

Original Research Article

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A Study on Knowledge of Homemakers Regarding Cashless Transaction

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ABSTRACT

Cashless economy is an economy where maximum transactions are done without using the physical cash but through digital means like credit cards, debit cards, e-wallets and electronic fund transfer (ECS, NEFT, RTGS, USSD, UPI, Aadhar based payment system etc. The major benefits of cashless economy in India are: reduced tax avoidance and money laundering, reduced costs of printing money etc. The present study was conducted in two districts i.e. Hisar and Bhiwani of Haryana state with objectives to assess the level of knowledge about cashless transaction and to identify the reasons for use of cash by homemakers. Two wards each was randomly selected from both district headquarter. From each selected ward 50 homemakers having their own bank account were selected purposively through snowball technique. 100 working & 100 non-working homemakers were selected thus, total 200 homemakers were selected. A pretested interview schedule was used to collect data. The results showed that (95.0%) among working respondents and (78.0%) among non-working respondents used cash because cash is widely acceptable. All the respondents had knowledge about cashless transaction. Forty eight percent working respondents and 62.0% non-working respondents and 55.0% of total respondents were of the opinion that help of someone is required in cashless transaction.

Keywords

Cashless transaction, Homemakers, Knowledge

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Introduction

Cash is a basic necessity for humans without which survival is not possible. In India majority of the payments are made in cash as notes and coins. The prime minister of India, on 8th November, 2016 demonetized the two largest denominations of currency notes of INR 500 and INR 1000, which were ceased with immediate effect with a few exceptions. The entire nation was in a state of shock because such a huge render was declared invalid in just one announcement and it was

not the first time the government of India has taken such a step. Indian government took this step in 1946 and 1978 but in 2016 it faced a lot of criticism as people were left with only INR 100 notes or less denomination to transact with. The main aim of this step was aimed to attack on counterfeit currency, currency used for terrorist financing, black money and corruption. Less than 5 percent of total payments 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. Cashless Economy refers to the term where the physical flow of currency notes and coins are replaced with digital flow of money, which includes use of plastic money. Plastic money involves the use of plastic cards such as debit cards, credit cards, pre-paid cards, contact less cards etc. Electronic payment modes include all kinds of mobile wallets and payments made through smart phones, laptops etc.

The present study was conducted with the objectives to identify the reasons for use of cash by homemakers and to assess the level of knowledge about cashless transaction.

Review of literature

Podile and Rajesh (2017) found that majority of the respondents (72.82%) felt that convenience in transaction is the reason for cashless payments followed by 64.61% felt that incentives encourage people to avail cashless transactions, 59.49% felt that transaction procedures complicate cashless payments, 53.33% respondents felt that lack of technical knowledge is the obstruction for cashless transactions and 52.82% respondents felt that transaction costs discourage cashless payments.

Rajanna (2018) revealed that 100% of the respondents used Debit, Credit cards and ATMs, 93.33% of the respondents used mobile banking, 90% of the respondents used RTGs and 85.33% NEFT. 63.33 percent of the respondents used net-banking, 56.66% of the respondents used POS and 52% of the respondents used digital wallets. Remaining respondents expressed their opinion as: control Black money (60%), control corruption (56.66%), control illegal activities (50%) and other benefits (40%).

Dominic *et. al* (2018) reported that 58% of respondents used cash as a medium of

exchange whereas 42% used cashless way as medium of exchange in the Indian economy. Only 44% respondents used cash as a medium of exchange because of the convenience they have in using cash whereas 26% used cash because of the security they have in using cash, 14% used cash because it is easy to bargain using cash, whereas 16% used cash because they do not have much knowledge towards digital transactions.

Gajjar (2019) studied that credit/debit card was used by majority (34%) of respondents followed by 23% respondents who preferred E- wallet mobile for mode of payment, 17% respondents preferred net banking, 15% respondents preferred cash and least 11% respondents preferred cheque for mode of payment. Cashless payment system was adopted by majority (37%) of respondents because of its convenience followed by 25% respondents adopted because of discounts/cash back rewards and 19% respondents adopted because of shortage of currency notes and easy tracking of expenditure.

