across the country, whereas 112 respondents said no and 44 respondents were not sure.

Table 12

Opinions on because of this decision the common man has lost the faith in the government

Particulars	Respondents	Percentage
Yes	40	16 %
No	212	84 %
Total	252	100 %

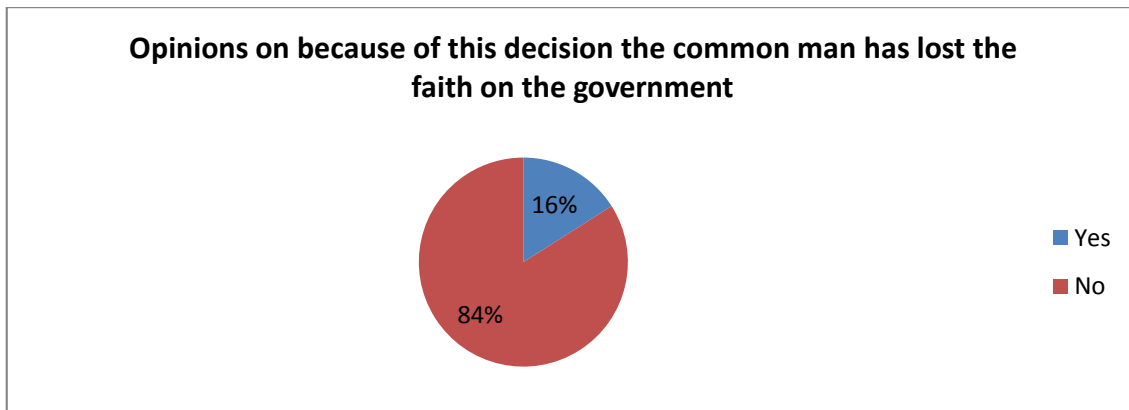


Figure 11. Opinions on because of this decision the common man has lost the faith on the government

Out of the total 252 respondents, only 40 respondents said that the common man has lost the faith in the government, whereas 212 respondents said no.

Table 13  
Views on the dominance of the government will be shaken because of this decision in upcoming elections?

Particulars	Respondents	Percentage
Yes	78	30.46 %
No	178	69.53 %
Total	256	100 %

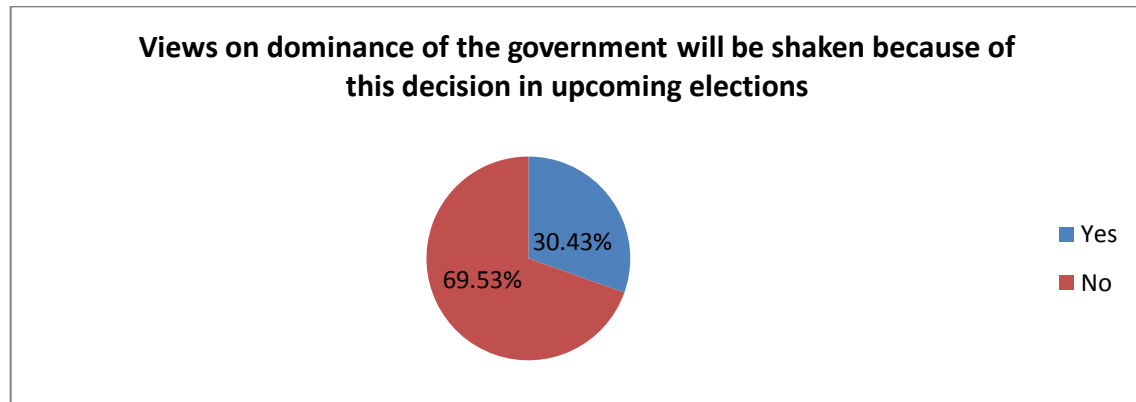


Figure 12. Views on the dominance of the government will be shaken because of this decision on upcoming elections

Out of the total of 256 respondents, 78 respondents think the dominance of the government will be shaken because of this decision in upcoming elections, whereas 178 respondents think no.

#### Testing of Hypothesis

H<sub>0</sub>: Indian Citizens are highly satisfied with the decision of Demonetization.

H<sub>1</sub>: Indian Citizens are not at all satisfied with the decision of Demonetization.

Table 14  
Chi-Square test=  $\sum (O-E)^2/E$

Sr. No.	Factors	Expected Value (E)	Observed Value (O)	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
1	Demonetization will help in controlling and reducing Black Money	200	182	-18	324	3.24
2	Demonetization will help in controlling and reducing Corruption	200	156	-44	1936	19.36
3	Demonetization is a planned or unplanned move	200	162	-38	1444	14.44
4	The right time to take such a dashing decision	200	180	-20	400	4
5	Ready to support demonetization	200	216	16	256	2.56
6	Faced professional or personal problems due to currency ban	200	122	-78	6084	60.84
7	Demonetization affected adversely on a day to day life, work routine, and family welfare	200	108	-92	8464	84.64
8	Difficult to use the new currency of Rs.2000 in the market	200	182	-18	324	3.24

9	Currency ban adversely affected all the economic classes	100	92	-8	64	0.64
10	The common man has lost the faith of the government	100	40	-60	3600	36
11	Dominance of the government in upcoming elections	100	78	-22	484	4.84
Total						233.80

Degree of freedom =  $(n-1) = (11-1) = 10$

Level of confidence = 0.95 (95% significance level)

Chi square table value = 18.307

Calculated value is more than table value, hence, null hypothesis i.e. Indian Citizens are highly satisfied with the decision of Demonetization is accepted at 95% significance level.

