Digital Penetration and Investment Pattern of Households:
A Comparative Study Between Capital Market and
Non- Capital Market Investments

Gayathri S Nair,

Research Scholar,
Government college, Attingal,
University of Kerala, India.

Dr. Resia Beegam S,

Professor and Head of the Department,
Department of Commerce,
University of Kerala, India.

ABSTRACT

Digital penetration will help to transform the economy into a digital knowledge based economy. Within few months after the announcement of demonetization, the aim of the move has changed from curbing black money to achieving digital economy. So, the demonetization can be considered as a tool to achieve digital economy. Investment is regarded as one of the key factors of development of an economy. Household sector can be considered as a main source of finance for the banks, corporates and the government. The household makes their investment in capital market and non-capital market sectors. Concern for the future will influence the investment pattern of households. Households in Kerala have traditional mindset and they are not fully adaptable to the changing situation. People will shift the mode of operation when they find it very easy to operate the digital mode and will change the investment pattern whey find it more benefit to invest in a particular sector. If the mindset of the households changes, they can earn high return from a proper investment by using an appropriate mode for transactions in this changing conditions.

Keywords: Digital economy, investment, households, demonetization.

INTRODUCTION:

Digital penetration is the access to the use of digital structure or more use of digital means than cash for the transactions. It has made all transactions at a single click and will result in more transparency and accountability. Digital penetration will help to transform the economy into a digital knowledge based economy. Within few months after the announcement of demonetization, the aim of the move has changed from curbing black money to achieving digital economy. India is a country where still majority of the transactions were carried out by using cash. In such a situation, the transformation from cash based economy to cashless economy is a big task. Using more digital mode for transactions is a way to achieve cashless economy.

Investment is the planning what secures most of the people from the uncertainty of future. The household makes their investment in capital market and non-capital market sectors. Capital market sector includes the investment in shares, debentures, government securities, mutual funds etc. and the non-capital market sector includes investment in banks, insurance, chitty funds, post office savings, provident fund etc. Most of the household sector in Kerala prefers investment in non-capital market as they believe that it is safer. Even though the capital market provides higher returns, the people in Kerala have an aversion towards the investment in capital market as they don't want to take risk and are not aware of the benefits in the capital market. As per the RBI findings, only 2.8 percent of the households have investment in stocks and other financial assets. Now, the present changing conditions are likely to bring a change in the investment pattern of households.

Even though there are difficulties in the initial time from the announcement of demonetization, just in few

months, the people in the country have started to experience the advantages that they are receiving from the transactions in digital mode and many of the households are familiar of the different online facilities connected with operating the investment. The transactions in capital market were digitalized from many years. The households are considered as a main aggressor of digital transactions. The non-availability of cash has forced the households to use digital mode in the investment area. The cash transactions in the economy are not fully going down, but there is an increase in the digital mode by the households that is they are using both cash and cashless transactions in Kerala. The progress to cashless economy will increase the investments in financial assets by households. The decision regarding where to invest is based on the factors like risk, return, safety and liquidity. As the capital market is highly volatile, the market and economic conditions affect the investment avenues in capital market. This change may influence the pattern in non-capital market segment also. A household can make profit by taking wise decisions regarding where to invest.

OBJECTIVES OF THE STUDY:

- To examine whether there is any significant change in the mode of operation in investment by households as a result of preliminary movement to cashless economy.
- To examine the investment pattern of households in capital market and non- capital market.
- To examine whether investment pattern vary significantly between capital market and non- capital market investments as a result of current economic and market conditions.
- To examine the problems encountered by investors in terms of support and encouragement from the environment and interventions from the institutions.

HYPOTHESES:

- There is no significant difference in the mode of operation of household in investment as a result of preliminary movement towards cashless economy on the basis of area.
- There is no significant difference in the mode of operation of household in investment as a result of preliminary movement towards cashless economy on the basis of income.
- There is no significant difference in investment pattern of households in capital market and non- capital market instruments on the basis of area.
- There is no significant difference in investment pattern of households in capital market and non- capital market instruments on the basis of income.

RESEARCH METHODOLOGY:

Method adopted:
The present study is an attempt to identify the change in the mode of operation in investment and the change in investment pattern of households in Thiruvananthapuram after the preliminary movement towards cashless economy. As such, the present study has been designed as an exploratory study.

