

# ROLE OF DIGITAL CURRENCIES AND ECONOMIC DEVELOPMENT: IMPACT TO THE EDUCATIONAL LEARNING OUTCOME

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## ABSTRACT

Digitalisation of banking activities in India gained importance after the note ban of Rs.500 and Rs.1000 denominations from the economy in November 2016. Present banking system with the intention to make digital transactions major mode of transaction having least money transactions was initiated with the introduction of new banking services like internet banking, digital wallets, Point-of-Sale machines, credit and debit cards, etc. making it more popular among Indian youth. India is the fastest growing economy having fifth of the world's youth with more than 1.3 billion population under the age of 25 years and quarter less than 14 years shows us the countries potential to achieve success in the field of education, health, manufacturing, information technology, Banking and so on. In this context there is a need to study digital banking and its impact on the economic development. The present study is descriptive in nature and is based on primary data. The study makes an attempt to analyse opportunities and challenges brought in by Digital banking in India.

**Key words:** Digital banking, Economic Development, Govt. of India, Educational outcome.

## INTRODUCTION

“Digital payments are to finance what the wheel is to transport.” said Mr. Ratal.P.Watal head of Digital payments committee explains the importance of digital payments and signifies the importance of digital Banking in the progress of any nation. With the noble thought of reducing black money and evasion of taxes digital Economy was proposed by earlier Finance Minister Arun Jaitley in his Budget presentation during 2017-18 resulted in promotion of digital economy with introduction of newer technologies to make e-transactions easier.

The term digital economy was first coined by Don Tap Scott in his book “The Digital Economy: Promise and Peril in the age of Networked Intelligence”. A cashless economy tries to help the unsafe method of carrying a wallet full of notes, by introducing mobile banking as a one-stop solution for making all kinds of transactions such as bill payments, fees payments, funds transfer, recharge, etc. Digital banking tries to ensure black money free India by helping them to invest in developmental activities rather than stacking up in their cupboards,

and persuading them to make prompt tax payments leading to increased revenue to the Government, which can be used as lubricant for fast economic development. A drastic reduction in terrorism, crime rates, and Bank robbery could be seen after encouragement to digital payments above certain limit. At the same time cashless economy brings most convenient and safe economy for the citizens. A study conducted in 2015 revealed that 47% of bankers expect to improve customer relationship through digital banking, 44% see it as a means to generate competitive advantage, 32% as a channel for new customer acquisition. Only 16% emphasized the potential for cost saving. We can say that the digital banking is more than just a mobile or online platform because it includes middleware solutions. Middleware is software that bridges operating systems or databases with other applications. Some of the financial management systems such as risk management, product development and marketing must also be included in the middle and back end make the digital bank more comprehensive.

### **OBJECTIVES OF THE STUDY**

- To study the present scenario of Digital currencies in banking system.
- To examine the employment opportunities created by Digitalisation.
- To offer suggestions and recommendations.

### **RESEARCH METHEDODOLOGY**

The present study is descriptive in nature. It makes an attempt to study and analyse some of the Digital Banking initiatives that are being brought in by the Nationalised and other private Indian and multinational Banks. The study uses primary data of 200 samples. The primary data were collected using the questionnaire method. Convenience sampling technique has been used to collect the data. The study also makes use of secondary data that was collected from journals, periodicals, electronic data base, published and unpublished research studies. The collected data were edited and presented in tabular form using five point Likerts scale. The collected data was analysed with the help of SPSS package. The statistical tools like simple percentage analysis and chi-square tests were used to analyse the data.

### **LITERATURE REVIEW**

Villaseca, David(2019) Examined Digital Banking as intelligent banking solution, Sharma, Gaurav(2017), Locke, Clayton(2017), Ginovsky, John(2017), Dias, Joao; Patnaik, Debasish; Scopa, Enrico; van Bommel, Edwin(2017), Eveleth, Rose(2017) studied Digital banking as a alternative for Traditional Banking system, Kelman, James (2016)explained history of Digital banking in detail. R. K.Uppal(2010) explained paradigm shift in E- Banking. Safeena Rehmath, Abdullah and Date, Hema(2010) in their research paper “ Customer perspective on e- business value: A case study of Internet banking” Accepted that information Technology is considered as Key factor of change in Banking sector.

## ANALYSIS AND INTERPRETATION

TABLE-1

SL. NO.	SOCIO-ECONOMIC VARIABLES	NUMBER	PERCENTAGE
1.	<b>Age</b>		
	Below 20	76	38
	20-40	78	39
	40-60	36	18
	Above 60	10	05
2.	<b>Gender</b>		
	Male	108	54
	Female	92	46
3.	<b>Occupation</b>		
	Employer	22	11
	Employee	102	51
	Business Man	14	07
	Others	62	31
4.	<b>Monthly income</b>		
	Below 5000	84	42
	5000-20000	56	28
	20000-60000	38	19
	60000 and above	22	11
5.	<b>Educational qualification</b>		
	Below SSLC	8	4
	Up to PUC/ Diploma	34	17
	Degree	112	56
	Post Graduation and above	46	23
6.	<b>No. Of Internet Banking users</b>		
	Internet Banking users	78	39
	Non- Internet Banking users	122	61