### 3.2 Findings

#### a) On the basis of Secondary Data

##### *The Outcome of Demonetization of Indian Currency*

- 1) The move of the Modi Government received both commendations and severe disapprovals from every segment of the society.
- 2) The immediate effect of the announcement saw countrymen lining up at the ATMs to withdraw 100 rupee notes to tide over the awaiting cash crunch.
- 3) According to RBI, the banned currency constituted 86 % of the currency in circulation in the country at the time. The entire amount of replacing the money in itself is a huge task and the pinch was felt by everyone in the immediate result.
- 4) The banks and ATMs opened to long queues of Indian citizens lined up to deposit, withdraw and exchange, the old currency notes.
- 5) Received Reports from various parts of the country about chaos regarding decline in essential services.
- 6) The government has released further measures and actions and continues to do so in order to make this as convenient to the common man as possible.
- 7) The Income Tax Department and the Ministry of Finance has further clarified that since it had given affair chance to all to declare their income by September 30 under the voluntary disclosure schemes. Hence, no further concessions would be given to people for depositing large amounts in their bank accounts and all such large transactions would attract Tax scrutiny and penalty as per the law.
- 8) As the drive to exchange the old currency notes continuous, measures are being put in place to make the transactions as smooth as possible.

#### b) On the basis of Primary Data

- 1) Out of the total 126 respondents, 72% respondents mentioned that demonetization will help in controlling and reducing Black Money.
- 2) According to 62.40% of the respondents, demonetization will help in controlling and reducing corruption.
- 3) 65% of the respondents mentioned that demonetization was a planned move.
- 4) According to 71.43% of the respondents, it is the right time to take such a dashing decision.
- 5) 85% of the respondents ready to support demonetization decision.
- 6) 48% of the respondents faced professional or personal problems due to currency ban.
- 7) Only 42.52% of the respondents mentioned that demonetization affected adversely on their day to day life, work routine, and family welfare.
- 8) 71.65% of the respondents said that they find it difficult to use the new currency of Rs.2000 in the market for want of change.
- 9) According to 37% of the respondents, the currency ban adversely affected all the economic classes (lower, middle and upper) equally across the country.
- 10) Only 16% of the respondents said that the common man has lost the faith in the government.

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11) Out of the total 128 respondents, only 30.46% respondents think the dominance of the government will be shaken because of this decision in upcoming elections.

12) *Following are the major opinions, views mentioned by the respondents in the questionnaire:*

- Nice move.  
This is a political stunt by the government in order to get votes in upcoming elections. And certainly, this was not a secret move as many pieces of evidence are coming that so many people knew all this before a few months. Planning is very poor. This is not going to help to reduce corruption, get black money out and stop terrorism because terrorists have got 2000 rupees. Note even before it was available for common people. Totally flop show by the government which will show the very adverse effect on the Indian economy.
- Good decision but could have been executed in a good way.
- It was the first step towards corrupt free India and digitalization of India and waiting for again new stroke.
- Its only move to stop the use of black money and not corruption. The government should take some more steps, towards convenient money transactions.
- May help to reduce black money.
- This decision is better as by this black money and fraud currency came into the picture but there is a problem which a normal person facing but it's not a big deal we should support for this and it will be a good decision for a long-term that effect can be seen after some years.
- Common people are suffered a lot.
- This is a very brave decision taken by the government. All it wants, that people should have patience & faith and support & co-operate with the government.
- The common man will get all the facilities by this action taken by the government. Sure that this is the right decision of the government.
- It has not helped that the Indian government has made over a dozen revisions to regulations arising out of demonetization, only cementing the beliefs that it was not completely prepared for the move.
- It a good decision and for the welfare of everyone completely support it but the only thing is it should have been a more planned way so that the problems faced by common people could have been reduced. Know that it will take time but will lead to betterment.
- It has controlled black money & corruption to some extent. Yes, it has pros and cons but in all betterment for countries future.
- It could have been done in a better way. Only one currency note had to be stopped at one time.
- It's an unplanned move made only for publicity, which will give the cost of production of the new currency and also cost of old notes. Own money banks didn't give and why they to stop people from withdrawing their money. Employees working for a whole month, earn a salary, pays taxes to the government. Forces to withdraw the limited amount. Why?
- Good decision but not executed well or not having any backup.
- It is a great step towards reducing black money and corruption. The people are facing certain currency issues due to demonetization; however, the effects will benefit the nation as a whole in the long run.
- Instead of printing, 2000 rupees note they must print first 500 rupees notes in large numbers.
- Revolutionary decision.
- It's very important and needed a decision. It will give agnatic spark to our economic growth.
- Duplicate currency that was supposed to be used in our mother India has fallen to zero value. This is the only aftermath of demonization.
- Great decision. If you talk about black money, this decision has just 10-12% impact. Large no. of people from rural India has been suffering adversely in many ways by this decision. But as a child of mother India, they can bear this inconvenience.
- Great decision made by the government, results in many big problems will be removed from the system, hence it will be a strong and effective control over all.
- As no one is ready to give a change of 2000, so 500 currencies are more suitable and it should come in the market as early as possible. The 2000 note should be banned in the future.
- For 70% of rural population, this is not a proper decision, as proper training was not given on using a smart way of transactions, also the use of 2000 note is limited having slow flow in lower and middle category, this decision may hit buro crates.