For the present study, both primary data and secondary data are used. Primary data is collected from the households in Thiruvananthapuram who have made investment in banks (public and private sector banks), and insurance (public and private sector) in non- capital market sector and investment in shares and mutual funds from capital market sector. A schedule is used to collect the primary data from the households in Thiruvananthapuram.

Besides primary data, secondary data is collected from the various banks, insurance companies, depositories, articles, journals, published and unpublished reports, and websites.

Sample for the study:
In the present study, the population constitutes households who have investment in capital market and non-capital market financial assets in Thiruvananthapuram. Judgement sampling method is used for selecting the samples for the study. The sample size is 120, where 60 households constitute the investment in capital market and non- capital market from rural area and 60 households constitute the investment in capital market and non-capital market from urban area. The criteria area and income is selected on the basis of judgement.

Variables identified:
- Change in the mode of operation in investment
- Investment pattern of households
- Change in investment pattern of households
- Problems in using digital mode

Tools for analysis:
The primary data collected from the households are tabulated, analysed and interpreted using the statistical package SPSS by using the tools like percentage, Mann Whitney U Test, Chi square Test, Friedman Test and Multiple Response Test.

REVIEW OF LITERATURE:

Piyush Kumar (2017) in his study an analysis of growth pattern of cashless transactions system found that the cashless transaction has reached its growth day by day. The market has become globalized and the growth of banking sector has made more and more people to move from cash to cashless system. All the online market was basically dependent on cashless transaction system. It also helped in recording of all the transactions done.

Pranjali et.al (2017) have brought out the fact in their study impact and importance of cashless transactions in India that the cashless policy has increased employment, reduced cash related robbery and thereby reducing risk of carrying cash. They have also pointed out that cashless policy has also reduced cash related corruption and has attracted more foreign investors to the country. It was expected that it has an impact in modernization of payment system, reduction in the cost of banking service, reduction in high security and safety risk and also curbed banking related corruption.

Prabhu et al (2017) studied demonetization and its effects on banking sector. They opined that banks are major institutions affected by demonetization. Banned denominations were ploughed back and allowed the citizens to exchange with the banks. While exchanging, it disturbed temporarily and influenced its regular operations. Though it affected badly to major extent of bank operations, it helped the economy to find growth and development of the country through financial institutions like Banks.

Preeti Garg (2017) in her article study on introduction of cashless economy in India 2016: Benefits and challenges has pointed out that many people has actually agreed with the government or the usefulness of cashless economy as it helps to fight against terrorism, corruption money, but one biggest problem in the working of cashless economy in India is cybercrime and illegal access to primary data. It was important to strengthen internet security from protection against online fraud. Large number of population is still below literacy rate living in rural area.

Shivaji Chatterjee (2017) in his study cashless rural economy can spur demand for traditional banking revealed that demonetization would not hurt bank expansion into rural India. Neither would go cashless to detrimental to rural expansion. But for that not to happen, banks would need to meet the digital payment or mobile segment head on.

Nithin Kamath (2017) in his study demonetization has been painful but stock markets to see far reaching benefits in 2017 has commented that demonetization and the clamp down on black money came in as a pleasant surprise. But it has caused inconvenience to many and has caused quite a dent in the economy on an immediate basis. However, the benefits in the long term were far too many, especially for the stock markets.

Ishmeet Singh (2017) in his paper changing trends in household savings stated that household savings and investment especially in the finance sector were very important for the growth of an economy. But there was a lack of confidence in the finance sector where the investments were linked to the market shares. Government has made various efforts to mobilize people to gain financial literacy and start saving in the finance sector. The efforts of the government are bearing fruits and the economy was witnessing a steady growth in the household's investments in finance sector.

ANALYSIS AND INTERPRETATION:

Current Investment area of the households:

