

UNIT 29 – BANKING - Takeaways from Demonetization: Long Term Goals

Demonetization was a major step in Indian Economy, with curbing of Rs. 500 and Rs.1000 notes and introduction of new notes in the system. In recent examination questions from demonetization were asked, and for upcoming exams, you must be prepared to face questions from this. Boost your knowledge and analytical thinking regarding demonetization from these **5 Takeaways: Long term goals of demonetization.**



Curbing Black economy for the long run

India has a huge parallel black economy which the government can't tax and this was a major step in controlling black or unaccounted money.

Ensuring Bank account for every citizen

Demonitization pushed more and more Indian citizens into the banking system and this is exactly what the government wants. Everyone was compelled to open a bank account if they didn't had an existing account, to deposit old currency notes.

Surgical Strike on counterfeit notes

Counterfeit or fake currency poses a major danger to a country's economy. However, now fake notes have been removed from the system and new counterfeits will be difficult.

Boosting Less-Cash economy, a step towards digital era

Less-Cash economy a termed coined by Prime Minister is essentially boosting Online market through increasing the use of credit cards, online payment systems. This is not just convenient for citizens, but also for the government to monitor. Online transactions can be easily tracked and taxed.

Boost the Indian Economy

A good amount of black money will make its way into the white economy and that will only boost the Indian economy. Then as a result of counterfeit notes being expelled from the system, the value of Rupee will become stronger. The online industry has also received a huge boost.