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# Fake currency detection using

# image processing

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# ABSTRACT

The one important asset of our country is Bank currency and to create discrepancies of money miscreants introduce the fake notes which resembles to original note in the financial market. During demonetization time it is seen that so much of fake currency is floating in market. In general, by a human being, it is very difficult to identify forged note from the genuine not instead of various parameters designed for identification as many features of forged note are similar to original one. To discriminate between fake bank currency and original note is a challenging task. So, there must be an automated system that will be available in banks or in ATM machines. To design such an automated system there is need to design an efficient algorithm which is able to predict weather the banknote is genuine or forged bank currency as fake notes are designed with high precision.

### INTRODUCTION

### Financial activities are carrying out in every second by many persons in which one most important asset of our country is Banknotes [3]. Fake notes are introduced in the market to create discrepancies in the financial market, even they resemble to the original note. Basically they are illegally created tocomplete various task [12]. In 1990 forgery issue is not much of concern but as in late 19th century forgery has been increasing drastically [13]. In 20th century technology is increasing very vastly that will help the frauds to generate fake note whose resemblance is like genuine not and it is very difficult to discriminate them [1]. This will lead to financial market to its lowest level. To stop this and to conduct smooth transaction circulation forged bank currency must be conserved [16]. As a human being it is very difficult to identify between genuine and forged bank currency. Government have designed banknote with some features by which we can identify genuine [9]. But frauds are creating fake note with almost same features with nice accuracy that make it very difficult to identify genuine note [5]. So, now a days it is required that bank or ATM machines must have some system that can identify the forged note from the genuine note [12]. To determine the legitimacy of the banknote artificial intelligence and Machine learning(ML) can play a vital role to design such a system that ca identify forged note from the genuine bank currency[6,7,12]. Now a days, supervised machine learning (SML) approaches for classification problem is widely used. For medical disease its shows even promising results [2]. Few authors have only applied SML algorithms on bank currency authentication [6-9, 12]. To identify weather a note is genuine or fake we have to develop an automation system. Initially, the input is an image of note and from different image processing techniques we can extract the features of note. Further these images are given as an input to the SML algorithms to predict whether note is original or fake. In review we can see that not much of work is done on this side

# LITERATURE SURVEY

**3.1 Tushar Agasti, GajananBurand, Pratik Wade and P Chitra, ―Fake currency detection using image processing‖ 14th ICSET-2017**

Fake Currency has always been an issue which has created a lot ofproblems in the market. The increasing technological advancements have made the possibility for creating more counterfeit currency which are circulated in the market which reduces the overall economy of the country. There are machines present at banks and other commercial areas to check the authenticity of the currencies. But a common man does not have access to such systems and hence a need for a software to detect fake currency arises, which can be used by common people. This proposed system uses Image Processing to detect whether the currency is genuine or counterfeit. The system is designed completely using Python programming language. It consists of the steps such as gray scale conversion, edge detection, segmentation, etc. which are performed using suitable methods

**3.2 EshitaPilania, Bhavika Arora, ―Recognition of Fake Currency Based onSecurity Thread Feature of Currency‖ International Journal OfEngineeringAnd Computer Science, ISSN: 2319-7242**

In the last few years a great technological advances in color printing, duplicating and scanning, counterfeiting problems have become more serious. In past only authorized printing house has the ability to make currency paper, but now a days it is possible for anyone to print fake bank note with the help of modern technology such as computer, laser printer. Fake notes are burning questions in almost every country. Counterfeit notes are a problem of almost every country but India has been hit really hard and has become a very acute problem. Fake Indian currency of 100, 500 and 1000 rupees seems to have flooded the whole system and there is no proper way to deal with them for a common person. There is a need to design a system that is helpful in recognition of paper currency notes with fast speed and in less time. Our system describes an approach for verification of Indian and other countries currency banknotes. The currency will be verified by using image processing techniques

**3.3 Nayana Susan Jose, SherminSiby, Juby Mathew, MrudulaDas,Android BasedCurrency Recognition System for Blind,International Journal of Engineering Research in Computer Scienceand Engineering (IJERCSE) Vol 2, Issue 4, April 2015.**

In recent years, a lot of illegal counterfeiting rings manufacture and sell fake coins and at the same time fake note currency is printed as well which have caused great loss and damage to the society. Thus it is imperative to be able to detect fake currency We propose a new approach to detect fake Indian notes using their images. Currency image is represented in the dissimilarity space, which is a vector space constructed by comparing the image with a set of prototypes. Each dimension measures the dissimilarity between the image under consideration and a prototype. In order to obtain the dissimilarity between two images, the local key points on each image are detected and described. Based on the characteristics of the currency, the matched key points between the two images can be identified in an efficient manner. A post processing procedure is further proposed to remove mismatched key points. Due to the limited number of fake currency in real life, SVM is conducted for fake currency detection, so only genuine currency are needed to train the classifier

