

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Indian Citation Index (ICI), J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5896 Cities in 193 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	LOCAL GOVERNMENT PERFORMANCE AND ITS ASSOCIATED REWARD POLICIES: THE CONSIDERATIONS OF ECONOMIC GROWTH AND ENVIRONMENT PROTECTION <i>Dr. PO-CHIN WU, TSAI, MENG-HUA & HSIAO, I-CHUNG</i>	1
2.	MEASUREMENT AND EVALUATION OF FINANCIAL PERFORMANCE OF SIYARAM SILK MILLS LIMITED THROUGH Z-SCORE MODEL <i>GARIMA MADAN & Dr. N. S. RAO</i>	7
3.	A PRAGMATIC STUDY ON THE ASSOCIATION OF DEMOGRAPHICS ON INVESTOR'S INVESTMENT DECISION <i>SHAILAJA YADAV & Dr. NIRMALA JOSHI</i>	12
4.	SATISFACTION LEVEL OF MIGRANT EMPLOYEES WITH SPECIAL REFERENCE TO TIRUPUR GARMENT INDUSTRY <i>Dr. D. GNANASENTHIL KUMAR & T.SREEREKHA</i>	17
5.	CORPORATE SOCIAL RESPONSIBILITY IN INFORMATION TECHNOLOGY SECTOR – A STUDY WITH REFERENCE TO SELECT (IT) INDUSTRY IN CHENNAI <i>Dr. N. SUREGA</i>	21
6.	PERFORMANCE OF MGNREGS IN KERALA: A SPECIAL REFERENCE AT KADAPLAMATTOM GRAMA PANCHAYATH <i>ANUSHA K J & Dr. PRAKASH C</i>	27
7.	A COMPARATIVE ANALYSIS OF THE ROLE OF AGRICULTURAL POLICIES AS DRIVERS OF GROWTH AND DEVELOPMENT OF THE AGRICULTURAL SECTOR IN NIGERIA, 1981-2014 <i>UDEORAH, S.F., VINCENT, M.O. & OHAM, N. R.</i>	30
8.	SATISFACTION LEVELS OF THE CUSTOMERS IN TELECOM SERVICE PROVIDERS – A STUDY IN ANANTAPURAMU DISTRICT <i>Dr. G.PAVAN KUMAR</i>	39
9.	ACCOUNTING METHODOLOGY OF SARVA SHIKSHA ABHIYAN PROJECT WITH SPECIAL REFERENCE TO GUJARAT STATE <i>NIRAV ASHOKBHAI PANDYA</i>	45
10.	DEMONETIZATION AND ITS IMPACT ON INDIAN ECONOMY <i>SUMIT BANERJEE</i>	48
	REQUEST FOR FEEDBACK & DISCLAIMER	50

CHIEF PATRON**Prof. (Dr.) K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
 Chancellor, K. R. Mangalam University, Gurgaon
 Chancellor, Lingaya's University, Faridabad
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON**Late Sh. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana
 Former Vice-President, Dadri Education Society, Charkhi Dadri
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

FORMER CO-ORDINATOR**Dr. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISOR**Prof. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR**Dr. A SAJEEVAN RAO**

Professor & Director, Accurate Institute of Advanced Management, Greater Noida

CO-EDITOR**Dr. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD**Dr. S. P. TIWARI**

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

Dr. CHRISTIAN EHIOBUCHÉ

Professor of Global Business/Management, Larry L Luing School of Business, Berkeley College, USA

Dr. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

Dr. JOSÉ G. VARGAS-HERNÁNDEZ

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

Dr. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

Dr. TEGUH WIDODO

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Indonesia

Dr. M. S. SENAM RAJU

Professor, School of Management Studies, I.G.N.O.U., New Delhi

Dr. D. S. CHAUBEY

Professor & Dean (Research & Studies), Uttaranchal University, Dehradun

Dr. CLIFFORD OBIYO OFURUM

Professor of Accounting & Finance, Faculty of Management Sciences, University of Port Harcourt, Nigeria

Dr. KAUP MOHAMED

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

Dr. VIRENDRA KUMAR SHRIVASTAVA

Director, Asia Pacific Institute of Information Technology, Panipat

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

Dr. MIKE AMUHAYA IRAVO

Principal, Jomo Kenyatta University of Agriculture & Tech., Westlands Campus, Nairobi-Kenya

