



A STUDY ON IMPACT OF GOODS AND SERVICE TAX ON SMALL TRADERS

IN NORTH WEST AREA OF TRICHY CITY

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ABSTRACT:

The study investigates the impact of Goods and Services Taxes on small businesses. Tax policies have such a big impact on the economy in terms of both efficiencies and equity. As many authors said GST is the only indirect tax which has been affecting our sections of our country. BUT GST is the only tax which replaced the VAT, state tax, central based tax. Many developed countries where using GST like Canada, U.K, Australia where implemented the GST in successful manner. In future we will have different kind of tax. Even that time also the situation the small trader even an educated people will not understand unless we will get to have knowledge and understanding about the tax. For Indian government small traders and medium traders are one of the pillars. Here small traders can fill the registration through online itself. In VAT the tax payment where differed from state to state in some states we have earn 10 lakhs we should pay VAT but for some states if its 5 lakhs itself we need to pay VAT. So it leads to confusion and its not much effective. So compare to that in GST we have one nation one tax. Even in central based tax during sales the small and medium scale business affect due to there purchase cost of product to customers has disappoint many small traders but GST stopped all these. So that small and medium traders can go anywhere and can expand there revenue and business any where in India

Keywords: Developed countries, one nation one tax country, Traders, Goods and service Tax.

I INTRODUCTION

GST is an abbreviation for Goods and Services Tax, which went into force on July 1, 2017.

In India, the Goods and Services Tax is an indirect tax paid on the sale of goods and services. GST is levied at each stage of the manufacturing process, although it is intended to be repaid to all parties involved in the process other than the ultimate client.

II REVIEW OF LITERATURE:

GOVINDA RAO (2009) "Goods and Service Tax – Some progress towards clarity" the author in his article express his views on the first empowered committee report of state finance ministers of Goods and Service tax to be implemented in India. He also explains salient features, shortcomings of the proposed GST. He suggests that the proposed GST model should overcome the shortcomings of VAT system. He also throw light on the challenges faced in the implementation of GST in India

Agogo mawuli (May 2014) studied, "Goods and Service Tax An Appraisal" and found that GST is not good that low income countries and does not provide broad based growth to poor countries. If still countries want to implement GST then the rate of GST should be less than 10 % for growth.

PANDIT (2015) found that goods and services tax help to simplify the problem of indirect taxation. It will bring many Benefit such as availing of input tax credit, single taxation system etc. this paper explained the impact of goods and services tax on MSME's.

GARG (2014) In the article named basic concepts and features of goods and services tax in India analysis the impact and GST on Indian tax scenario and concluded that it will strengthen out free market economy.

NISHITHA GUPTHA (2014) in her study stated that implementation of GST in the Indian framework will lead to commercial benefits which were untouched by the VAT system and would essentially lead to economic development. Hence GST may usher in the possibility of a collective gain for industry, trade, agriculture and common consumers as well as for the Central Government and the State Government.

III OBJECTIVE OF THE STUDY:

The study has been undertaken with the following objectives:

- To know the awareness among traders about GST.
- To analysis the effects of GST on small traders.

V RESEARCH METHODOLOGY

It is one of the process to completed the research project which is used to identify the primary data and secondary data. By using that we can have the findings of research. It provides an overview of the numerous processes taken by the researcher in a methodical manner with the goal of determining various methods. A researcher must be familiar with not just research methodologies procedures, but also methodology.

A. The research design

The data will be gathered directly from the respondents through sample survey method.

The data analysis for this research will be both on quantitative and qualitative manner.

B. Collection of data

Primary data

The primary data which has the impact of the GST will be collect through questionnaire. The questionnaires will be distributed to the respondents who files GST in the city of Trichy.

Secondary data

Secondary data will collect from various published reports, journals, magazines, books, articles and websites

C. Tools and techniques

This study will contain table, chart, chi square tests and two-way analysis of variance and interpret the data.

Chi square is a statistical tool used in research to investigate variations between categorical variables within the same population.

A two-way analysis of variance is a technique for determining whether two samples' means are statistically different or not.

D. Sample size

Primary data were collected from a sample of 60 traders in the city of Trichy.

Convenience sampling method was used for the selection of sample respondents.

E. Period of study

The period of study will be one month.

