

# A Study on Impact of Cashless Transactions on Arts and Science Students in Coimbatore City

\*Dr.K.Nithya Kala, #Dr.K.Vidyakala, \$M.Sushma

\*Assistant Professor, #Head of the Department, \$Student, Department of Business Administration,  
PSGR Krishnammal College for Women, Coimbatore, India.

\*nithyakala@psgrkcw.ac.in, #vidyakala@psgrkcw.ac.in, \$2013sangeetham@gmail.com

**Abstract -** The government of India has implemented a major change in economic environment by demonetizing the high value currency notes of – Rs.500 and Rs.1000 from 8th November 2016 and pushed India towards cashless future. The aim of this paper is to analyse the impact of cashless transaction on arts and science students in Coimbatore city. The study concludes cashless transaction have highly impacted the students but they need some more awareness on secure cashless transactions, which can be provided by the colleges in tie up with banks.

**Keywords-** Arts & Science Students, Awareness, Cashless Transaction, Coimbatore City, Financial Transaction

## I. INTRODUCTION

A cashless economy is a situation in which the financial transactions are made by digital currencies. In India, too much of transactions are made through cash. Less than 5 percent of total payments happen through electronically. Illiterate people do not know how to use digital transactions. Financial literacy and awareness about cash less transactions is paramount in India to make the cashless economy. Nearly 26% of India has internet access, and there are only 200 million users of digital payment services. Banks and financial institutions offering discounts on purchase with credit/ debit cards and online wallets offering attractive deals for payments have made Indians comfortable with paperless transactions.

## II. OBJECTIVES OF THE STUDY

- To study the demographic profile of the students
- To study frequency of usage and order of preference in using cashless system for payments
- To analyse the attributes of cashless transactions
- To examine association between type of college and preferred mode of payments
- To find the association between type of college and cashless transaction.

## III. SIGNIFICANCE OF THE STUDY

The cashless transaction is one of the most important concepts now - a - days. The Indian economy is driven by the use of cash, and only less than 5% of all payments happen electronically. Convenience in shopping, payment of bills and scheduling of financial transactions managed from home, office or wherever with a smart phone, reduces expenditure in reducing need for printing of currency notes and its transportation reducing the black money and corruption, etc. This study also helps to identify the factors

and its impact of cashless transactions on Arts & Science students.

## IV. LIMITATIONS OF THE STUDY

- Sample size is restricted to 211 respondents only.
- The data collected is limited to Coimbatore city only.
- This research covers only Arts & Science students.

## V. RESEARCH METHODOLOGY

The study area is conducted in Coimbatore region. Three colleges were selected for the study. One college from each stream i.e. Aided, Government and Self-financing colleges were selected and a sample size of 211 was selected using the purposive sampling technique. The sample includes only literate population since they are the ones who give their views on introduction of cashless transaction and impact of cashless transaction especially Arts and Science students, their response determine the reliability of survey. Survey method is used for collecting data with the help of questionnaire. The responses from the respondents were collected and analysed using the simple percentage method, Descriptive analysis, Friedman ranking test, ANOVA and Chi-square test.

## VI. DATA ANALYSIS AND INTERPRETATION

Table 1 illustrates the demographic profile of the respondents in which around 61.6% of the respondents are female and 38.4% of the respondents are male. Majority 76.7% of the respondents are below the age group of 18 to 20 years, 20.4% of the respondents belongs to the age group of 21-23 years, 2.4% of the respondents belong to the age group of 24-26 years, and 0.5% of the respondents are above 26 years. 79.2% of the respondents are pursuing UG degree, 18.0% of the respondents are pursuing PG degree, 1.4% of the respondents are pursuing M.Phil. degree, 0.5% of the respondents are pursuing Ph.D. degree and 0.9% of the respondents are pursuing Diploma degree. 51.2% of the respondents belong to arts stream and 48.8% of the respondents

belong to science stream.28% of the respondents are studying in government college, 36.5% of the respondents are studying in government aided college, and 35.5% of the respondents are studying in private college.12.8% of the respondents get money through part time jobs, 3.8% of the respondents get money through scholarships, and 83.4% of the respondents depend on their parents funding for their pocket money.10.07% of the respondents use cashless system for their payments more than one week, 19.42% of the respondents use cashless system once a week for their payments, 48.2% of the respondents use cashless system once or twice a month for their payments, and 22.3% of the respondents use cashless transaction less than twice a month for their payments.