Dr. SYED TABASSUM SULTANA

Principal, Matrusri Institute of Post Graduate Studies, Hyderabad

Dr. BOYINA RUPINI

Director, School of ITS, Indira Gandhi National Open University, New Delhi

Dr. NEPOMUCENO TIU

Chief Librarian & Professor, Lyceum of the Philippines University, Laguna, Philippines

Dr. SANJIV MITTAL

Professor & Dean, University School of Management Studies, GGS Indraprastha University, Delhi

Dr. ANA ŠTAMBUK

Head of Department of Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

Dr. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

Dr. SHIB SHANKAR ROY

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

Dr. ANIL K. SAINI

Professor, Guru Gobind Singh Indraprastha University, Delhi

Dr. SRINIVAS MADISHETTI

Professor, School of Business, Mzumbe University, Tanzania

Dr. NAWAB ALI KHAN

Professor & Dean, Faculty of Commerce, Aligarh Muslim University, Aligarh, U.P.

MUDENDA COLLINS

Head, Operations & Supply Chain, School of Business, The Copperbelt University, Zambia

Dr. EGWAKHE A. JOHNSON

Professor & Director, Babcock Centre for Executive Development, Babcock University, Nigeria

Dr. A. SURYANARAYANA

Professor, Department of Business Management, Osmania University, Hyderabad

P. SARVAHARANA

Asst. Registrar, Indian Institute of Technology (IIT), Madras

Dr. MURAT DARÇIN

Associate Dean, Gendarmerie and Coast Guard Academy, Ankara, Turkey

Dr. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engg. & Tech., Amity University, Noida

Dr. YOUNOS VAKIL ALROAIA

Head of International Center, DOS in Management, Semnan Branch, Islamic Azad University, Semnan, Iran

WILLIAM NKOMO

Asst. Head of the Department, Faculty of Computing, Botho University, Francistown, Botswana

Dr. JAYASHREE SHANTARAM PATIL (DAKE)

Faculty in Economics, KPB Hinduja College of Commerce, Mumbai

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

Dr. SEOW TA WEEA

Associate Professor, Universiti Tun Hussein Onn Malaysia, Parit Raja, Malaysia

Dr. OKAN VELI ŞAF AKLI

Professor & Dean, European University of Lefke, Lefke, Cyprus

Dr. MOHENDER KUMAR GUPTA

Associate Professor, Government College, Hodal

Dr. BORIS MILOVIC

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

Dr. LALIT KUMAR

Faculty, Haryana Institute of Public Administration, Gurugram

Dr. MOHAMMAD TALHA

Associate Professor, Department of Accounting & MIS, College of Industrial Management, King Fahd University of Petroleum & Minerals, Dhahran, Saudi Arabia

Dr. V. SELVAM

Associate Professor, SSL, VIT University, Vellore

Dr. IQBAL THONSE HAWALDAR

Associate Professor, College of Business Administration, Kingdom University, Bahrain

Dr. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

Dr. ALEXANDER MOSESOV

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

Dr. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

YU-BING WANG

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

SURJEET SINGH

Faculty, Department of Computer Science, G. M. N. (P.G.) College, Ambala Cantt.

Dr. MELAKE TEWOLDE TECLEGHIOGIS

Faculty, College of Business & Economics, Department of Economics, Asmara, Eritrea

Dr. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

Dr. SAMBHAVNA

Faculty, I.I.T.M., Delhi

Dr. THAMPOE MANAGALESWARAN

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

Dr. SHIVAKUMAR DEENE

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

SURAJ GAUDEL

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

FORMER TECHNICAL ADVISOR**AMITA****FINANCIAL ADVISORS****DICKEN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (**[FOR ONLINE SUBMISSION, CLICK HERE](#)**).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR

Designation/Post*

Institution/College/University with full address & Pin Code

Residential address with Pin Code

Mobile Number (s) with country ISD code

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)

Landline Number (s) with country ISD code

E-mail Address

Alternate E-mail Address

Nationality

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full**.
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

DEMONETIZATION AND ITS IMPACT ON INDIAN ECONOMY

SUMIT BANERJEE

ALUMNUS

RANI DURGA VATI VISHWAVIDYALAYA

JABALPUR

ABSTRACT

Demonetization of currency means to discontinue with the said currency and issuing new currency by replacing the old one. In any economy, demonetization refers to an act of government of nation who pulls or discontinues the circulation of one or more than one currency. The money is pulled from circulation, often to replace by new notes or discontinued permanently. Prior to last year demonetization i.e. (year 2016) that high notes of rupee 500 and 1000 ceases to be a legal tender, there were two similar instances in India i.e. in the year 1946 and in the year 1978 when an ordinance was proclaimed formally that rupee 1000, 5000 and 10000 would stop being a legal tender. This article explores the advantages and impact of demonetization and its role in uplifting the economic growth of Indian economy.

