

# **Impact of Digital Currency on Financial Management in Youngster's in Coimbatore City**

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## **ABSTRACT**

This study explores the impact of digital currency on the financial management of youngsters in Coimbatore city, India. The emergence of digital currency has revolutionized the financial landscape, offering a convenient, secure, and low-cost way to manage finances. The study aims to investigate the current level of awareness and adoption of digital currency among youngsters, analyze its impact on their financial management, and identify the benefits and drawbacks of using digital currency. The findings suggest that respondents have a positive experience with digital currency usage, but there may be areas for improvement. The study highlights the importance of understanding user experiences and perceptions in the development and implementation of digital currency systems. The suggestions for improvement include making the process simpler and more intuitive, enhancing user interface, and increasing support services. This study provides valuable insights for policymakers, financial institutions, and educators to promote responsible digital currency usage and improve financial literacy among youngsters.

## **INTRODUCTION:**

The emergence of digital currency has revolutionized the financial landscape, offering a convenient, secure, and low-cost way to manage finances. Digital currency, also known as electronic or virtual currency, uses cryptography for secure financial transactions. The concept of digital currency has been around for several decades, but it gained popularity with the introduction of Bitcoin in 2009. In India, the government has taken initiatives to promote digital payments, including the launch of the Unified Payments Interface (UPI) and the Bharat Interface for Money (BHIM) app.

In India, digital payment adoption has grown significantly, especially among youngsters in Coimbatore city. The city's strong IT infrastructure and growing e-commerce industry have contributed to this growth. However, there is a lack of understanding about the impact of digital currency on the financial management of youngsters. This study aims to explore the current level of awareness and adoption of digital currency among youngsters in Coimbatore city, analyze its impact on their financial management, and identify the benefits and drawbacks of using digital currency for financial management. The findings of this study can provide valuable insights for policymakers, financial institutions, and educators to promote responsible digital currency usage and improve financial literacy among youngsters.

## REVIEW OF LITERATURE:

**Siddaraju S,2023** providing finance and business education for a population of 1.3 billion will have a lasting impact. He emphasizes that all Indian students should receive financial education, noting government programs aimed at addressing low literacy rates. However, there is a risk of production plans failing. Government funding for education is expected to yield better outcomes, potentially alleviating poverty. In summary, enhancing financial literacy in India will have significant global implications.

**Darshana Gandhi and Bhikhalal Moradiya,2022** Aimed to understand customer preferences for digital payment methods. They discovered that digital payments improve banking efficiency and intelligence. Factors such as competition, ease of payment, security, and time- saving are vital for patients considering digital wallet adoption, with PhonePe and Google Pay as the top choices. Despite the advantages of digital wallets, concerns about security and time m consumption linger. Poor internet connections also present challenges, revealing the inherent pros and cons of each payment system.

**Pavneet Kaur,2019** She found in her study that the need to move towards a cashless economy in India is immense. It will save a significant amount of money spent annually on printing and maintaining currency. Currently, less than 1% of all consumption expenditure is incurred through cashless instruments. The government needs to take necessary steps and make policy considerations when preparing for a cashless economy.

## OBJECTIVES

1. To Identifying the factors which influence the adoption of digital currency .
2. Analyzing the benefits and drawbacks of using digital currency for financial transactions .
3. To understand the relationship between frequency and types of digital currency used for financial transactions in Coimbatore city.
4. To analyze the impact of digital currency on youth 's financial management skills.

## RESEARCH METHODOLOGY

This is a descriptive and Exploratory study. Non –probability stratified Random Sampling Method is used to collect 152 responses from youngsters in Coimbatore city.

## SOURCES OF DATA

### Primary Data

- Primary data is collected through structured questionnaire.

### Secondary Data

- Secondary Data is collected from journals, books, websites, etc., SAMPLE SIZE- 152

## DATA ANALYSIS AND INTERPRETATION

### LIKERT SCALE ANALYSIS

Table showing how do respondents rate the level of difficulty in using digital currency for financial management

S.No	Particulars	No.of respondents	Likert scale values	Total
01	Very easy	27	5	135
02	Somewhat easy	49	4	196
03	Neutral	62	3	186
04	Somewhat difficult	12	2	24
05	Very difficult	2	1	2
<b>Total</b>		<b>152</b>		<b>543</b>

Likert scale value =  $\sum f(x) / \text{No. of respondents}$

= 543/152

Mean Likert Scale Value: 3.57

From the above table, the Likert scale value (3.57) is greater than the mean value (3), indicating that the respondents are generally not have much difficulties in using digital currency for their financial management. CHI SQUARE ANALYSIS

### Degree Of Freedom

Degree of Freedom =  $(R-1)(C-1)$

=  $(4-1)(5-1)$

=  $3*4$

=12

Level of significance at 5% Calculated Value = 49.7 Tabulated Value = 21.03

From the above analysis we can see that the calculated value(49.7) is greater than the table value(21.03) at a 5% significance level. Since the calculated value is greater than the table value , we reject the null hypothesis.

**Calculated Value > Table Value**

## **FINDINGS, SUGGESTIONS AND CONCLUSION**

### **LIKERT SCALE ANALYSIS**

1. The respondents had a positive experience (3.57) with the way digital currency helps them in their day to day life, suggesting that the digital currency usage goes well with them without any major difficulty .

### **CHI SQUARE ANALYSIS**

1. This suggests that there is a significant difference between the observed and expected values, indicating that the data does not align with the expected distribution. In simple terms, the data doesn't match what we expected, which indicates that something in the situation is causing the observed results to differ from what was anticipated.

### **SUGGESTIONS**

1. Since Some respondents might be having trouble using digital currency, so it would be helpful to make the process simpler and more intuitive. This could include things like clearer instructions, easier navigation, or more user-friendly interfaces.
2. The significant difference between observed and expected values in the Chi-Square analysis may indicate that there are specific aspects of digital currency usage that are causing difficulties for respondents. To address this, user interface improvements could be made to simplify transactions, provide clearer instructions, or offer more intuitive navigation.

### **CONCLUSION**

The findings of this study suggest that respondents have a positive experience with digital currency usage, but there may be areas for improvement. The significant difference between observed and expected values in the Chi-Square analysis indicates that there are underlying factors that need to be addressed. By providing educational resources, enhancing user interface, and increasing support services, digital currency providers can work towards creating a more seamless and user-friendly experience for their customers. Ultimately, this study highlights the importance of understanding user experiences and perceptions in the development and implementation of digital currency systems.

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