**Table : 1- Demographic Profile**

PROFILE	NO. OF RESPONDENTS	PERCENTAGE
<b>Gender</b>		
Male	81	38.4
Female	130	61.6
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Age</b>		
18-20	162	76.7
21-23	43	20.4
24-26	5	2.4
Above 26	1	0.5
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Education</b>		
UG	167	79.2
PG	38	18.0
M.Phil.	3	1.4
Ph.D.	1	0.5
Diploma	2	0.9
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Stream</b>		
Arts	108	51.2
Science	103	48.8
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Type of college</b>		
Government college	59	28.0
Government Aided college	77	36.5
Private college	75	35.5
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Pocket money</b>		
Part time jobs	27	12.8
Scholarship	8	3.8
Parents funding	176	83.4
<b>Total</b>	<b>211</b>	<b>100</b>
<b>Frequency of Usage of Cashless Transaction</b>		
More than one week	14	10.07
Once a week	27	19.42
Once or twice a month	67	48.2
Less than twice a month	31	22.3
<b>Total</b>	<b>139</b>	<b>100</b>

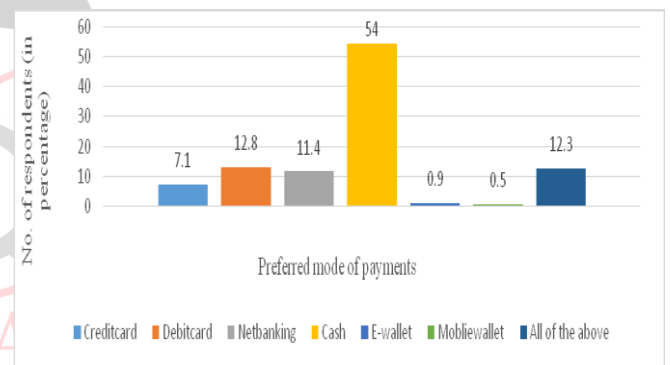
**Table 2 - Preferred Mode of Payments**

Mode of Payment	No. of Respondents	Percentage
Credit card	15	7.1
Debit card	27	12.8
Net banking	24	11.4
Cash	116	54.0
E-wallet	2	0.9
Mobile-wallet	1	0.5
All of the above	26	12.3
<b>Total</b>	<b>211</b>	<b>100</b>

**INTERPRETATION:**

From the above table it is found that 7.1% of the respondents prefer credit card mode of payments, 12.8% of the respondents prefer debit card mode of payments, 11.4% of the respondents prefer net banking mode of payments, 54% respondents prefer cash mode of payments, 0.9% of the respondents prefer e-wallet mode of payments, 0.5% of the respondents prefer mobile wallet payment mode and 12.3% of the respondents prefer all mode of payments.

**Chart: 1- Preferred Mode of Payments**



**TABLE : 3 -FACTORS INFLUENCING TOWARDS CASHLESS TRANSACTION**

Factors influencing cashless transaction	No. of Respondents	Mean	Std. Deviation
Privacy and Security	211	4.17	0.96
Convenience	211	4.09	0.82
Compulsion	211	3.68	1.05
Discount and offers	211	3.93	1.03
Lower transaction fees	211	3.97	1.07
Shortage of currency notes	211	3.79	1.02
Others	211	3.52	1.01
	<b>Average mean score</b>	<b>3.88</b>	

**INTERPRETATION:**

The result from the above table shows the highest mean score of 4.17 implied that respondents agree that privacy and security are important factors influencing towards cashless transaction.

**CHI-SQUARE- TEST**

**TABLE NO : 4 -ASSOCIATION BETWEEN TYPE OF DEVICE AND CASHLESS TRANSACTION**

Particular	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.392 <sup>a</sup>	8	.018
Likelihood Ratio	13.139	8	.107
Linear-by-Linear Association	3.364	1	.067
N of Valid Cases	211		

Significant is at 5% level, NS- not significant

**NULL HYPOTHESIS – H0:** There is no significant association between type of device and cashless transaction.

**ALTERNATIVE HYPOTHESIS - H1:** There is a significant association between type of device and cashless transaction.

**INTERPRETATION:**

(0.018) is significant ( $p < 0.05$ ) at 5%, so the null hypothesis is rejected and the alternative hypothesis is accepted.

**RESULT:**

The result of chi-square test reveals that the calculated value of chi-square is ( $\chi^2 = 18.392^a$ ), ( $df = 8$ ), ( $p < 0.05$ ). Hence it may be concluded that there is significant association between type of device and cashless transaction.

**FINDINGS**

- Majority of the respondents i.e. 61.6% are Female.
- Majority of the respondents i.e. 76.7% belongs to the age group of 18-20 years.
- Majority of the respondents i.e. 79.2% are pursuing UG degree.
- Majority of the respondents i.e. 51.2% belongs to arts stream.
- It is inferred that 36.5% respondents are studying in the Government aided college.
- Majority of the respondents i.e. 83.4% are dependent on parents funding for their pocket money.
- It is inferred that 48.2% of the respondents prefer using cashless system for payment once a week.
- Majority of the respondents i.e. 54% still prefer cash payments.
- Respondent’s level of agreeability towards the privacy and security is high with the mean score of (4.17) with regard to usage of cashless transaction.
- There is significant association between type of device and cashless transaction.