KEYWORDS

advantages and limitations, cashless economy, demonetization of currency, impact on Indian economy, objective of demonetization.

JEL CODE

E42.

1. INTRODUCTION

Demonetization refers to devastating a currency unit of its status to be a legal tender. It occurs when government want to make a change in currency either by replacing old notes with new one or discontinuing particular currency permanently. According to Forbes "**Modi's Demonetization is a cure worse than disease in India**". Prior to the year 2016 demonetization, two similar instances took place. In India it has been done in

- 12 January 1946, Where Indian rupee 1000 and 10000 were withdrawn.
- 16 January 1978, where Indian Rupee 1000, 5000 and 10000 were withdrawn.

2. A REVIEW OF DEMONETIZATION IN INDIA

◆ Year 1946

The impact of demonetization in 1946 was minimal as higher denomination notes (which ceases to be a legal tender; demortized currency) constituted only 3% of the Indian economy.

◆ Year 1978

The second demonetization was done by Finance Minister H.M. Patel in budget speech on 16 January, 1978 discontinuing Indian Rupee 1000 and 10000. The reason for demonetization aims at controlling illegal transactions and to determine anti-social elements. Reserve bank of India was mostly against this exercise and lastly its impact was not much. (Source: Reserve Bank of India- history 1967-1981, RBI currency and finance report)

◆ Year 2016

The third demonetization was done on 8 November 2017. Discontinuing Indian Rupee 500 and 1000 and issuing new notes of 500 and 2000. This demonetization led to drastic change in economic growth and affected many sectors of Indian economy as 86% of Indian currency was in circulation all during 2016.

Thus, we can conclude that the first demonetization was a case of conversion, second was a case of cumulation and third was a case of more of conversion!

3. OBJECTIVES OF THE STUDY

1. To study the Historical precedent of demonetization in India.
2. To study the impact of demonetization on various sectors of Indian economy.
3. To study the advantages and disadvantages of Demonetization.

4. RESEARCH METHODOLOGY

Descriptive design has been used in this research, which is based on secondary data. Secondary data has been taken from various government and non-government publications on demonetization and from articles related to it published electronically or otherwise. Data is also collected from journals, articles from newspapers and from relevant websites available on internet.

5. PURPOSE OF DEMONETISATION

1. **To Curb Terrorist Funding:** Indian money is primarily used to fund operation within Indian borders, provide finance to separatist movement.
2. **War on Black Money:** Black money is the money that has been earned illegally and not declaring them at the time of tax purposes. Black money is used in the form of real estate, foreign exchange, gold etc. Black money leads to cancerous growth in the country's economy which will surely lead to ruination.
3. **To Promote Cashless Transaction:** The main purpose of demonetization was to promote cashless transactions. Cashless transactions can be done through various banking instruments like internet banking, debit card, credit card etc.

Statistics have shown Belgium, where 90% payment is done cashless followed by France 92%, Canada 90%, UK 89% and Sweden 89%, where in India only 22% is non-Cash payment. This proves that there is strong negative correlation between India and other countries with reference to online transaction. A cashless society would discourage money laundering and terrorism.

6. THE SECTORIAL IMPACT

POSITIVE IMPACT

- E-Commerce
- Digital Payments
- Mobile Wallets
- Net Banking Payments
- Electronic Market.

NEGATIVE IMPACT

- Traditional Retail Business
- Commodities

- Real Estate
- Luxury Goods
- Agriculture

7. IMPACT ON VARIOUS SECTORS OF INDIAN ECONOMY

- ❖ **Real Estate:** 40%-plus drop in key markets in India. Dealers in secondary market have to stand still. Home buyers waiting for big price reduction. After demonetization real estate industries will be more transparent in the years to come. 7% buyers shifted from "Buying" now to "Renting" now.
- ❖ **Jobs:** Hiring Experts say jobs at senior level are not and won't be impacted. Overall hiring is right down as managers seek to protect revenue/profit targets. The sectors most affected are retail, consumer goods, real estate, infrastructure logistics and building.
- ❖ **Tourism:** Peak tourism period badly hit during demonetization. Tourism business in metro cities gone down by 10%.
- ❖ **Telecom:** Mobile phone shipment fell by 26%. Big seller who does card and online transaction less badly hit. Sales for feature phone gone down by 25%.
- ❖ **Agriculture:** Unfavorable impact of input and output channels in agriculture. Distribution break in supply chains etc.
- ❖ **Information Technology:** The demonetization had a very less or negligible impact on IT sector.

