

## STUDY ON USE OF FINTECH AMONG THE RESIDENTS OF PUNSARI FOR PREPARATION OF BOOKS OF ACCOUNTS.

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### ABSTRACT

Financial inclusion has been one of the key priorities for many developing countries, as it has been identified as an enabler for 7 of the 17 Sustainable Development Goals defined by United Nations. Punsari village has gone through a transformation from no electricity to wifi connectivity since 2006 under the leadership of Mr. Himanshu Patel. The reason behind selecting Punsari is that residents of Punsari have the willingness to adapt to change, they are keen to learn the new skills and they started using internet when mobile data was not freely available. Technology or Fintech here refers to use of Accounting softwares and excel sheets in preparation of Accounts by the people of Punsari and also maximum use of online banking and online transactions for their day to day business activities. This paper tries to find out whether the residents of Punsari do their business transactions with the digital modes and whether they keep the record of their business and land records in softcopies or not.

Keywords: Punsari, Fintech.

### INTRODUCTION:

Financial inclusion has come up as one of the main development agenda in past few years. In recent years, financial inclusion has emerged to make a war against the poverty not only in India but also in more than sixty developing countries. The concept of financial inclusion is related to growth of vulnerable groups (i.e. low income people and weaker section groups) those are still untouched with regard to how to access financial services. According to the Planning Commission (2009), financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products.

Digital financial literacy has become present need of India. To understand digital financial literacy first we need to understand financial literacy. Financial literacy can be generally defined as a person's ability

to understand, analyze, manage, and communicate personal finance matters. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions through their understanding of finances. It is the ability to make informed judgments and take effective decision regarding the use and management of money. The digital mode of all of this comes in digital financial literacy. Digital financial literacy is directly link or knowledge of online purchasing, online payment through different modes, and online banking system.(Prof. Hanuman Prasad et.al,2017).

*Keeping in view the financial inclusion and digital financial literacy, the first model village of India Punsaris case has been taken in this paper as it fulfils both the conditions of financial inclusion and digital financial Literacy.* The brief introduction of Punsari is,

It is a village located in Sabarkantha district in the

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state of Gujrat, India. The village is located at about 80 kms from the state capital, Gandhinagar. The village follows the Panchayati raj system. The village has gone through a transformation from no electricity to wifi connectivity since 2006 under the leadership of Mr. Himanshu Patel. The village is connected to Wi-Fi with unlimited access with 4 mbps speed at just Rs.50 which is collected from the villagers. The villagers are using E-Gram, Social Networking, Latest Farming Trends, Mandi Prices, Online Tax payment, Mobile App and even the panchayat sent the details of tax payment through way2sms service. Some villagers are also buying products online through various e-commerce mediums.

#### BACKGROUND OF THE STUDY:

There are three reasons behind selecting Punsari:

- a) Firstly residents of Punsari have the willingness to adapt to change, they are keen to learn the new skills.
- b) Secondly, as mentioned Punsari is Wifi connected, they have the facilities to use the technology.
- c) Thirdly the Sakhi Mandals in Punsari have records of their savings, but they have maintained the records like a layman.

#### STATEMENT OF THE PROBLEM:

To ascertain the extent of Book-keeping knowledge and use of technology in preparing books of accounts and accounting records amongst the residents of Punsari.

#### LITERATURE REVIEW:

**Hua Wilfried Serge Koffi (2016)** 'Financial technology', or 'fintech', refers to the use of technology to deliver financial solutions. The term can be traced to the early 1990s, and now refers to a very rapidly growing industry. However, it is only since 2014 that the sector has attracted the focused attention of regulators, industry participants, consumers, and academics.

**YongheeKim et.al (2016)** This study presented a new approach to the acceptance of Fintech services using the existing ELM model and, to a certain extent, proposed practical suggestions. But the samples of the survey were limited to Seoul, the capital area, and certain age groups were predominantly represented, giving way to regional and age biases.