Figure 1: Investment of rural and urban households in various investment areas
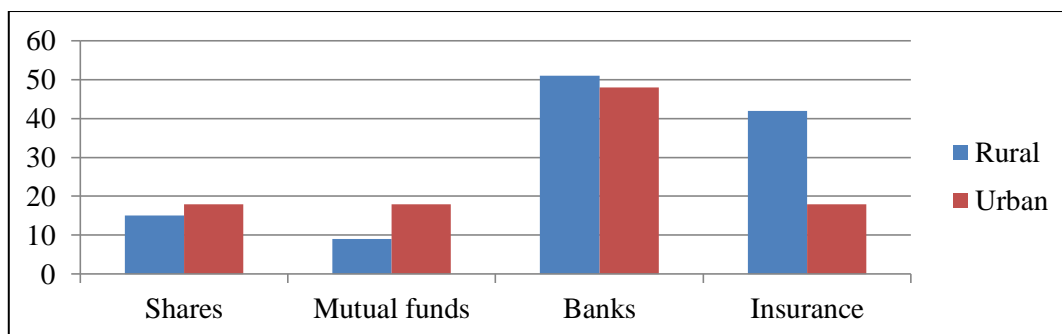
In both rural and urban area, majority of households have investment in banks. Investment in insurance is high in rural area compared to urban area. Investment in shares and mutual funds are more in urban area.

Figure 2: Investment of households in various instruments on the basis of income
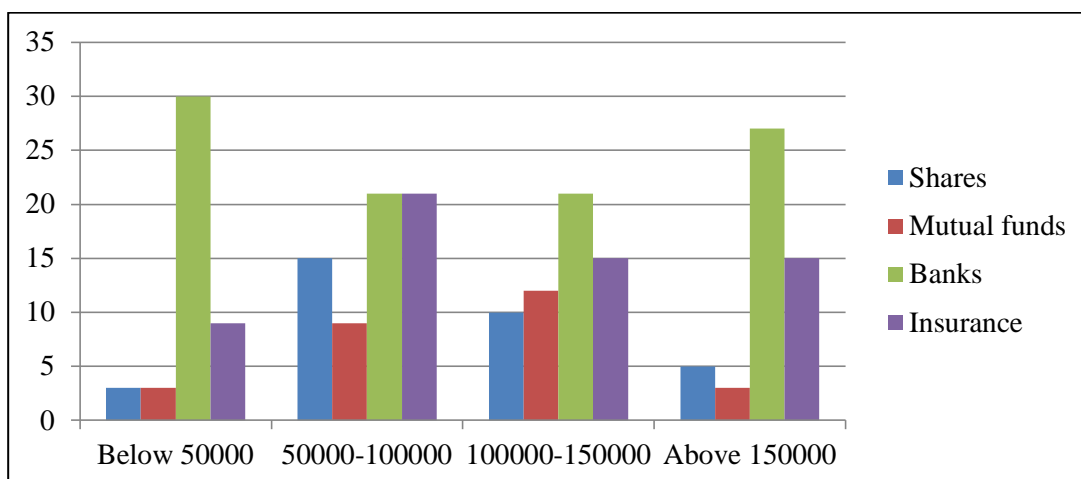

Figure 2 represents the investment of households in various instruments based on their income. In all the income groups, investment is more in banks. The households having income between 50000 and 100000 have same amount of investment in banks and insurance. Less investment is made in shares and mutual funds by all the income groups.

Objective 1:
Change in investment mode:
The aim of the demonetization is to curb the black money and reduce terrorism, but this aim has changed after few months of the announcement of this move. Now, the ministry has stated that, the aim of the move is to transform the cash based economy to cashless economy where most of the transactions are carried out using digital mode. So, the demonetization is the tool and cashless economy is the goal. In this circumstance, it is relevant to study whether there is any change in the investment mode of households and this is studied on the basis of the criteria area and income.

Hypothesis 1:

Table 1: Change in mode of operation in investment of households on the basis of Area

Area	Mean ranks
Rural	47.00
Urban	74.00

Source: Primary data

Table 2: Test Statistics showing change in mode of operation in investment of households on the basis of Area

Mann-Whitney U	990.000
Z	-4.915
Sig	0.000

Source: Computed data

In order to find out whether there is any change in the mode of operation in investment of households as a result of preliminary movement towards cashless economy on the basis of area, Mann Whitney U test was used. The mean rank for rural area is 47 and that of urban area is 74. As per the test, Z value is -4.915 and the level of significance is 0.000 which is less than 5 percent.

As the significance level is less than 5 percent, there is significant difference in the mean ranks of rural and urban area for the change in the investment mode as a result of preliminary movement towards cashless economy.

