

Cash Management and the Impact of Cashless Policy in a Developing Nation: Nigeria as a Case Study

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Abstract : Cash Management is a broad area having to do with the collection, concentration, and disbursement of cash including measuring the level of liquidity and managing the cash balance and short-Term Investments. Cash Management involves the efficient collection and disbursement of cash and cash equivalents. It also includes management of marketable securities because, in modern Terminology, money comprises marketable securities and actual cash in hand or in a bank. This cash management is concerned with management of cash inflow and cash outflow of a business especially as it concerns a developing nation like Nigeria. The paper throws light on the impact of cashless policy in Nigeria as it was introduced by the Central Bank of Nigeria (CBN) in December 2011 and was kick-started in Lagos in January 2012. Survey research was adopted with the questionnaires as data collection instrument. Responses show that cashless policy if adopted generally shall increase employment opportunities, reduce cash related robbery thereby reducing risk of carrying cash; it shall also reduce cash related corruption and attract more foreign investors to the country. It is expected that the introduction of cashless policy in Nigeria is a step in the right direction as it shall bring about modernization of Nigeria payment system, reduction in the cost of banking services, reduction in high security and safety risk and also curb banking related corruptions.

Keywords : cashless economy, cash management, cashless policy, e-banking, Nigeria

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