

Demonetization: The impact of common people

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Abstract

The demonetization, move could change the face of Indian economy." –Crisil Report

India is a developing country in which money play a vital function in a smooth economic development of a nation. Money is termed as a medium of exchange and it play a very pivotal role in such economies. In India the present burning topic is demonetization. Government of India taken one of the prominent measure i.e. demonetization which addressed to resolved the various subjects like black money, corruption, terrorism, counterfeit currency etc.

Demonetization can be used as tool to exterminate the parallel economy of the country. Demonetization is the process of denudation of series of currency as no longer the legal tender of a country. In simple term it means a process of removing a coin, note and form of currency from circulation or general usage. The demonetization is a good idea but it have to be considered that most of black money in our country is kept in various form like gold, silver, land and building and kept in abroad. It has both positive or negative and short or long term impact on common people and Indian economy. Common people of the country faced several incommodiousness due to demonetization but it is only short period of the time. In this paper, researcher has made an attempt to find the impact of demonetization on the common people of Allahabad city by selecting sample of 75 respondents were convenient sample technique.

Keywords: Demonetization, Money, economic development, black money.

Introduction

The high value currency notes i.e. ₹ 500 and ₹1000 denomination was demonetized by the Indian government to make the big changes in the present economic scenario. On the 8th November 2016, government of India's was announced their decision ceased to be a legal tender of ₹1000 and ₹500 currency notes with effect from 2016 November 9. But the decision will remain unswayed on two, five, ten, twenty, fifty and one hundred rupee notes and will continued a legal tender. On the 10th November 2016 a new notes five hundred rupees and two thousand rupees notes issued by RBI which will place in circulation. The demonetized notes represent over 86% value of total currency notes in circulation of economy. In India, it proves that most of transaction has been much greater in number through these two denominations. A large percentage of this amount is divided into gold, real estate and cash.

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