



# ST FRANCIS DE SALES COLLEGE

Permanently Affiliated to Bangalore University

Electronics City, Bengaluru - 100

Accredited with NAAC "A" Grade || Recognised under 2(f) & 12(b) of the UGC Act

A FRANSALIAN INSTITUTE OF HIGHER LEARNING

## “EFFECTS OF DEMONETIZATION ON STARTUPS”

PG ECONOMICS

**RESOURCE PERSON:**

RAJASHEKARA SB,  
M.A ECO., Ph.D

**Venue: SEMINAR HALL**

**Date: 19:02:2020 & 20:02:2020**



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**Report of Two Day Seminar on Effects of Demonetization on Start ups in Association with Research & IP Cell during the year 2019-2020.**

Title	Two Day Seminar on Effects of Demonetization on Start ups
Dates of Seminar	19.02.2020 & 20.02.2020
Department	PG ECONOMICS
Venue	SEMINAR HALL
Number of Participants	28 PARTICIPANTS

Resource Person	<b>RAJASHEKARA SB, Chief Guest of the Seminar</b> <b>M.A ECO., Ph.D</b>
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### Detailed Report:

St Francis de Sales College has taken various initiatives in the form of workshops, training sessions, seminars so on and so for. Recently, the Department of Economics has conducted a programme entitled "**Two Day Seminar on Effects of Demonetization on Start ups**" which aimed at "to inculcate students to understand effects of demonetization".

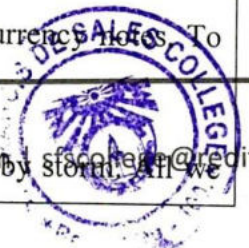
The resource person of the session had shared his vast and updated knowledge in demonetization.

The meaning of demonetization is the act of stripping currency unit of its status legal tender. Demonetization is necessary whenever there is a large change of national currency. The old unit of currency must be retired and replaced with a new currency unit.

India is facing problem of black money in the currency from and fake currencies. To eliminate that problem from roots, Government introduced demonetization.

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see everywhere are long queues of banks, people waiting for hours to get their currency exchanged or deposited, so on and so forth. While all this is taxing and tiring, but the bigger question is that is all this worth the trouble. Well, to dig deeper into this situation, we have compiled a list of possible outcomes of this decision. These are the outcomes that will have a lasting effect on our economy in the long run. It is important to study actual impact of demonetization on common people and their response about achievements of demonetization after the completion in the year ago. It is very important that to know the impact of demonetization in wider angle from primary experience.

### **Overview on Impact of Demonetization:**

#### **1. Uprooting the parallel economy:**

This historic move is primarily expected to remove black money from the economy as they will be blocked since the owners will not be in a position to deposit the same in the banks. This move will stall the circulation of large volume of counterfeit currency at least for some time and will curb the funding for anti – social elements like smuggling, terrorism, espionage, ect. We can already see these effects taking shape from people with black money throwing currency into rivers like Ganga and Yamuna. There is also a downfall in the terrorist activities in Kashmir valley. All this and more has been credited to the withdrawal of 500 and 1000 INR currency notes from market.

#### **2. Impact on money supply, short term and long term:**

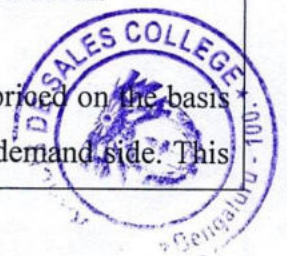
With the older 500 and 1000 Rupees notes being scrapped, until the new 500 and 2000 Rupees notes get widely circulated in the market, money supply is expected to reduce in the short run. To extent that black money ( which is not counterfeit ) does not re-enter the system, reserve money and hence money supply will decrease permanently. However gradually as the new notes get circulated in the market and the mismatch gets corrected, money supply will pick up.

#### **3. Impact on banks:**

Since, the 500 and Rupee notes which now cease to be legal tender are to be deposited or exchange in banks (subject to certain limits). This will automatically lead to more amounts being deposited in Savings and Current Account of commercial banks. This in turn will enhance the liquidity position of the banks, which can be utilized further for lending purposes. This will definitely enhance the cash flow for the banks and markets both.