Hypothesis 2:

Table 3: Change in mode of operation in investment by households on the basis of Income

Income of households	Households who changed their investment mode		Households who not changed their investment mode			Total
	No	**Percent**	**No**	**Percent**	**No**	**Percent**
Below 50000	18	30	12	20	30	50
50000-100000	21	35	9	15	30	50
100000- 150000	9	15	21	35	30	50
Above 150000	15	25	15	25	30	50
Total	**63**	**100**	**57**	**100**	**120**	**100**

Source: Primary data

Table 4: Chi square tests showing change in mode of operation in investment by households on the basis of Income

Chi square value	10.526
df	3
Sig.	0.015

Source: Computed data

Table 3 shows the change in the investment mode of households on the basis of income. Households who have income between 50000- 100000 (35 percent) are more preferred to change their investment mode followed by income below 50000 (30 percent). Households who fall in income between 100000- 150000 (35 percent) do not want to change their investment mode after the movement towards cashless economy.

In order to analyze whether there is any significant difference in the investment mode after the preliminary movement towards cashless economy on the basis of income, Chi square test was used. From the table 4, it is clear that chi square value is 10.526, degree of freedom is 3 and the level of significance is 0.015.

As the significance value is less than 0.05, there is significant difference in the mode of operation in investment of households as a result of the preliminary movement towards cashless economy on the basis of income.

Objective 2:
Reasons for making investment in Capital market and Non capital market:
Each household will have an intention for making an investment and most important them is concern for the future. On the basis of their intention they will select an investment area either in capital market, non- capital market or in physical assets. They will consider so many factors influencing investment as they are no ready to invest their hard earned money anywhere. Most of the people are risk averse and require higher return. Based on the risk involved, return assured, easy convertibility to cash and safety in each investment avenue, the households will select the best investment. The study analyzes the reasons for making investment in capital market and non- capital market.

Reasons for investing in Capital market:
A household who is ready to take risk and require higher return will most probably invest in capital market. Capital market is always subject to market conditions and the prices will fluctuate. Each household may have different reasons for investing in capital market. A household who can make investment at proper time at the appropriate avenue by analyzing the market can make better returns. Here, the capital market includes shares and mutual funds. The reasons identified are capital appreciation, higher return, tax relief, liquidity, more investment opportunities, for getting the advice of better professional management, well regulated market, product diversification, asset management cost is low and easiness in process.

Table 5: Reasons for investing in capital market

Reasons	Responses		Percent of cases
	No	Percent	
Capital appreciation	39	10.4	61.9
Higher return on investment	54	14.4	85.7
Tax relief	27	7.2	42.9
Liquidity	24	6.4	38.1
Large investment opportunities	42	11.2	66.7
Professional management	45	12.0	71.4
Well regulated market	45	12.0	71.4
Product diversification	42	11.2	66.7
Low cost of asset management	12	3.2	19.0
Ease of process	45	12.0	71.4

Source: Primary data

Table 5 represents the reasons for making investment in capital market by the households. Most of the households considered higher return (14.4) as the reason for investment in capital market out of which 85.7 percent is investing only for getting higher returns and no other reason for investing in capital market. Professional management, well regulated market and ease of process are also considered as a reason for investment by 12.0 percent followed by large investment opportunities and product diversification (11.2 percent). The reason which is least preferred by households is low cost of asset management (3.2 percent).

Reasons for investing in Non- capital market:
A household who are not ready to take risk and want safe investment will always prefer investment in non-capital market. There is a traditional mindset for the households that investment in this sector will provide guarantee for return and principal amount. Even many people do not know or think about the other investment avenues. The study analyzes the reasons for making investment in non- capital market which includes banks and insurance. Each sector is coming up with many schemes and products that attract the households to invest in these sectors.

Table 6: Reasons for investing in Non- capital market

Reasons	Responses		Percent of cases
	No	Percent	
Guaranteed return	87	15.9	78.4
Safety of principal	108	19.8	97.3
Low risk	108	19.8	97.3
Financial security	99	18.1	89.2
Tax relief	57	10.4	51.4
Basis of credit	45	8.2	40.5
Encourages savings and investment	42	7.7	37.8

Source: Primary data

From the analyze, it is found that safety of principal and low risk (19.8 percent) are the reasons for investing in non- capital market by more households out of which 97.3 percent has only these reasons for investing in this sector. Financial security (18.1 percent) provided by this sector is also considered as a reason for investing followed by guaranteed return (15.9 percent). The lowest considered reason is encouragement for savings and investment (7.7 percent).