Materials and Methods

Hisar and Bhiwani districts from Haryana state were selected randomly. Two wards each were randomly selected from both the district headquarters. In Hisar city ward 16 and ward 20 and in Bhiwani city ward 1 and ward 31 were randomly selected. From each selected ward 50 homemakers having their own bank account were selected through snowball technique. So, from each district headquarter. 100 homemakers were selected in such a way that 50 were working and 50 were non- working homemakers. Thus, the total number of respondents was 200 homemakers.

Data were collected personally by researcher through interview schedule. The respondents

were informed about the purpose of the study clearly.

Results and Discussion

Personal and demographic variables

Personal and demographic attributes of the working and non-working respondents were studied for proper interpretation of the findings and are presented in table 1.

Age

Table 1 shows that majority of the working respondents i.e. 57.0% belonged to the age group 36-48 years and in the case of non-working respondents 67.0% belonged to age group 36-48 years. In total sample majority of the respondents (62.0%) were in the age group of 36-48 years.

Marital status

Data revealed that hundred percent of working and non-working respondents were married. No respondent was single/ divorcee/ separated in both the categories i.e. working and non-working respondents.

Family type

Majority of the working and non-working respondents belonged to nuclear family (98.0%) each, followed by joint type of family (2%) each for working and non-working respondents. In totality a thumping majority (98.0%) were having nuclear family, followed by joint family (2.0%)

Family size

Maximum working respondents (81.0%) and non-working respondents (90.0%) had family size of 4-6 members. Eighteen percent working and 8.0% non-working respondents

were having 1-3 members. Few working (1.0%) and non-working (2.0%) respondents were having large family of 7-9 members. Overall huge majority (85.5%) had 4-6 members.

Monthly family income

Income wise distribution has been presented in table 1 and showed that among working respondents, 40 per cent had monthly family income of Rs. 60,001-90,000/-, followed by Rs.30,001-60,000/- (30.0%) and up to Rs 30,000/- (30.0%).

In non-working respondents, monthly income of 45 per cent families was reported up to Rs.30,000/-, followed by Rs. 30,001-60,000/- (35.0%) and Rs. 60,001-90,000/- (20.0%). In total sample 37.5% had monthly income up to Rs. 30,000/-. One third of the respondents had their monthly family income of Rs. 30,001-60,000/- and 30% had between Rs. 60,001-90,000/-.

Family education status

Table 1 depicts the family education status of the respondents. It was found that majority of working (86.0%) and non-working (78.0%) respondents had medium family education status. Only 14.0% working respondents had high family education status. Not a single working respondent had low family education status whereas 22.0% of non-working respondents were from low family education status. Overall family education status was medium (82.0%), low (11.0%) and high (7.0%)

Reasons for use of cash

Reasons for the use of cash by the respondents have been presented in table 2 and fig. 1 Majority of the working respondents (95.0%) and non-working

respondents (78.0%) used cash because cash is widely acceptable, followed by 73.0% of working and 92.0% of non-working respondents who were using cash as they thought that cash payment is the only option. Sixty eight percent of working respondents and 83.0% of non-working respondents were using cash as it offers greater privacy. Personal preference was the reason for use by 50.0% of working and 65.0% of non-working and 49.0% of working respondents and 91.0% of non-working respondents were using cash as cashless payment system is not available everywhere. In complete sample majority of the respondents (86.5%) used cash because cash is widely accepted, followed by 82.5% who used cash as they thought cash payment is the only option; 75.5% were using cash as greater privacy was offered by cash; 70.0% were using cash because cashless payment system is easy to use and 57.5% were using because of personal preference.

Knowledge of respondents about cashless transaction

Table 3 presents the knowledge about cashless transaction of working and non-working respondents. All the respondents had knowledge about cashless transaction. Forty eight percent working respondents and 62.0% non-working respondents and 55.0% of total respondents were of the opinion that help of someone is required for cashless transaction. Sixty three percent working and 46.0% non-working respondents and 54.5% of total sample highlighted that credit/ debit card is required for cashless transaction. Seventy eight percent working respondents, 99.0% non-working respondents and 88.5% of aggregate sample were of the opinion that it is better to read terms and conditions of cashless transaction before proceeding. Eighty percent working respondents, 76.0% non-working respondents and 78.0% of total sample had knowledge that card details can be stored on

phone or laptop. Ninety seven percent working respondents, all non-working respondents and 98.5% of overall sample believed that use of cashless transaction gives satisfaction.