- Totally supporting the demonetization but what about the corruption, demonetization is a good step towards a better tomorrow but the corruption will still dominate in each and every system as the whole system has loopholes when it comes to corruption.
- It is necessary to reduce corruption at all levels.
- The government must invest in electronic payment to the village level. ATM machine study should have been done in advance, limit cash transactions.
- Many problems are facing the Indian citizens regarding the demonetization but it helps for reducing corruption.
- Great decision but needs some modifications.
- Fill all ATMs in India at the same time. It will reduce the problem faced by demonetization
- It's the correct decision for the black money users....!
- Feel that this historical decision will surely bring changes in the current economy. It will reduce the black money usage in the coming period. Yes, we are facing a lack of currency problem presently but this is a short-term issue, which will be gone in the coming days. As an educated citizen it's our responsibility to educate the uneducated related to financial transactions i.e online payments, use of plastic currency. Thus demonetization is a welcomed decision by the common man. Thus ensuring trust in the government.
- For the long run, the decision is wise. It will not only help in eradicating black money but also in bringing the liquidity back in the market and many more advantages.
- A report by Morgan Stanley says- the impact of demonetization is short-term and India's growth momentum will increase by April 2017 with the support of consumption and exports.
- Yes, it's a good move but the famous billionaires (especially politicians) might not have got affected by this move.
- It's a childish decision to control the black money. There is only 7-8% cash as a black money in the country else rest of the black money is insecurity and the properties.
- Demonetization is not applicable for a country like India where 60 % of people has no idea about plastic money or any electronic form of transaction. This can reduce the flow of fake currency in India. It is a good move towards economic growth.
- Right decision at right time by the government.
- Faced some problems as many government offices such as bus services don't have card machines they only accept cash and if we give 2000 rupees note they refuse to accept it giving a reason of 'no chute'. Apart from this students are living out of their own city so for money they need to stand in long queues for at least 1 hour and that is waste of time and many times it results in no cash in ATM, but still supporting the decision of demonetization because at least 50 % of corruption will get reduce and economy will grow anyhow.
- It was the need of an hour. It is the right decision.
- Demonetization is a great and revolutionary decision which will impact the future for a certain time. The above-given feedback is true for the contemporary era. But its impact is on future for only max.10 year. After that, the same current problems may arise. To prevent all problems, all should adopt the digitization or e-money system. Again all the implementations should be timely reviewed and revised. Because nothing is permanent and conditions may get changed.
- This move was the need of an hour as it will not only reduce or eradicate corruption and black money from the country but also provide long-term results for the Indian economy
- Before taking such a huge step, the government would have done its homework first. It was absolutely unplanned.
- This is a very good decision taken by Modi but people are facing lots of problem as cash for day to day transactions are not available, people have to stand 6-7 hours in a queue in bank and ATMs.
- The government should have planned to make some arrangement for the shortage of cash.
- A big master stroke played by government, it's just that they would have planned it better before implementing such a huge decision.
- The decision taken is right but at the wrong time because the economic condition was a bit increasing and the demonetization came due to this the daily business and working for lower people has become difficult due to the flow of money and the daily wages have been stopped for the workers.
- A good move, it might not stop corruption, terrorism but has definitely proved that our government is ready to tackle challenges and that is a good move to demoralize the ill elements present in society.

#### 4. Conclusion

- a) The benefits of demonetization are much controlling and it will be in the long-term interest of our country comfortably outweighing the difficulties. The government needs to take all the essential steps so as to ensure that there will be a smooth flow of currency exchanges.
- b) Demonetization has created a negative impact on the different sectors of the economy. There seemed to be a dropdown in the profit growth, a decrease in sales volumes, etc. The majority of the negative effect was short-run effects.
- c) On the other hand, people faced many problems in the exchange of currency notes as they were less in numbers still they are supporting the decision of demonetization. All these effects will be resolved when the new currency notes were widely circulated in the economy.
- d) Even though of the successful economic revolution in India, Indians are expecting a better tomorrow with corruption free India.

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#### *Statement of authorship*

The author(s) have a responsibility for the conception and design of the study. The author(s) have approved the final article.

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