

Demonetization: Impact Of Retailers & Whole Sellers & Construction Sector (A Case Study On (Mandideep) Retail, Whole Sale Business & Construction Companies)

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Abstract: The demonetization undertaken by the government is a large concussion to the economy. Everyone is aware about the demonetization policy of the government by banning 500-1000 RS. bank notes and announced the issuance of new 500-2000 RS. Banks notes. The impact of the clash in the short term operation but its effects for long term for each & every sector related to the monetary transaction. The paper tells about that, what are quickly effects of demonetization on Retailers & whole sellers and construction sector. The main focus on how much problem was faced by customers & what effect on retail business. This paper also tells about cashless transaction & electronic money & internet banking etc.

Keywords: Demonetization, Retailers, Whole Sellers, Real Estate, Construction

I. INTRODUCTION

Prime Minister of India Mr. Narendra Modi announced the demonetization. In the announcement Mr. Mode declared that use of all 500-1000 RS. Note would be invalid on 8th Nov 2016 at 20.00 pm Indian standard time (IST) & announced the issuance of new 500 & 2000 Rs new series notes, its exchange by old bank notes. Demonetization affects the economy through the liquidity side 86% of currency value in circulation was withdrawn without replacing bulk of it. The major impact of demonetization on Indian economy is the value is to become lower than dollar sensex would monitor below about 6 to 8 percent. In the term of the sectors in the economy, the sector to be adversely affected are all those sectors where demand is usually backed by cash, especially those not within organized retailing. Given the high propensity of Indians to deal in cash demonetization announcement has caused considerable inconvenience among retailers, whole sellers, small traders, vendors has been affected the most as they are facing huge slump in sale. For instance, transport services, kirana, fruits and vegetables and all other perishables, would face compression is demand which is backed by purchasing

power. This is turn can have to effects. While it is expected that supply exceeds demand, there would be fall in price while generally people seem to expect prices to fall. It is quite possible that price would instead rise. The second sector which could be adversely affected would be the construction sector, it is often argued; work with in a significant amount of cash. Payment to workers is carried out in cash. The demand of houses and building would appear as a demand for non-essentials.

II. RESEARCH PROBLEM

Demonetization in India as important decision for controlling black money, corruption, currency storage, Black Marketing. There will be excess fake currency in the economy is main reason of demonetization. On the other hand but it effected on small scale businessman, Shop keepers, Retailers. The commercial markets had inauspicious and desolate look. Since demonetization consumer footfall is very less. Not only the retail activities but even the wholesale trade is affected severely because of very low volume of transportation of

goods. The primary objective of the research study is to analyze the demonetization post effect on retailer, whole sellers & Construction sector. The inductive method of research has been applied using primary data which validating and analyzed. The study is sound in collecting data putting tabulation form with explanation & interpretation.

III. REVIEW OF LITERATURE

Geeta Rani (2016) pointed out that the demonetization effects on market were painful but this also instigate the shopkeepers and customers to adopt cashless means such as paytm, debit cards use , internet banking to buy goods. By adopting the cashless means economy will be sound in coming time and Indian economy will get benefits of early and hassles free transaction. According to Geeta Rani Demonetization effect will be positive in coming time for Indian Economy.

OBJECTIVE OF THE STUDY ARE

- ✓ To analysis the demonetization quick effect on Retailers, Whole Sellers and Construction Sector.
- ✓ To analysis the customer buying product through digitalization before and after demonetization.

IV. METHODOLOGY

The Research paper is analytical in nature. The Research project is mainly based on primary data. The sample size is 80 retail shops, 15 whole sale shops & 5 construction companies in a city of 86,677 (thousand) population. The questionnaires survey was conducted on selected Retailers, Whole sellers, Construction companies based on convenience sampling method.

V. RESEARCH AREA

Mandideep is basically Industrial town ship which came into existence in late 1970's. Mandideep a municipality in Goharganj Sub dist Raisen in the state of Madhya Pradesh, India. The Mandideep muncipality has population of 86,677 (approx). Mandideep has 400 Industrial units belonging to reputed companies including HEG, Lupin, Procter & Gamble (P) ltd. Tata Tractor, Eicher Tractor, Godrej Food, Insulator & Electrical etc. There is a big retail & whole sale market approx 500 shops of Retailers & 400 shops of whole sellers. About 660 plots were developed for various purposes.

HYPOTHESIS

- ✓ H0= There is major effect of demonetization on Retailers & whole sellers & Constructions companies.
- ✓ H1= There is no significant difference for electronic money using by retailers.

