

# Digital Era in Economy

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## ABSTRACT

Indian Government's aim is to achieve the vision of Digital India, where every Indian is digitally empowered and information is digitally available. Digitize India Platform offers an opportunity for government agencies to transform themselves into digital enterprises and for Digital Contributors, rewards for doing simple data entry jobs.[1] Indian Government is focused to make the economy cashless. In this context several actions are taken and various deals and MOUs are signed by the Government. The volume of transactions under digital banking is increasing at rapid pace.

## 1. Introduction

### Digital India Technologies leading to cashless economy

Cloud Computing and Mobile Applications plays an important role in the implementation of Digital India. These technologies have emerged as catalysts for rapid economic growth and citizen empowerment across the globe. Digital technologies are becoming essential in everyday lives even retail stores and Government offices are now under the umbrella of Digitization. These technologies are helping us to share our ideas and views about certain issues of concern. They are connecting people of globe. In some cases they also enable resolution of those issues in near real time.

Government envisions transforming our nation and creating opportunities for all citizens by harnessing digital technologies. Government's vision is to empower every citizen with access to digital services, knowledge and information.[2]

## 2. Digital Payments

Digital Payment or cashless payment is the method where the liquid cash does not involve in the transactions. Earlier the payment methods involve cash money or the payee's cheque and demand drafts. These methods involve certain delay in the transfer of money from one account to another. But in today's

era there are number of alternatives available to transfer money from one account to another or to pay bills etc.

- **Banking Cards**

Banking cards are secure, convenient and controlled payment method. Banks offer various card including credit, debit and prepaid. These cards provide PIN and OTP authentications in order to make transactions more secure. RuPay, Mastercard, Visa Card are some examples of card payment systems. Cards provide flexibility to customers to buy from internet as well as from stores. Customers need not to carry cash in their wallets; a simple card is enough to make payments.

- **USSD**

Unstructured Supplementary Service Data is a wonderful feature of cashless banking. It is the system that works without internet availability. This mechanism allows users to perform banking transactions with basic functionality of mobiles without internet. \*99# is a common number for all the telecom service providers. Dialing \*99# displays a menu on the mobile screen to perform banking transactions





Figure showing the various digital payment modes [1][2]

- **AEPS**

Adhar Enabled Payment System is allows interpretable financial transactions at PoS through the Business Correspondent.

- **UPI**

Unified Payment Interface is digital payment method for direct transferring of funds from one bank account to another. It is mobile platform application regulated by reserve Bank of India. Application is protected with unique ID and password. UPI works over Immediate Payment Service mean funds get transferred from one bank account to another immediately. Unlike mobile wallets it is linked directly with bank accounts.

- **Mobile Wallets**

Mobile Wallets is a service provided by many telecoms and other e-commerce companies. It is mobile based applications which take specified amount from user and store it in its account. The user can then use that money to buy the things or pay the bills online.

- **Internet banking**

Internet Banking is also known as online banking, Virtual banking, E-Banking is an electronic payment system that enables the user to conduct banking operations online. The system facilitates the users to carry-out the banking transactions on their own. User can easily perform transactions through banking websites. No additional cost is charged for such service.

- **Mobile Banking**

Banks facilitate the users with specially designed mobile applications that allow users to conduct banking operation through mobiles or tablets. Banks provide specific user name and password to access bank accounts through mobile. The mobile applications can work 24X7. The transactions like funds transfer and bill payment can easily be conducted remotely.

- **Micro ATMs**

These are the mini version of ATMs. These are kind on modified Point-of-sale terminals. These are connected to bank through internet and possess card swipe machine or finger print scanner device. Unlike ATMs these machines are not capable of carrying

cash in it. A representative is assigned with these machines to collect cash from the user.

### 3. Threats to Financial Data

Government Tried to engage more and more people with banking system. But the people are not provided with the enough information that make their transactions secure. Even the number of people, who do not manage to fill the various forms available with banks, is very large. They usually ask strangers to fill the forms on their behalf. Literacy is not the only cause for threat to financial data though there are certain other factors too.

- **Call from Bank**

All the bank accounts are linked with certain mobile number. Banks facilitate customers to subscribe the mobile SMS facility in which bank send information about transactions. There are number of cases where bank customer had a call and the caller poses as a bank employee and demand information related to account like card details, OTP's, app details etc. Caller pretends that there is a serious issue with bank account and information is needed urgently otherwise the account gets blocked. To get the confidence of victim the caller said the victim to his verify detail which may be collected from the social medial or data venders. The moment the victim customer reveals the details, the money is debited from one's account immediately.

- **Hackers**

There is a society of intellectual who mine the data from the social media in addition to the date bought from the vendor. Hackers tried to hack one's mobile banking app or internet banking details through adhar number, mobile number etc. This is very technical and complicated task.

- **Card Cloners**

This type of scam reported at ATMs. Fraudsters plant Card cloning devices at ATM machines. These devices copy the details stored in the debit/credit card. The information is then used to clone the card. Fraudsters also plant hidden cams inside the ATM rooms and caught the ATM passwords and card numbers.

### 4. Secure Digital Banking

There are several alternatives to the traditional banking system. All the alternatives are directly or indirectly linked with

the bank accounts so users need to be more careful to protect their banking information. The invention and use of advance technologies the Digital banking enhances the access to the banking services but the cyber security has to be verified at every step in banking. There are certain cautions that user has to be maintain in order to reduce the threat to valuable financial data.

- **Password and Security Pin**

All digital banking alternatives authenticate the user through certain user name and password. The passwords need to be strong that it cannot be guessed easily. Never use date of Birth, anniversary etc as password. Always try to make password as long as possible. The password should be a proper mixture of alphabets, numbers and special characters. The words which are not in dictionary are not easy to crack. Change the password on regular basis.

- **Two ways Authentication**

All the Bank accounts are now linked with certain mobile number. So it is convenient to use two-factor authentication password along with OTP. One time Password is sent by bank whenever user tries to

make transaction. The user has to insert OTP along with the password in order to make payments.

- **Use updated software and antivirus**

Always use updated software and antivirus in order to resolve the bugs and other issues. If the computer/ laptop/ mobile or tablet is infected with malwares, then it can easily get the confidential details related to users bank account. Never respond to link which is not authentic. These links or popup are easily way to insert malware to your computer or mobile. Download the software and other stuff from the legitimate websites of app stores.

## 5. Conclusion

Government of India is continuously working in the field of digital economy. As India is the fastest growing economy the numbers of E-commerce companies are interested to make investment in the digitization of economy. Most of the People of countries like India are not fully aware about the security concerns for digital payments methods. It become essential to make the people aware about the above said security concerns in order to enhance the use of digital aids in the field of economy.

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