**3.4 Komal Vora, Ami Shah, Jay Mehta, A Review Paper on CurrencyRecognition System, International Journal of Computer Applications (0975 –8887) Volume 115 – No. 20, April 2015**

In this paper, an algorithm based on the frequency domain feature extraction method is discussed for the detection of currency. This method efficiently utilizes the local spatial features in a currency image to recognize it. The entire system is pre-processed for the optimal and efficient implementation of two dimensional discrete wavelet transform (2D DWT) which is used to develop a currency recognition system. A set of coefficient statistical moments are then extracted from the approximate efficient matrix. The extracted features can be used for recognition, classification and retrieval of currency notes. The classification result will facilitate the recognition of fake currency mainly using serial number extraction by implementing OCR. It is found that the proposed method gives superior results.

# SYSTEM ANALYSIS

**EXISTING SYSYEM:**

In existing project, review of those applied machine learning approaches to classify whether not is original or not. Yeh et. al. implemented SVM based on multiple kernels to reduce false rate and compared with SVM (single kernel). To classify real and forged network. Author’s Hassanpour et. al. used texture-based feature extraction method for the recognition and to model texture Markov chain concept is used. This method is able to recognize different countries’ currencies. To classify whether the note is forged or not global optimization algorithms are applied in Artificial Neural Network (ANN) training phase, and they have observed good success in classification of note.

**DISADVANTAGES:**

* Accuracy is Low.
* The technology is increasing very vastly that will help the frauds to generate fake note whose resemblance is like genuine not and it is very difficult to discriminate them.

**PROPSED SYSTEM:**

Fake currency is serious issue worldwide, affecting the economy of almost every country including India. The counterfeit currency is one of the major issues faced throughout the world nowadays. The counterfeiters are becoming harder to track because of their use of highly advanced technology. One of the most effective methods to stop counterfeiting is the use of counterfeit detection software that is easily available and is efficient. The background of our topic is image processing technology and apply it for the purpose of verifying valid currency notes. The software will detect the fake currency by extracting features of notes. The success rate of the software can be measured in terms of accuracy and speed. So our aim is to work on those parameters which will be impossible to implement on counterfeit notes so we started working on parameters which will be enough to differentiate between fake and original notes

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**ADVANTAGES:**

* Accuracy is Very high.
* Classification of fake and original notes are very easy.

**SYSTEM REQUIREMENTS:**

**HARDWARE REQUIREMENTS:**

* SYSTEM :Pentium2.4 GHz.
* Hard Disk :40 GB.
* Floppy Drive:1.44 Mb.
* Monitor : 15 VGA Colour.
* Mouse: Logitech.
* Ram :512 Mb.

**SOFTWARE REQUIREMENTS:**

* **Operating System:** Windows
* **Coding Language**: Python 3.7

**SYSTEM STUDY**

**FEASIBILITY STUDY**

The feasibility of the project is analyzed in this phase and business proposal is put forth with a very general plan for the project and some cost estimates. During system analysis the feasibility study of the proposed system is to be carried out. This is to ensure that the proposed system is not a burden to the company. For feasibility analysis, some understanding of the major requirements for the system is essential.

Three key considerations involved in the feasibility analysis are

* ECONOMICAL FEASIBILITY
* TECHNICAL FEASIBILITY
* SOCIAL FEASIBILITY

**ECONOMICAL FEASIBILITY**

This study is carried out to check the economic impact that the system will have on the organization. The amount of fund that the company can pour into the research and development of the system is limited. The expenditures must be justified. Thus the developed system as well within the budget and this was achieved because most of the technologies used are freely available. Only the customized products had to be purchased.

### **TECHNICAL FEASIBILITY**

This study is carried out to check the technical feasibility, that is, the technical requirements of the system. Any system developed must not have a high demand on the available technical resources. This will lead to high demands on the available technical resources. This will lead to high demands being placed on the client. The developed system must have a modest requirement, as only minimal or null changes are required for implementing this system.

**SOCIAL FEASIBILITY**

The aspect of study is to check the level of acceptance of the system by the user. This includes the process of training the user to use the system efficiently. The user must not feel threatened by the system, instead must accept it as a necessity. The level of acceptance by the users solely depends on the methods that are employed to educate the user about the system and to make him familiar with it. His level of confidence must be raised so that he is also able to make some constructive criticism, which is welcomed, as he is the final user of the system.