Objective 3:
Change in Investment pattern
Investment is an important factor for the economic development of a country and household sector is considered as a main source of investment for the country. The purpose of investment will be different for different persons. Everyone is expecting a benefit from the investment and investment of households depends

on various factors. The demonetization move has made a huge investment in various sectors especially in mutual funds and insurance and there is a transformation in the preference of the households towards financial assets which will benefit the economy. The present study analyze whether there is any change in the investment pattern of the households from their current investment pattern as result of the demonetization move.

Hypothesis 3:

Table 7: Change in investment pattern of households on the basis of Area

Area	Mean ranks
Rural	59.00
Urban	62.00

Source: Primary data

Table 8: Test statistics showing change in investment pattern of households on the basis of Area

Mann-Whitney U	1710.00
Z	-0.563
Sig	0.573

Source: Computed data

For analyzing whether there is any change in the investment pattern as a result of current economic and market conditions on the basis of area, Mann Whitney U test was used. From the analyzes, it was found that mean rank for rural area is 59 and that of urban area is 62. The result of test shows that Z value is -0.563 and significance level is 0.573 which is greater than 0.05.

As the significance level is greater than 0.05, there is no significant between mean ranks of rural and urban area for the change in investment pattern of households as a result of current economic and market conditions.

Hypothesis 4:

Table 9: Change in investment pattern of households on the basis of Income

Income of households	Households who changed their investment pattern		Households who not changed their investment pattern		Total	
	No	Percent	No	Percent	No	Percent
Below 50000	21	35	9	15	30	50
50000-100000	21	35	9	15	30	50
100000-150000	12	20	18	30	30	50
Above 150000	21	35	9	15	30	50
Total	**75**	**62.5**	**45**	**37.5**	**120**	**100**

Source: Primary data

Table 10: Chi square test showing change in investment pattern of households on the basis of Income

Chi square value	8.640
Df	3
Sig	0.034

Source: Computed data

Table 9 indicates the change in the investment pattern of households as a result of the current economic and market conditions on the basis of income. Majority of the households (62.5 percent) who have income below 50000, 50000-100000 and above 150000 have changed their investment pattern on the account of changing economic and market conditions. But, 30 percent of the households in the income level 100000-150000 not changed their investment pattern, as they are satisfied with the benefit received from the current investment.

Chi square test is used to analyze the whether there is any change in the investment pattern of the households as a result of current economic and market conditions on the basis of income. From the table 10, chi square value is 8.640, degree of freedom is 3 and the level of significance is 0.034.

As the significance level is less than 0.05, there is significant difference in the investment pattern of households as a result of current economic and market conditions on the basis of income.

Preference towards investment:
There will be always confusion in the mind of the households regarding where to invest that will provide higher return especially in the changing conditions. They have to decide the best avenue and the amount for their investment. The economic and market conditions will definitely affect the benefit receiving from different investment. The demonetization move has increased the deposit in banks, which lead to decrease in the deposit rates as the banks do not want to depend on external borrowings. Likewise, different investment avenues are affected by the move differently. So, the investor has to be more aware of the investment avenues and should be careful in investing in a particular sector. The study analyzes the preference of the households towards various investment areas.

Table 11: Preference of the households towards various investment instruments

Investment area	Mean Rank	Rank
Shares	2.30	2
Mutual funds	1.78	1
Banks	3.33	4
Insurance	2.60	3

Source: Primary data

Table 12: Friedman Test showing preference of the households towards various investment instruments

Chi square	90.450
Df	3
Sig.	0.000

Source: Computed data

Table 11 represents the preferences of the households towards various investment areas who have changed their investment pattern in the current economic and market conditions. Friedman test is used to analyze the preference of the households towards investment areas. From the table, it is clear that most of the households have preferred mutual fund as the best investment area in the current economic and market conditions. So, the first rank is allotted to the mutual funds (1.78) and the second rank to shares (2.30) followed by insurance (2.60) and banks (3.33). Many households have least preferred investment in banks may be because of the decrease in the deposit rates.

Table 12 shows the significance level of different investment areas. Chi square value is 90.450, degree of freedom is 3 and the level of significance is 0.000. So, there is significant difference in the preference of households towards different investment areas on the basis of income as the significance level is less than 0.05.