#### **4. Impact on prices:**

The major impact of this is going to be seen is cases where the goods are priced on the basis of demand. Price level is expected to be lowered due to moderation from demand side. This



demand driven fall in prices could impact two major categories i.e.; Consumer goods and Real Estate. Consumer goods Prices are expected to fall only marginally due to moderation in demand as use of cards and cheques would compensate for some purchases. Real Estate and Property prices in this sector are largely expected to fall, especially for sales of properties where major part of the transaction is cash based, rather than based on banks transfer or cheque transaction. In the medium term, however the prices in this sector could regain some levels as developers rebalance their prices (probably charging more on cheque payment).

**5. Effect on the GDP:**

Gross Domestic Product (GDP) is the broadest quantitative measure of a nation's total economic activity. The GDP formation could be impacted by this measure, with reduction in the consumption demand. However with the recent rise in festive demand is expected to offset this fall in overall impact. Moreover, this expected impact on GDP may not be significant as some of this demand will only be deferred and re- becomes normal.

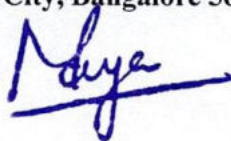
**6. Increase in usage of Online Transaction and alternative modes of payments:**

With cash transactions facing a reduction, alternative forms of payment have seen a surge in demand. Digital transaction systems, E wallets and apps, online transaction using E banking, usage of Plastic money (Debit and Credit Cards), ect. Will definitely see substantial increase in demand. This should eventually lead to strengthening of such system and the infrastructure required. This has been seen as one of the driving factors to propose this change

The seminar was very interesting and informative .Students learned the special effects of demonetization.. The College focuses on upgrading the presentation skills of students by providing various workshops and seminars. Students were given a platform to present papers through seminar sessions to exhibits their knowledge.

**Name of the Reporter:**

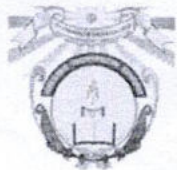
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ATTENDANCE LIST

EVENT NAME: TWO DAY SEMINAR ON EFFECT OF DEMONETIZATION ON START UPS			
CLASS: PG ECONOMICS			
DATE: 19.02.2020 & 20.02.2020			
RESOURCE PERSON: RAJASHEKARA SB, M.A ECO., Ph.D			
SL.NO	NAME	ROLL NO	Signature
1	ALBERT JOES FRANCY	19NCAEC001	Albert
2	BALAPUSHA B	19NCAEC002	Balapusha
3	KARIANGAILIU GONMEI	19NCAEC003	Kariangailiu
4	MANASA K C	19NCAEC004	Manasa
5	MEGHA M	19NCAEC005	Megha
6	SHILPA	19NCAEC006	Shilpa
7	SUMA S	19NCAEC007	Suma
8	SUSHMITHA KRISHNAN	19NCAEC008	Sushmitha
9	TONY A J	19NCAEC009	Tony
10	KISHORE Y J	19NCSMT001	Kishore
11	P C SUKANYA	19NCSMT002	Pc
12	RAKSHITHA S	19NCSMT003	Rakshitha
13	RANI PRACHANDI	19NCSMT004	Rani Prachandi
14	SUSHMA R	19NCSMT005	Sushma
15	AKKAMAHADEVI	19NCCOM001	Akkamahadevi
16	ANIL KUMAR S R	19NCCOM002	Anil
17	ANJITHA SANTHOSH	19NCCOM003	Anjitha
18	ARCHITHA N	19NCCOM004	Architha
19	ASHWINI N	19NCCOM005	Ashwini
20	ASIF PATEL P	19NCCOM006	Asif
21	BHAVANI L	19NCCOM007	Bhavani
22	CHAITHRA B R	19NCCOM008	Chaithra
23	CHAITHRA K R	19NCCOM009	Chaithra
24	CHARLESON BRICE	19NCCOM010	Charles
25	DHANANJAY R	19NCCOM011	Dhananjay
26	DHANESHWARI	19NCCOM012	Dhaneswari
27	GOWTHAMI S	19NCCOM013	Gowthami
28	JANAKIRAM R	19NCCOM014	Janakiram