**Veronika Zavrtnik et.al(2018)** Over recent years,

the challenges arising from the social and economic, but also wider changes of people's communities—rural and urban—have been increasingly addressed through the lenses of technological developments and digitalization. In this paper, the focus is on the applications of the Smart Village concept and the importance of digital transformation for rural areas, always drawing parallels between the findings and insights from different regions. It is also important to note that there are some considerable differences when dealing with rural areas in Europe and elsewhere, as it is necessary to consider local and regional specifics.

**Sanhita Joshi(2018)** Punsari represents a classic example as well as an exemplar of concerted efforts of elected leaders, community people, and government support to bring transformation and make villages smart as well as sustainable. The paper also aims at strongly advocating a view that there still exists a considerable gap between what we call a model village and what an ideal village should be. Punsari model village definitely has an excellent record in terms of fewer people living below poverty line, availability of schools, water facilities, free Wi-Fi facility, roads, proper solid waste management etc. The village has proved itself on important development indicators like health, education, social services and women empowerment and financial inclusion with the help of Mission Manglam.

**Sujay et.al** The Gram Panchayat of Punsari has developed a mechanism through which the villagers can pay their taxes online. Biometric attendance system for the government employees. The Gram Panchayat has digitized all land records, which can be easily accessed similarly, the Gram Panchayat facilitates people in paying electricity and other bills. Currently, the Gram Panchayat has a 75 lakh surplus fund against a net debt of 10 lakh in 2006. The village has its own website containing all the detailed activities and achievements of the village.

(www.swaniti.in) A 21st century model village in India needs to incorporate certain key themes which would be essential for its success such as Sustainability, Community Involvement, Technology and Connectivity and in Connectivity

- i. Physical connectivity to towns and other places through roads
- ii. Easy and cheap means of transportation
- iii. Digital connectivity and mobile connectivity

- iv. Augmenting power connectivity through off-grid renewable sources
- v. Financial connectivity.

**OBJECTIVES OF THE STUDY:**

1. To develop a better understanding and improve knowledge of Accountancy among the residents of Punsari.
2. To gauge the awareness of people of Punsari on Fintech.
3. To help the people of Punsari to maintain their books of accounts in soft copies and increase the use of financial technology.
4. To study the digital modes and channels used by people of Punsari for doing online transactions.

**STATEMENT OF THE HYPOTHESIS:**

H<sub>0</sub>: Residents of Punsari follow double entry system of accounting to prepare books of accounts.

H<sub>1</sub>: Residents of Punsari use single entry system of accounting to prepare books of accounts.

H<sub>0</sub>: Residents of Punsari make use of technology for preparation of books of accounts.

H<sub>2</sub>: Residents of Punsari do not use technology for preparation of books of accounts.

H<sub>0</sub>: Residents of Punsari rarely use Mobile apps for online transactions.

H<sub>3</sub>: Residents of Punsari frequently use Mobile apps for online transactions.

H<sub>0</sub>: Residents of Punsari mostly use PoS, ATMs and Micro ATMs for the online transactions.

H<sub>4</sub>: Residents of Punsari rarely use PoS, ATMs and Micro ATMs for the online transactions.

**RESEARCH METHODOLOGY:**

- a) Primary data by Personal Interview and Questionnaire Method.
- b) Secondary data from records available with Gram Panchayat, Census Report, books and internet.

• **Universe and sample size:**

	Universe	Sample size
Demography	1500 families with total population of 6000.	Total 210 respondents
No. of families involved in farming and milk production	1300	195 (15% of 1300)
No. of families involved in Other Businesses	100	15 (15% of 100)

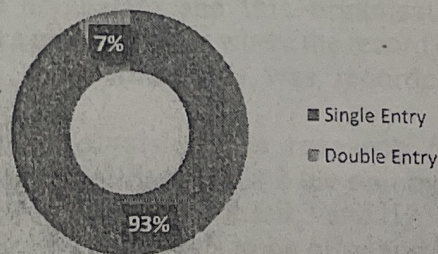
**RESEARCH FINDINGS:  
DO YOU PREPARE OF ACCOUNTS ?**

YES	NO
186 (88.57%)	24 (11.43%)

