

## **Cash Less Economy**

### **What was the issue?**

\n\n

State bank of India started promoting cash less transactions.

\n\n

### **What is digitized economy?**

\n\n

\n

- Digital economy refers to an economy that is based on digital computing technologies.

\n

- The digital economy is also sometimes called the Internet Economy.

\n

- Increasingly, the "digital economy" is intertwined with the traditional economy making a clear delineation harder.

\n

\n\n

### **What are the advantages of digital economy?**

\n\n

\n

- Transactions are digital, no need of safe guarding physical currencies.

\n

- Time saving and faster means of exchange.

\n

- The government able to track any transaction.

\n

- There is increasing tax revenue.

\n

- Dealing with criminal transactions is easier.

\n

\n\n

### **What are the issues with digital economy?**

\n\n

\n

- Physical cash often offers the easiest and cheapest way to deal in many low-value transactions.

\n

- It make no economic sense for small businesses to build the infrastructure required for digital payments

\n

- Cash less economy would threaten the stability of the banking system.

\n

- Cash acts as a natural check on inflationary government policies.

\n

\n\n

\n**Source: The Hindu**

\n