Thirty percent working, 51.0% non-working respondents and 40.5% of total sample had apprehension that problems may arise in conducting cashless transaction. Cashless transaction is expensive to buy goods & a service was considered by 68.0% of working, 87.0% of non-working and 77.5% of total sample. Seventy nine percent of working, 63.0% of non-working and 71.0% of total sample realized that cashless transaction is fast & convenient, whereas 93.0% of working, 71.0% of non-working and 82.0% of total sample had knowledge that it saves time.

Level of knowledge about cashless transaction

Table 4 and fig. 2 show the level of knowledge of working and non-working homemakers. 48.0% of working respondents and 22.0% of non-working respondents had high level of knowledge about cashless transaction, followed by 29.0% of working and 54.0% of non-working with medium level of knowledge whereas, 23.0% of working and 24.0% of non-working respondents had low level of knowledge about cashless transaction. In overall sample, 23.5%, 41.5%, 35.0% had low, medium, high level of knowledge about cashless transaction respectively.

Correlation of method of payment used and independent variables

Table 5 depicts the correlation of method of payment used with age, family type, number of family members, family education status, family income, socio economic status and mass media exposure.

In working respondents, correlation was highly significant with socio economic status, mass media exposure, family income, age, number of family members. However, low level of correlation was with family type and family education status.

In non-working respondents, correlation was highly significant with family income, family education status, socio economic status, mass media exposure and age, and correlation was

low with number of family members. Whereas, there was no significant correlation between method of payment used and family type.

In total respondents, correlation was highly significant with family income, socio-economic status, age, mass media exposure and number of family members. Family education status and family type had low level of correlation.

Table.1 Personal profile of the respondents

Sr. No	Variables	Category	Working (n=100)	Non working (n=100)	Total (percent) (n=200)
Personal and demographic variables					
1.	Age(in years)	22-35	37	29	66(33.0)
		36-48	57	67	124(62.0)
		49-61	6	4	10(5.0)
2.	Marital status	Married	100	100	200(100.0)
3.	Family type	Joint	2	2	4(2.0)
		Nuclear	98	98	196(98.0)
4.	Family size	Upto-3members (small)	18	8	26(13.0)
		4-6 members (medium)	81	90	171(85.5)
		7-9 members (large)	1	2	3(1.5)
Socio-economic variables					
1.	Monthly family income (Rs.)	Up to 30000/-	30	45	75(37.5)
		30001-60000/-	30	35	65(32.5)
		60001-90000/-	40	20	60(30.0)
2.	Family education status	Low	0	22	22(11.0)
		Medium	86	78	164(82.0)
		High	14	0	14(7.0)

Personal and demographic variables

Table.2 Reasons for use of cash by the respondents

Sr. No	Reasons for use of cash	Working (n=100)	Non-Working (n=100)	Total (n=200)
1.	Cash is widely accepted	95	78	173(86.5)
2.	Cash payment is the only option	73	92	165(82.5)
3.	Cash offer greater privacy	68	83	151(75.5)
4.	Personal preference	50	65	115(57.5)
5.	Cashless payment system is easy to use	49	91	140(70.0)

Frequency is same as percentage for working and non-working respondents

Table.3 Knowledge about the cashless transaction

Sr. No	Level of knowledge	Working (n=100)		Non-Working (n=100)		Total (200)	
		Yes	No	Yes	No	Yes	No
1	Know about cashless transaction	100	-	100	-	200(100.0)	-
2	Help of someone is required for cashless transaction	48	52	62	38	110(55.0)	90(45.0)
3	A credit/ debit card is needed	63	37	46	54	109(54.5)	91(45.5)
4	Better to read terms and conditions of cashless transaction before proceeding	78	22	99	1	177(88.5)	23(11.5)
5	Card details can be stored on phone or laptop	80	20	76	24	156(78.0)	44(22.0)
6	Cashless transaction gives satisfaction	97	3	100	-	197(98.5)	3(1.5)
7	Problems arise in conducting cashless transaction	30	70	51	49	81(40.5)	119(59.5)
8	Expensive to buy goods through cashless transaction	68	32	87	13	155(77.5)	45(22.5)
9	Fast and convenient	79	21	63	37	142(71.0)	58(29.0)
10	Saves time	93	7	71	29	164(82.0)	36(18.0)

Figure in parenthesis indicates percentage

Frequency is same as percentage for working and non-working respondents

Table.4 Level of knowledge about cashless transaction of working and non-working homemakers

Level of knowledge	Working (n=100)	Non-working (n=100)	Total (n=200)
Low	23	24	47(23.5)
Medium	29	54	83(41.5)
High	48	22	70(35.0)

Figure in parenthesis indicates percentage.