**SUGGESTIONS**

- It is suggested that students should be encouraged to use cards for purchase convenience and to increase cashless transaction usage even inside the college campus.
- It found that the majority of students still prefer using cash. It is suggested that the government and bankers should take necessary steps to popularize the card usage especially among college students.
- The cashless transaction has many risks such as cybercrime, hacking, lack of securities, lack of technical

knowledge etc., during payments. So students are finding it difficult. It is suggested that the bankers and other financial institutions have to address those problems and spread awareness on ‘safe online transaction’, which will enable the users to mitigate the risks in digital transactions.

- The majority of respondents are ignorant about basic information on cashless transaction, so there are chances of being cheated while using cards. It is suggested that this ignorance of the respondents have to be addressed by organizing awareness programmes by college in tie up with banks to promote card usage among students and their families.
- The majority of the respondents are using ‘Paytm’ app for payments. So app based payments such as (Amazon pay, Google pay, PhonePe, Mobikwik, Yono by SBI, Citi MasterPass, ICICI Pockets, HDFC PayZapp, BHIM Axis Pay) can be promoted among students.
- Digital transaction charges can be reduced to promote card usage among students.

**CONCLUSION:**

The present study concludes that India is moving towards cashless society, but due to limited awareness on cashless transaction and about technology, students are facing problems on usage of cashless transaction in Coimbatore city. Hundred percent cashless society is not possible but somewhere now it can be seen the less cash society. One of the biggest problems of cashless transaction in India is cybercrime and illegal access. Digital transactions are traceable, therefore easily taxable; leaving no room for the circulation of black money. The whole country is undergoing the process of modernization in money transactions, with e-payment services gaining unprecedented momentum. To conclude, the cashless transaction have highly impacted the students but they need some more awareness on secure cashless transactions, which can be provided by the college in tie up with banks.

**REFERENCE**

- [1] Rajanna (2018) “Perception and Awareness of Customer towards Cashless Transaction; A Case Study” Volume 7, Issue 3 ISSN 2319 - 4847 www.ijaiem.org.
- [2] Kumawat and Goyal (2018) “Moving From Cash To Cashless Economy: Challenges and Opportunities For India” Volume 04, No. 01, ISSN: 2395-7069.
- [3] Rajanna (2018) IJEDR “Growth of Cash-Less Transactions in India: Challenges and Prospects” Volume 6, Issue 1, ISSN: 2321-9939. www.ijedr.org
- [4] Yuvaraj and Sheila Eveline (2018) “Consumers’ Perception towards Cashless Transactions and Information Security in The Digital Economy” Volume 9, Issue 7, (IJMET) <http://www.iaeme.com/ijmet/issues.asp>.
- [5] Vally and Divya (2018) “A Study on Digital Payments in India with Perspective of Consumers Adoption” Volume 119 No. 15, ISSN: 1314-3395 <http://www.acadpubl.eu/hub/>

- [6] Uwineza, Mulyungi and Omach (2018) “Effect of Cashless System on Financial Performance of Commercial Banks in Rwanda: A Case Study of CogeBanque” Vol. 6, Issue 1, ISSN 2348-7585.
- [7] Vidhi P. Kakkad (2017) “An Empirical Study on Impact of the Demonetisation and Cashless Transaction on the Respondents of Rajkot City” Volume 6, Issue 3 Online ISSN-2277-1166 [www.abhinavjournal.com](http://www.abhinavjournal.com).
- [8] Shrikala (2017) IJEDR1703182 “Cashless Transaction: Opportunities and Challenges with special reference to Kodagu district of Karnataka” ISSN: 2321-9939 [www.ijedr.org](http://www.ijedr.org).
- [9] Garg and Panchal (April 2017) (IOSR-JBM) “Study on Introduction of Cashless Economy in India 2016: Benefits & Challenge’s” Volume 19, Issue 4, ISSN: 2319-7668 [www.iostjournals.org](http://www.iostjournals.org).
- [10] Shamsheersingh (2017) “Study of Consumer Perception of Digital Payment Mode” Vol. 22, No.3.

## WEBSITES:

[www.researchpublish.com](http://www.researchpublish.com)

[www.researchgate.com](http://www.researchgate.com)

<http://www.scrip.org>

[www.publishingindia.com](http://www.publishingindia.com)

