

Q. As the use of cash has risen alongside spikes in digital payments, more needs to be done to Promote Unified Payment Interface. Discuss.

↳ Currency in circulation growing right alongside of rising digital adoption with the spread of mobile wallets, QR based apps and Unified Payments Interface (UPI).

Advantages of Using UPI

↳ UPI manage to materially reduce the need for the public to deal in cash.

↳ UPI use prompts bank account holders to hold large balances in their savings accounts, providing a bank with cost source of funds and a higher CASA cushion for lending.

↳ Greater traceability of transactions for taxman looking to widen tax base.

↳ Demand for paper currency diminish, Banks would save on logistic costs involved in safely storing and transporting paper currency and regularly filling the ATM.

↳ Digital Payments are still far from ubiquitous says National Payments Corporation of India (NPCI)

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इस स्थान
प्रश्न संख्या के
तिरिक्त कुछ
लिखें।

Answer Questions in NOT MORE THAN the Word Limit specified for each in the Parenthesis.
Content of the Question is more important than length.
(Specimen Answer Booklet - For Practice Purpose Only)

Candidates
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Need of the hour

↳ Need to address stumbling blocks to reach the digital payments by policy maker.

↳ The Mobile wallets, Payment apps and QR code readers available only on smartphones.

↳ RBI is trying to remedy this with launch of UPI 123PAY for feature phones.

↳ Educate users about safe use of UPI

↳ currently, high transaction failures rates, this requires users to be given access to more channels beyond the app providers themselves.

↳ Banks and other participants need to make adequate investments in infrastructure to keep up with transaction volumes.

↳ RBI and centre quickly arrive at an understanding on the issue of changing for UPI services.