8. ADVANTAGES OF DEMONETIZATION

1. **Tracking Black Money:** A major achievement of demonetization is that it has helped the government in tracking black money. The Indian government claim that large sum of black money were hidden by tax payers. It helps the government to track people who are having large sum of unaccounted cash or cash on which no income has been paid.
2. **Tax Revenue:** Another benefit is that due to people disclosing their income by depositing money in their bank accounts government gets a good amount of tax revenue which can be used by the government towards the betterment of society by providing good infrastructure, hospitals, educational institutions, roads and many facilities for poor and needy sections of society.
3. **Cashless Economy:** Larger size of digital transaction in developed economies leads less corruption as compared to developing countries. Therefore, in order to escape from adversaries of corruption and black money and to have more transparent and cleaner economic growth with social Justice, less use of cash is one of the suggested measures.
4. **Terrorist Funding:** Black money was used for terrorist funding, money laundering, gambling etc, also inflating the price of major assets like real estate and due to demonetization all such activities will be reduced for some time and it will take years to generate that amount of black money again.
5. **Tax payers:** Another benefit is that due to people disclosing their income by depositing money in their bank accounts government gets a good amount of tax revenue which can be used by the government towards the betterment of society by providing good infrastructure, hospitals, educational institutions, roads and many facilities for poor and needy sections of society.
6. **Benami Properties Identified:** After demonetization 300 benami properties were claimed. These properties were identified during income tax clean money policy.
7. **Widening Impact of Tax Base:** The step of demonetization showed improvement in the level of voluntary compliance as a result of action taken by income tax department on the basis of cash deposits in the wake of demonetization the number of e-return of individual tax payers increased from 2.22% to 2.79% returns registering an increase of 57 lakhs returns or 25.3%.

Thus, from the above points we can conclude that the advantages of demonetization can be seen in the long run only.

9. DISADVANTAGES OF DEMONETIZATION

1. **Down shift in economic growth:** Economic growth will experience a period of pause due to business disruption, in short term.
2. **Unease and Anxiety to Public:** Sometimes, demonetization can be very inconvenient. Queuing up in banks to deposit money or exchange currency can be inconvenient.
3. **Panic:** Not everyone understands the essence of demonetization and, therefore, such an exercise is likely to result in panic among a section of the population.
4. **Financial Crises to poor people:** A small change in the value of currency about whether a currency is valid or not can mean a lot of hardship. As such demonetization can increase inequalities within society for short period.
5. **Other Limitations:**
 - Inadequate supply of new notes.
 - Destruction of old currency
 - Additional printing and distribution cost of new currency.
 - Problem situation for small-scale business operations that deal in cash.

10. CONCLUSION

Demonetization is one of the main initiative step taken by Indian government to root out black money, money laundering, benami properties etc. Demonetization will also help banks to recover from high dormancy rates (idle bank accounts), which is currently around 43 per cent. But there are plenty of ways where black money can be turned into white but Indian government realized it too late. The unorganized sectors were badly affected. Indian government achieved limited objective aftermath, but in the long run, people may realize. However, before any demonetization program is carried out, it should be carefully examine and the impact on poor should be considered. Demonetization can be a fresh new start, or it can be something that causes unnecessary confusion and inconvenience for the country.

REFERENCES

1. Deepakbhadouriya1/demonitization-impact-on-various-sectors-in-india/ <https://www.slideshare.net/demonitization/advantages-disadvantages-demonetization/>
2. <https://blog.hrblock.in/demonetization-advantages-and-disadvantages/>
3. <https://www.importantindia.com/25515.Demonetization-advantages-and-disadvantages.html/>
4. <http://www.letslearnfinance.com/Posts/index/Civil-Services/2017-03-17/Demonetisation-cashless-economy-rural-development/287343/>
5. <http://www.thehansindia.com/What-do-you-think-of-the-decision-by-the-Indian-Government-to-demonetize-500-and-1000-rupee-notes-Do-you-think-it-will-help-in-curbing-black-money-and-corruption#>
6. https://www.quora.com/Wiki/2016_Indian_banknote_demonetisation/
7. <https://en.wikipedia.org/>

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

