

ISBN : 978-93-87665-53-8

**MIT** | Arts, Commerce  
& Science College

Alandi (D), Pune - 412 105

**Department of Business Administration  
and International Business**

Organized

**Two Days  
State Level Seminar**

On

**22<sup>nd</sup> and 23<sup>rd</sup> December, 2017**

On

**DEMONETIZATION AND REMONETIZATION -  
ISSUES AND CHALLENGES FOR INDIAN ECONOMY**



Sponsored by



**Savitribai Phule Pune University, Pune**

29	Effect of Demonetization on Rural & Agriculture Economy Sumesh Raut Sumit Patil	165
30	Future and Scope of Cashless Economy in India Vedant Narayan Kakade	168
31	Impact of Cashless Economy Cashless Economy: Is India Prepared For? Aditya Pratap Singh Ansari Wasim Farid	175
32	Demonetization. Is India Prepared For? Sagar Mishra	180
33	Big Data for Augmenting Indian Economy Tejas Nawale Shivanand Buchade Prof. Minal Dutta Prof. Vikas Mahandule	186
34	Demonetization and its Impact on Retail Sector Pratik Agarwal	190
35	Remonetization and Aftermath of Demonetization Prof. Aakanksha Landge	193



## REMONETIZATION AND AFTERMATH OF DEMONETIZATION

Prof. Aakanksha Landge  
Asst. Professor, Department of BBA & BBA IB,  
MIT ACS, College, Alandi (D), Pune

### ABSTRACT:

*The role of currency in the smooth flow of standard of livelihoods in the nation comes to ahault with the change & reintroduction of the new currency notes. The economist relies on adapting to changesto increase economic growth and welfare of society. The running time between the Remonetisation: Aftermath of Demonetization has left the societies of the nation clue less for whether the decision was true to the change of reason.*

### INTRODUCTION

On 8 November 2016, In a 40 minute long speech Prime Minister Narendra Modi announced the demonetization of existing notes of Rs 500 and Rs 1000. **Demonetization** for us means that Reserve Bank of India has withdrawn the old Rs 500 and Rs 1000 notes as a official mode of payment. According to Investopedia, demonetization is the act of stripping a currency unit of its status as legal tender.

**Remonetisation** is the restoration of some commodity such as silver or coins or bank notes that are not money as money. It is the reverse of Demonetization. It also helps in the up-liftment of the economy. Remonetisation is a Very hard process to work.

### Reasons for currency change?

The reasoning given by PM was:

1. To tackle black money in the economy.
2. To lower the cash circulation in the country which "is directly related to corruption in our country," according to PM Modi.
3. To eliminate fake currency and dodgy funds which have been used by terror groups to fund terrorism in India?
4. The move is estimated to scoop out more than Rs 5 lakh crores black money from the economy, according to Baba Ramdev, a staunch Modi supporter.

### OBJECTIVES

1. Eradicating social imbalance.
2. Indian population - whether prepared to accept demonetization.
3. Comparative study of money flow in average Indian society.

### LITERATURE REVIEW

Adam Smith analysed the dynamics of wealth of nations and welfare of individuals and societies, the theory has been still benefited from the Smith's views on the economic growth which are division of labour, education, human capital, learning by doing, increasing returns to scale, technological change, externalities,

4. Fuel fiasco- The daily need for fuel either to an individual or local transport came to a halt with the overnight decision.
5. Break in food joints -All those people who relied heavily on local food joints had to go empty stomach several times.
6. Infant industries and startups- at the infancy stage, the startups and the ancillary industries are the worst affected. Some of which could not sustain the burden.
7. Cash crunch-Banks and ATM facilities were interrupted due to cash crunch, which kept people stranded for a long time in banks & ATM booths ques.
8. Emergence of e-Wallets- the global wave of going cashless or carrying plastic money through e-Wallets and other digital payment modes were unsatisfying due to increased rate of taxes.
9. Tremor through rich and poor- demonetization entered the lives of the rich and the poor as an unexpected tremor. There was a little time to react and adjust with the change.
10. Snowed warehouses – The fall in consumption / utilization for few products & services decreased demand resulted in over dumping of warehouses. The goods were forced to freeze for an infinite date.

#### **FINDINGS& SUGGESTION:**

1. The apathy of social life has clearly stated under the suffering that called for the change but marginal updates received by govt. to prove eradication social imbalance.
2. The call for numerous stages of policy implementation & round the clock updates by govt. sources directly challenged whether the Indians were prepared to accept demonetization or not.
3. The average Indian society has seen the crunch of time under demonetization when the average percentage of statistical comparative study showed negative results of money flow.
4. Smith in his model includes just two segments of the economy, i.e., the capitalists (landlords) and laboring class. But it is not true, in addition to these two classes, there is also a middle class which plays an important role, in the economic growth. The savings are not just made by the rich class, the middle class also saves.

#### **Bibliography**

1. Adam Smith, Correspondence of Adam Smith – Glasgow Edition of the works & Correspondence, Oxford University Press, 1982, vol.2a,p 456.
2. Journal of Economic Perspectives – Volume 19, Number 3 – Summer 2005. Nava Ashraf, Colin F Camerer & George Loewenstien
3. <http://www.worldometers.info/world-population/india-population/>
4. [worldpopulationreview.com/countries/india-population/](http://worldpopulationreview.com/countries/india-population/)
5. [http://economicsconcepts.com/adam\\_smith's\\_model\\_of\\_economic\\_growth.htm](http://economicsconcepts.com/adam_smith's_model_of_economic_growth.htm)



MAEER's  
**MIT** | Arts, Commerce  
& Science College  
Alandi (D), Pune.



Department of Business Administration and International Business  
Organized  
Two Days State Level Seminar

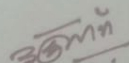
On  
**"DEMONETIZATION AND REMONETIZATION – ISSUES AND CHALLENGES FOR INDIAN ECONOMY"**

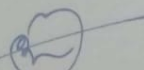
In association with Savitribai Phule Pune University

**CERTIFICATE**

1<sup>st</sup> Rank

This is to certify that, Dr./Prof./Ms./Mr./Mrs. Nakanksha Landge  
of MIT Arts, Commerce & Science College, Alandi has  
participated/presented a paper entitled Remonetization: Aftermath of  
Demonetization in Two  
Days State Level Seminar On **"DEMONETIZATION AND REMONETIZATION – ISSUES AND  
CHALLENGES FOR INDIAN ECONOMY"** On 22<sup>nd</sup> & 23<sup>rd</sup> December, 2017.

  
Prof. Amol Mane  
Convener

  
Prof. Dr. B. B. Waphare  
Principal