Source: Survey result

The Demographic profile of the respondents consisted of 38% respondents below 20 years, 39 percent belonged to the age group 20-40 years, 18 percent belonged to 40-60 years age group and 5 percent belonged to above 60 years category. Among total respondents 54 percent were male and 46 percent female respondents. Out of total samples 51% were employees, 11 percent were Employers, 07 percent Business men and 31 percent belonged to other category like students, house wives, and Retired people and so on. The monthly Income of 42 percent was less than 5000, 28 percent from 5000 to 20000, 19 percent from 20000 to 60000

and 11 percent earned more than 60000. The educational qualification of 4 percent was below SSLC, 17 percent up to PUC, 56 percent up to Degree and 23 percent had post graduation qualification and above. 39 percent availed internet Banking facilities and 61 percent did not avail Internet banking facilities.

### Hypothesis Testing

- i. There is no relationship between occupation and people using digital banking facility:

Occupation	user	nonuser	Total
Employee	36	88	124
Employer	2	4	6
Businessman	0	16	16
others	26	28	54
<b>Total</b>	<b>64</b>	<b>136</b>	<b>200</b>

Chi-square( $X^2$ )	P Value	Significance Level
41.213	0.005<0.001	Highly Significant

The result of Chi square test shows that there is significant difference between occupation and customers using Digital banking facilities. Therefore the hypothesis is accepted.

- ii. There is no relationship between income and people availing Internet banking facility:

Income	user	nonuser	Total
Below 5000	4	28	32
Rs. 5000-20000	56	32	88
Rs. 20000-60000	16	62	78
Rs. 60000 & above	2	0	2
Total	78	122	200

Chi-square( $X^2$ )	P Value	Significance Level
80.34	0.000<0.001	Highly Significant

The result of Chi square test shows that there is significant difference between customer's income level and customers using internet banking facilities. Therefore the hypothesis is accepted.

### Finding and Suggestions

Digital banking is seen as transformer of banking scenario from traditional brick and mortar system to virtual advanced system. Modern Digital Banking system has the responsibility of making itself acceptable by each and every citizen of India, irrespective of their literacy level, income level by giving safe and foolproof Digital banking facilities to its customers.

Following are some of the findings of the study

- 83% of the respondents used ATM cards and satisfied with their services. But were hesitant to use mobile Banking and internet banking facilities.
- The reasons for not using ATM cards were risk of theft, Aversion to the technology, Lack of human touch, Tendency to spend more with the ATM cards.
- People below the age of 40 preferred avail E- Banking facilities.
- 32 percent of the respondents availed Mobile Banking facilities.
- 39 percent of respondents used Internet Banking facilities.
- 23 percent of the respondents were highly satisfied, 72 percent were satisfied, 3 percent were not satisfied, and 2 percent remained neutral to the present Digital banking facilities.

Based on the above study following suggestions are give listed as below

- There is a need to bring more safety and security to the customer's money. This problem can be achieved by employing cyber security professionals.
- Proper education and training regarding use of digital banking to people who are new to modern digital technology is need of the hour.
- Uninterrupted power supply in order to facilitate internet facility even to the remote part of India is needed to make digital banking successful in India.
- Government can provide smart phones to all needy people at subsidised rates for increased use of Digital Banking.
- Supporting customers who make use of digital banking facilities by providing discounts for using digital Banking facilities.

## CONCLUSION

Indian government is investing huge funds for launching customer friendly schemes to make people use digital payments more conveniently like Digi Dhan Melas, schemes like Lucky Grahak Yojana, Digi Dhan Vyapar Yojana, No cash transaction above ten thousand rupees is allowable under income tax rules except some exceptions, referral and cash back schemes to use BHIM app, introduction of Rupay card, introduction of GST etc., Government decided to remove all the duties on point of sale machines to promote digital transactions which is a part of govt's target of 2500 crores transactions in 2017-18. Also banks have decided to introduce more and more point of sale terminals in future. Some of the Emerging forms of digital banking are banking as a Service for allowing third party integration, banking a plate form for the purpose of integrating core systems with soft ware, White label banking in the form of co- branded cards, and Cloud based infrastructure for enabling less reliance on IT personnel, issue of Fast tag to vehicles. However Digital Banking has its own limitations like digital espionage, hacking of personal information and laundering of others money, increase in cyber crimes make digital banking unpopular among people. India comprises of about 650,000 villages with more than 850 million people i.e. nearly 70 per cent of India's population lives

in villages. The people of villages are hesitant use digital banking facilities. They depend on paper money for their day to day activities. Attracting this section of the society to the Digital banking system is a difficult task. At the same time people involved in business such as real estate, retail, restaurants, cement, as well as small and medium scale industries are more affected by digitalisation. In addition to the problems discussed above, problem of Inadequate internet facility, low internet speeds, limited use of smart phones and low broadband usage, very less Point of Sale machines make the job of introducing digital Banking in India little more difficult. However Government of India is making earnest efforts to introduce Digital Banking throughout India and help the nation to prosper by providing 24\*7\*365 basis service to its customers which is the need of the hour in this fast moving Modern world.

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