Frequency is same as percentage for working and non-working respondents.

Table.5 Correlation of method of payment used and independent variables

Independent variable	Method of payment (Working)	Method of payment (Non-working)	Method of payment (Total)
Age	0.60**	0.39**	0.48**
Family type	0.28**	0.10NS	0.18**
No. of family members	0.56**	0.35**	0.44**
Family education status	0.25**	0.69**	0.32**
Family Income	0.62**	0.76**	0.65**
Socio economic status	0.67**	0.45**	0.50**
Mass media exposure	0.65**	0.41**	0.45**

**Significant at 1% level of significance

NS- Non significant

Fig.1 Reasons for use of cash by the respondents

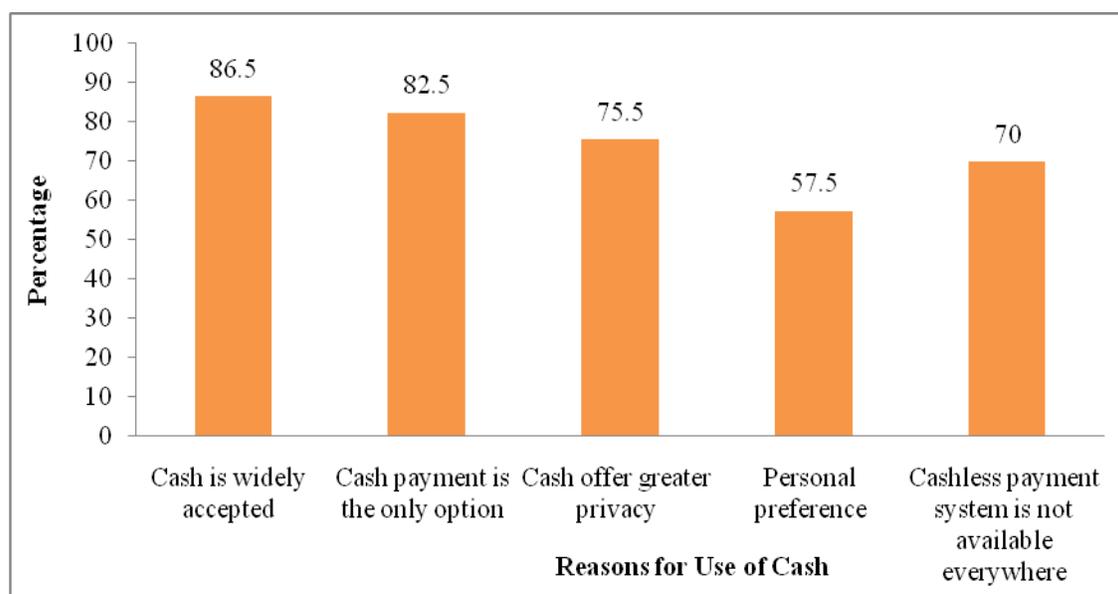
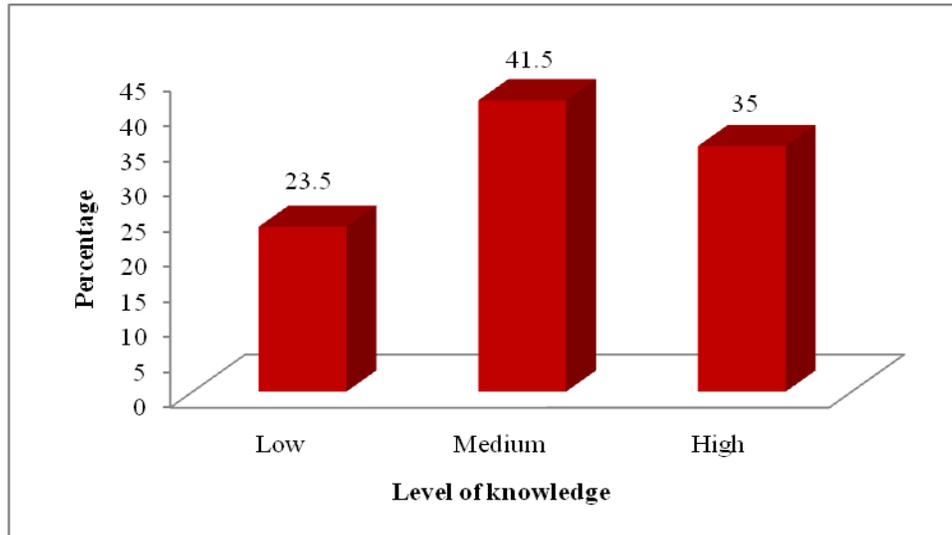