Objective 4:
Problems in using digital mode:
There are so many problems that are facing by the households while using digital mode for their transactions. Because of these problems, many of them are not ready to use this mode. The problems identified are security issues, lack of infrastructural facilities, risk of making investment mistakes, lack of operational knowledge, no personal relationship, lack of familiarity with technology and chance of fraudulent activities. The Friedman test is used to rank the problems on the basis of priority.

Table 13: Problems in using digital mode

Problems	Mean score	Rank
Security issues	1.45	1
Lack of infrastructural facilities	4.30	4
Risk of making investment mistakes	4.84	6
Lack of operational knowledge	3.89	3
No personal relationship	5.47	7
Lack of familiarity with technology	4.35	5
Chance of fraudulent activities	3.71	2

Source: Primary data

Table 14: Chi square test showing problems in using digital mode

Chi square	248.890
df	6
Sig.	0.000

Source: Computed data

Table 13 shows the problems facing by the households in using digital mode. Security issues is the main problem that is facing by households. So the first rank is allotted to security issues followed by chance of fraudulent activities. Many issues regarding hacking, stealing of personal information, withdrawing cash from the accounts, all have generate fear in households in using digital mode. Lack of operational and technical knowledge is another problem. Prime Minister has said in his speech that persons who know to operate digital mode should teach others especially the old age people to operate digital mode. Another problem is regarding lack of adequate infrastructural facilities. Adequate digital infrastructure and internet connectivity is required for using digital mode. The lowest rank is given to no personal relationship.

Table 14 states that there is significant difference in the problems in using digital mode by the households as the level of significance is less than 0.05.

Opinion of households towards initiatives of the government to make a cashless economy:
In order to tackle the problems facing by the households in using digital mode and to accelerate the movement towards cashless economy, the government is taking various programmes and initiatives. The initiatives taken by the government towards digital economy include aadhar linkage, know your customer, banking apps, BHIM, adequate infrastructure facilities and providing financial literacy. The study analyze whether the initiatives of the government is beneficial to make a cashless or digital economy.

Table 15: Opinion of households towards the initiative Aadhar linkage

Opinion	No	Percent
Yes	75	62.5
No	45	37.5
Total	**120**	**100**

Source: Primary data

Aadhar enabled payment system is a new payment system which is based on the unique aadhar number. It is developed by the National Payment Corporation of India. The government has made it compulsory to link aadhar to the bank account in order to make transactions. Table 13 indicates the opinion of households towards the aadhar linkage which is a new initiative of the government to make a cashless economy. It is clear from the table that 62.5 percent of the households are of the opinion that this initiative is beneficial as it promote digital economy and make the digital transactions safe and secure.

Table 15: Opinion of households towards the initiative Know Your Customer

Opinion	No	Percent
Yes	105	87.5
No	15	12.5
Total	**120**	**100**

Source: Primary data

Know Your Customer is a means by which the banks obtain the complete information about the account holders. Out of the households, 87.5 percent agree to the programme know your customer as this will not allow to misuse the banking services and the filing of the KYC form while opening bank accounts is made compulsory by the government. Only 15 percent do not agree with the initiative.

Table 16: Opinion of households towards the initiative Banking Apps

Opinion	No	Percent
Yes	78	65
No	42	35
Total	**120**	**100**

Source: Primary data

Different banking apps are developed by various banks to make the transactions easily for their customers. Majority of the households (65 percent) make sure that banking apps are beneficial to promote digitalization as most of the transactions can be made using banking apps like balance enquiry, fund transfer and many other services.

Opinion of households towards the initiative BHIM:
Bharat Interface for Money is a new initiative to make a cashless economy which is developed by the National Payments Corporation of India. It is a mobile application based on Unified Payment Interface. Nobody has of the opinion that BHIM is a not a success initiative. The reason is that it provide a safe, secure and fast cashless transactions for the households. So, all households are agreeing that bharat interface for money is a good initiative of the government in making a cashless economy.

Opinion of households towards the initiative adequate infrastructural facilities:
Many households are lacking proper infrastructure facilities for making cashless transactions. They may lack computer, internet and other machines for doing transactions in digital mode. So, all the households have considered the initiative of providing adequate infrastructure facilities very beneficial for promoting a cashless economy.