VI. VALIDATION OF DATA

The data is collected from retailers, whole sellers & Construction companies directly through questionnaires. Following tables & graphs depicts the position of effect on sales after demonetization and adopting the digitalization by consumers & businessmen.

DATA ANALYSIS AND INTERPRETATION

Commodities	SALE%		BALANCE
	BEFORE	AFTER	
FURNITURE	20%	10%	-10%
JEWELLERY	18%	5%	-13%
VEHICLES	9%	02%	-7%
HOUSE WARES	44%	20%	-24%
HOME APPLIANCE	18%	5%	-13%
ELECTRONIC EQUIPMENTS	15%	5%	-10%
TOYS & GAMES	05%	02%	-3%
PHARMACEUTICALS	30%	25%	-5%
COSMETICS	20%	10%	-10%
STATIONERY	30%	20%	-10%
COMPUTER/LAPTOP	20%	5%	-15%
MOBILES	10%	5%	-5%
VEGETABLES	10%	8%	-2%
RAW FOOD	19%	18%	-1%
SNAKES & JUNK FOOD	08%	5%	-3%
FLOOR,SPICES	05%	4.5%	-.5%
OIL & GHEE	4.5%	4%	-.5%
CLOTHES & FOOTWEAR	05%	3%	-2%

Sources**

Table 1.1: Table showing percentage of quick effect on Retailer sales before and after demonetization

INTERPRETATION: The table depicts the position of sales before and after demonetization is the furniture sale down up to approx 50%, jewellery sales before 18% & after 5% only the sale of jewellery down up to -13%,the sale of vehicle is also down up to -7%, house wares & home appliance sale effect respectively -24%, -13% ,electronic equipment sales before 15% and after 5% effect -10%, toys & games sales are also effected up to -3%, pharmaceuticals sales of medicine before demonetization is 30% & after 25% effect -5%, cosmetics sale before 20%, after 10% balance is -10% sale, stationery sale before is 30% & after 20% effect is -10%, computer & laptop sale before 20% & after 5% balance is -15%, mobile sale before 10% & after 5% effect -5%,vegetables sale before 10% & after 8%, there is minor effect balance is -2%, raw food sale before 19% & after 18% only -1% sale is decreased, snakes & junk food sale before 8% & after 5% balance -3%,floor & spices before 5% after 4.5% balance -.5%, oil & ghee sales before 4.5% after 4% balance -.5%, clothes & footwear sales is decreased after 3% instead of 5% the balance is -2% sales decreased.

CONSTRUCTION PRODUCTIVITY	SALE%		BALANCE
	BEFORE	AFTER	
REAL ESTATE:			
FLATS	75%	25%	-50%
BUNGLOWS(2BHK)	14%	12%	-2%
(3BHK)	12%	08%	-4%

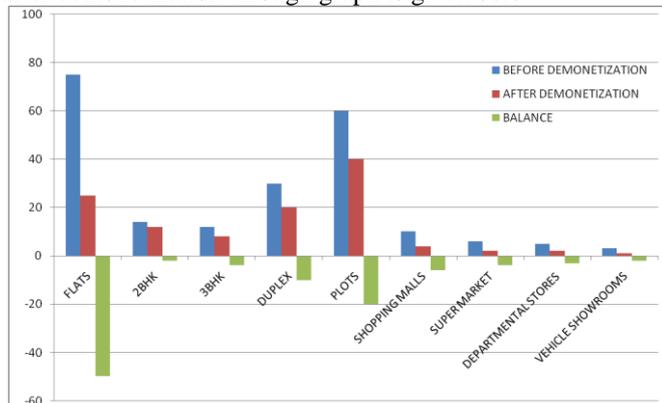
DUPLEX	30%	20%	-10%
PLOTS	60%	40%	-17%
COMMERCIAL:			
SHOPPING MALLS	10%	4%	-6%
SUPER MARKET	6%	2%	-4%
DEPARTMENTAL	5%	2%	-3%
VEHICLE SHOWROOMS	3%	1%	-2%

Sources**

Table 1.2: Table is showing percentage of quick effect on Construction Productivity sector before and after demonetization

INTERPRETATION: The analysis shows that before & after demonetization the affect on real estate respectively. On flats sale before demonetization 75% and after demonetization up to 25% sale is effected up to -50%. The situation of bungalows sale effected respective 2BHK before 14% selling and after demonetization sale 12% decrease on 2BHK's -2%, same condition is apply on 3BHK's before demonetization selling 12%, after demonetization is 8% decrease sale on 3BHK 's up to -4%. Duplex sale decrease up to -10%, plots sale decrease up to -17%, effect on Commercial construction before & after demonetization respectively. Shopping malls construction decreases up to -6%, super market construction decreases up to -4%, departmental store construction decreases up to -3%, vehicle showrooms construction decreases up to -2%.