Fig.2 Level of knowledge about the cashless transaction



Profile of the respondents

It was found that 62.0% respondents belonged to middle age (36-48 years) cent percent were married, 98.0% were having nuclear family and 85.5% of respondents had 4-6 members in the family. Monthly income of 37.5% of respondents was up to Rs. 30,000. Family education status of 82 per cent respondents was medium.

Reasons for use of cash by the respondents

A vast majority of the respondents used cash because cash was widely accepted and they thought that cash payment was the only option. Three fourth were using cash as greater privacy was offered to avoid overspending and 57.5% were using because of personal preference. Thabani (2018) found that most economic agents in Zimbabwe were not willing to fully embrace the cashless economy because the cashless payment facilities were not available everywhere, especially in rural areas. 96% of the respondents who opined that cashless platforms were not available everywhere and therefore they were not willing to embrace the cashless economy revolution. Hence cash was

used mainly because of its wider acceptability and only option for the payment. Gajjar (2019) studied that credit/debit card was used by majority (34%) of respondents followed by 23% respondents who preferred E- wallet mobile for mode of payment, 17% respondents preferred net banking, 15% respondents preferred cash and least 11% respondents preferred cheque for mode of payment. Cashless payment system was adopted by majority (37%) of respondents because of its convenience followed by 25% respondents adopted because of discounts/cash back rewards and 19% respondents adopted because of shortage of currency notes and easy tracking of expenditure.

Knowledge about the cashless transaction

All the respondents had knowledge about cashless transaction. Kokila and Devi (2017) also reported that nearly 85% of males had more awareness about the cashless transaction than the females. A thumping majority (98.5%, 88.5% and 82.0%) believed that cashless transaction gives satisfaction, it is better to read terms and conditions of cashless transaction before proceeding and it saves

time. Three fourth had knowledge that card details can be stored on phone or laptop it is fast & convenient and is expensive. Little more than half of total respondents were of the opinion that help of someone is required for cashless transaction (55.0%) and credit/debit card is required (54.5%). Two fifth of the respondents had apprehension that problems may arise in conducting cashless transaction. Sharma (2017) also found the awareness about the E-Payment in different educational scenarios. In primary education, only 14.28% respondents were aware about E-payment, in secondary education (11.47%), in graduate (58.33%) and 43.75% of post graduate respondents were aware about the mode of E-Payment. In urban area 47.61% respondents and in rural area 25% respondents were aware about the mode of E-Payment. Online mode of payment was used by 35.84% male and 38.88% female. 33.07% respondents in age group of 15-30, 53.84% respondents in 30-50 age group and 50% respondents in age group of above 50 were aware about the mode of E-payment. As per occupation, employee (58.13%), business (11.11%), student (33.33%) and housewife (16.66%) used the mode of E-Payment.

Overall majority of respondents had medium (41.5%) level of knowledge followed by high (35.0%), and low (23.5%) level of knowledge about cashless transaction. This may be due to the fact that medium family education status was found for majority of the respondents. Whereas, Garg and Panchal (2017) reported that 88% of the respondents had high degree of awareness regarding cashless economy in India.

In conclusion, majority of the respondents were in the age group of 36-48 years and family education status was medium. Mostly respondents used cash because cash is widely accepted. All the respondents had knowledge about cashless transaction and overall sample

believed that use of cashless transaction gives satisfaction. Correlation was highly significant with family income, socio-economic status, age, mass media exposure and number of family members.

Suggestions

Government of India should try to educate people about the benefits of going cashless before taking any crucial steps.

People should try and use any digital payment method.

People should be educated adequately. The use of ATM cards should be described to the people so that they can easily use the card.

Buyers and sellers both should be made aware about the benefits of the cashless transactions.

Proper infrastructure should be developed in the remote areas so that this facility should be taken to the rural and remote India.

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