Opinion of households towards the initiative providing financial literacy:
One of the important hindrance in making a cashless economy is the lack of technical and operational knowledge on the part of the households. So, the initiative of the government in providing financial literacy by starting various programmes are fully accepted (100 percent) by the households

FINDINGS:

- In both rural and urban area, majority of households have investment in banks.
- Investment in insurance is high in rural area and investment in shares and mutual funds are more in urban area.
- The households in all income groups have more investment in banks and less investment in shares and mutual funds.
- There is significant difference in the use of investment mode as a result of preliminary movement towards cashless economy in rural and urban area.
- There is significant difference in the investment mode of households as a result of the preliminary movement towards cashless economy among different income groups.
- The higher return on investment is considered as a factor for investment in capital market by most of the households.
- In non- capital market, the households has considered safety of principal and less risk involved as the reasons for investment in this sector.
- There is no significant difference in the investment pattern of households in rural and urban area as a result of current economic and market conditions.
- There is significant difference in the investment pattern of households as a result of current economic and market conditions on the basis of income.
- The households who have decided or changed their investment pattern preferred mutual funds as the first option for investment followed by shares, insurance and banks. Banks are given the last priority for making investment.
- There is significant difference in the preference of households towards different investment areas on the basis of income.
- Security issues are considered as the main problem by the households while using digital mode.
- There is significant difference in the problems in using digital mode by the households.

- Bharat interface for money, adequate infrastructure facilities and financial literacy are considered best initiatives of the government towards digitalization as all households are supporting these initiatives.
- Aadhar linkage is considered as the least beneficial initiative of the government by the households.

SUGGESTIONS:

- Even though the digital penetration is increasing in rural area, there is difference in mode of operation between rural and urban area. So, the government has to conduct programmes to educate the rural households about how to use digital mode for different transactions and the advantages of using digital mode and the measures to be taken for the security of the details
- Security issues are the main problem in using digital mode. So the initiatives of the government like aadhar enabled payment system, bharat interface for money should be made very strong to secure the transactions in the digital mode.
- Providing adequate digital infrastructure, internet connectivity will help to accelerate movement towards cashless economy.
- Households are availing digital mode only for very few services particularly in non- capital market. The concerned authorities or institutions have to force the households to use the digital mode for all transactions and make it compulsory to achieve a cashless economy.
- In the changing market and economic conditions, many households preferred investment in insurance. As per the study, the households using digital mode for operating in investment in insurance is low. So efforts have to be taken by the authorities to promote information of the transactions that can be conducted using digital mode and about e- insurance account.
- Investment in shares and mutual funds in rural area is very low as they are more risk averse. Therefore make the rural households more informed about the advantages of making investment in capital market.
- The institutions have to provide information and help the households in availing digital mode particularly for the aged households as they are more reluctant to cashless economy.
- Reduce the hidden charges involved in the digital transactions and provide incentives for using digital mode.

CONCLUSION:

Banks was the most preferred investment area. But after the demonetization move many households are not satisfied with the benefit receiving from the current investment and they want to change their investment pattern. Mutual funds are considered as the best investment avenue in the present conditions because of the higher returns provided. There is significant difference in the investment mode of households on the basis of area and among various income groups. Security issues are considered as the main hindrance by the households in using digital mode.

REFERENCES:

Ishmeet Singh (2017). Changing trends in household savings. *International Journal of Recent Scientific Research*, 8(3),16039-16043.

Nithin Kamath (2017). Demonetization has been painful but stock markets to see far reaching benefits in 2017. Retrieved from www.etmarkets.com.

Piyush Kumar. (2017). An analysis of growth pattern of Cashless Transactions System. *International Journal of Research in Business Management*, 3(9), 37-44.

Prabhu, M., Girish, V., & Mamatha, R. (2017, April). Demonetization and its effect on Banking sector. *IOSR Journal of Busines and Management*, 20-22.

Preeti Garg. (2017). Study on introduction of cashless economy in India 2016: Benefits and challenges. *IOSR Journal of Business and Management*,19(4), 116-120.

Shendge, M. P. A., Shelar, B. G., & Kapase, A. P. S. S. (2017). Impact and Importance of Cashless Transaction in India. *International Journal of Current Trends in Engineering & Research (IJCTER)*, 3(4), 22-28.

Shivaji Chatterjee. (2017). Cashless rural economy can spur demand for traditional banking. Retrieved from www.hindustantimes.com/.../ Cashless- rural- economy- can- spur- demand- for- traditional- banking.