Describe the situation of construction companies before & after demonetization through graph is given below.



Graph 1: The graph is showing percentage of quick effect on Construction sector before and after demonetization

PARTICULAR	NO. OF RESPONDENT	PERCENTAGE
YES	76	76%
NO	24	24%
TOTAL	100	100%

Sources**

Table 2.1: Table is showing percentage of respondent aware of digitalization

Interpretation: The above analysis shows that majority i.e.76% of the respondents are aware of digitalization facility and 24% are not aware of the same.

PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE
PAYTM	2	2%
CREDIT CARD	5	5%
DEBIT CARD	9	9%

CASH ON DELIVERY	61	61%
MOBILE WALLET	2	2%
ONLINE SHOPPING	12	12%
NET BANKING	9	9%
TOTAL	100	100%

Sources **

Table 2.2: Table showing preferred mode of payment normally used by the customers for buying products through digitalization before demonetization

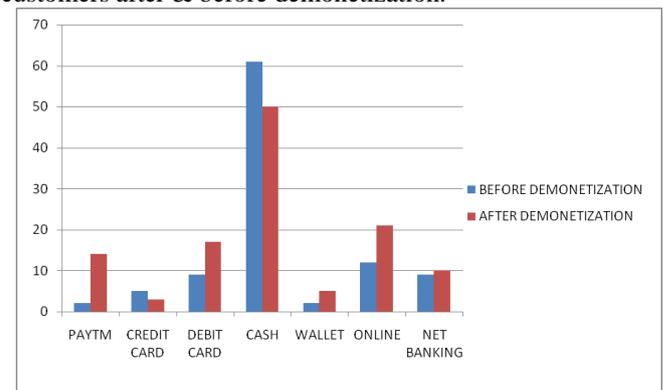
Interpretation: The analysis shows that before demonetization 2% consumer preferred to use paytm for the purchasing of products, 5% consumers preferred to use credit card, 9% preferred debit card, 61% people depend on cash, 2% consumer used mobile wallet, 12% consumer used online shopping, 9% people used net banking.

PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE
PAYTM	14	14%
CREDIT CARD	3	3%
DEBIT CARD	17	17%
CASH ON DELIVERY	30	30%
MOBILE WALLET	5	5%
ONLINE SHOPPING	21	21%
NET BANKING	10	10%
TOTAL	100	100%

Sources: Data collection through questionnaires and direct interviews from retailers, whole sellers & construction companies managers. All data are based on primary data

Table 03: Table showing preferred mode of payment normally used by the customers for buying products through digitalization after demonetization

Interpretation: The analysis shows that before demonetization 14% consumer preferred to use Pay-tm for the purchasing of products, 3% consumers preferred to use credit card, 17% preferred debit card, 30% people depend on cash, 5% consumer used mobile wallet, 21% consumer used online shopping, 10% people used net banking. Show through following graph the situation of using electronic money by customers after & before demonetization.



Graph 2

Graph showing preferred mode of payment normally used by the customers for buying products through digitalization after demonetization.

The findings after analyzing the data are

- ✓ The whole seller denied extending the credit span of time.
- ✓ Retailers & whole sellers started pay-tm and wallet, swap machine facilities for consumer.
- ✓ There has been a drop 25% consumer footfall.
- ✓ 60% shopkeepers told that from 9th Nov 2016 to 31 Dec 2016 there was 20% increase in their sale due to accepting the old currency but after 31st Dec 2016 there was 50% decrease in sale due to not availability of proper cash.
- ✓ Items bought per customer 20% decreased.
- ✓ Luxury goods sale is decreased by 50%.
- ✓ No major effect on raw food & daily usage amenities.
- ✓ Electronic items, laptop, mobile phones, computers sale decrease by 60%.
- ✓ Consumer preferred online shopping and go increase sale on shopping malls.

VII. CONCLUSION

So the study has focus needed to be promoting digital payment & encouraging consumers to move away from cash and are giving various payment solution. The businessman and consumer to adopt electronic money means such as PAYTM, Debit Card, use internet to buy goods. Real Estate, jewelry, retailing, consumer durable and luxury space will be facing short term instability. Adopting Cash less transactions is beneficial to controlling black money. Demonetization is good effect on upcoming Indian economy. Increased financial inclusion and against tax evasion and prohibited the black market.

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