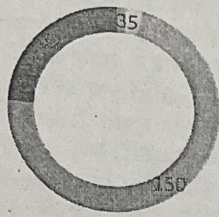
**HOW DO YOU PREPARE BOOKS OF ACCOUNTS ?**

MANUAL	DIGITAL
202 (96.19%)	08 (3.81%)

**System of Book-keeping**

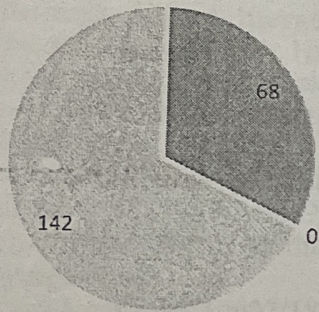


## Use of Excel Sheets



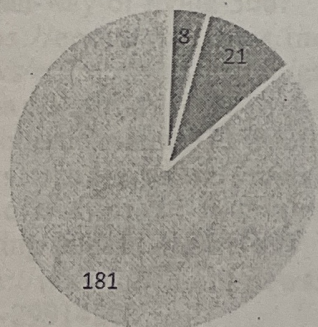
- Preparing books of Accounts
- Keeping Land Records
- Do not use
- Don't know how to use

## How do you do your transactions



- only offline
- only Online
- Both

## Reasons for your transactions



- Business
- Personal
- Both

Do you use Mobile Apps for your transactions?

Yes	No
170 (80.95%)	40 (19 %)

Do you use PoS, ATMs for your transactions?

Yes	No
195 (93%)	15 (7%)

Do you want to learn double entry system of book-keeping and use of excel sheets for preparing books of accounts?

Yes	No
140 (66.67%)	70 (33.33%)

### SUMMARY OF THE SURVEY:

The survey was done by Personal Interview and Questionnaire method. The results were that most of the residents were keeping the records of their business or agricultural produce in manual format. They were using single entry system of book-keeping but they were not familiar with these terms. Due to availability of Wi-fi, the younger generation in the age group of 18-25 were using the excel sheets for keeping their accounting records and land records of most of the villagers were kept by the Panchayat in the digital format. After Demonetisation the use of online transactions had increased. Around 81% of the residents were using Mobile apps such as Paytm, Google pay, BhimUpi, for their online transactions and 93% of them were using PoS and ATMs for their transactions. 2/3 of the residents were interested in learning the double entry system of book-keeping and use of excel sheets. 1/3 of the population was not interested, the reasons being sharp memory, too old to learn preparation of books of accounts, not required as the business was too small. But one important thing that I was unaware was that their were Sakhi Mandals in the village, who were encouraging the women to keep their savings and they were granted loans for their needs by these sakhimandals. These sakhimandals were run by the Women by an NGO called as Mission Mangalam and this organisation had prepared a proper booklet where the record of all the deposits and withdrawals was recorded every month.

After the analysis of the research findings Hypothesis 1 and Hypothesis 2 the null hypothesis stands true whereas Hyposthesis 3 and Hypothesis 4 the null hypothesis stands to be false and alternate hypothesis is accepted.

### CONCLUSION:

*Digital finance* – the application of digital technology to finance (or **fintech**) is considered as one of key pillars to financial inclusion, (Le Thanh Tamet.al, 2018). Financial inclusion and digital literacy nowadays have become very much popular. Some villagers think that if they are able to use the payment apps on the mobile, they think they are digitally literate and if they save some money and keep in banks they are financially included. But financial inclusion and digital literacy is not confined only to these two things. Residents of Punsari were eager to learn how to maintain books of accounts on the excel sheets and keep the records in softcopies. They women in the village had record of their savings in the small book provided to them by Mission Manglam. Also the residents of Punsari were already having bank accounts as they were suppose to pay for the wifi facilities they were using. Also they use to get the money for their work not in cash but through the bank, whether it was farmers or families involved in milk business. From the above research it can be concluded that the residents of Punsari were already on the path of financial inclusion through digital literacy under the leadership of their ex-sarpanch Mr. Himanshu Patel. The only drawback was that still the elder generation needed motivation to be the part of digital literacy.

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