F. Profile area of study sample location

North west area of Trichy city has been selected as a

G. sample location.

The reason for selecting North west area of Trichy city is because, middle income groups are increasing in Trichy day by day.

H. Sample targeted people

The targeted people will be small traders

I. Hypothesis frame work

ANOVA: One typical strategy for determining a viable treatment procedure is to examine the number of days it took the patients to be cured. We can use a statistical approach to compare these three treatment samples and show how they differ from one another. ANOVA is the name given to a technique that compares samples based on their means.

Analysis of variance (ANOVA) is a statistical technique used to determine if the means of two or more groups differ substantially from one another. ANOVA tool was used to find the mean. It is also known as Analysis of Variance.

A chi-square (2) statistic is a test that compares a model to real observed data. The data required to calculate a chi-square statistic must be random, raw, mutually exclusive, obtained from independent variables, and drawn from a big enough sample. The outcomes of a fair coin flip, for example, fulfil these conditions.

Chi-square tests are frequently used under the distribution of null hypothesis. Given the sample size and the number of variables in the relationship, the chi-square statistic

evaluates the extent of any disparities between predicted and actual findings.

Degrees of freedom are used in these tests to examine if a certain null Based on the total number of variables and samples in the experiment, a hypothesis might be rejected. The greater the sample size, as with every statistic, the more dependable the results.

The hypothesis tested in the study are shown below

H0= in the hypothesis testing we find that there is no significant different between Gender and the GST

H1=In the hypothesis testing we find there is significant different between Gender and the GST.

H0=In the hypothesis testing we find there is no significant different between Awareness level and the GST.

H1=In the hypothesis testing we find there is significant different between Awareness level and the GST.

Data analysis

TABLE 1: Gender of the respondents

| GENDER | NO. OF RESPONDENTS | PERCENTAGE (%) |
|-------------|--------------------|----------------|
| Male | 49 | 81.7 |
| Female | 11 | 18.3 |
| Transgender | 0 | 0 |
| Total | 60 | 100 |

FIGURE 1 : Gender of the respondents

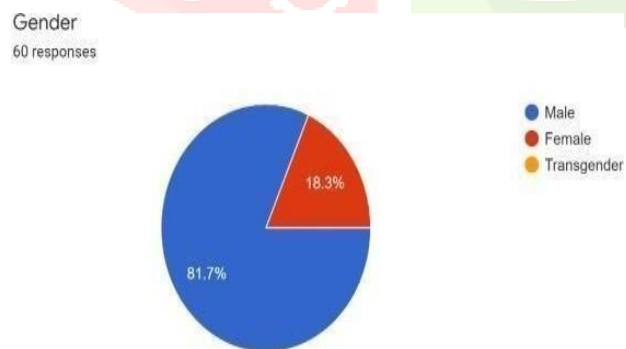


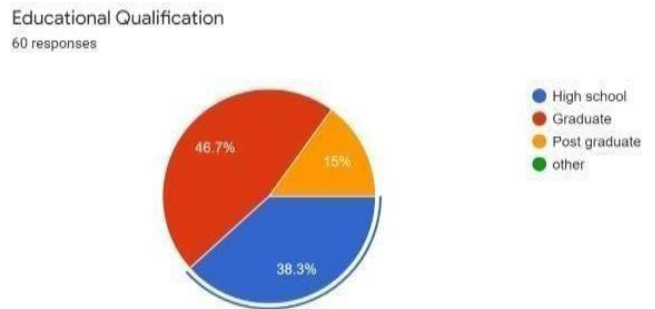
TABLE 1 shows that male constitute 98 percentage, female constitute 22 percent and transgender constitute 0 of the total respondents.

Inference Majority 98 percentage of retailers are male.

TABLE 2 Education Qualification of the respondents

| EDUCATION QUALIFICATION | NO. OF RESPONDENTS | PERCENTAGE (%) |
|-------------------------|--------------------|----------------|
| High School (10th) | 23 | 38.3 |
| 12th | 0 | 0 |
| Graduate | 28 | 46.7 |
| Post Graduate | 9 | 15 |
| Other | 0 | 0 |
| Total | 60 | 100 |

FIGURE 2 Education Qualification of the respondents



Source: Primary Data Interpretation

TABLE 2 shows that 38.3 percent of the respondents have education up to high school, 46.7 percent of the respondents are graduates, 15 percent of the respondent are post graduates, 0 of the respondents are others.

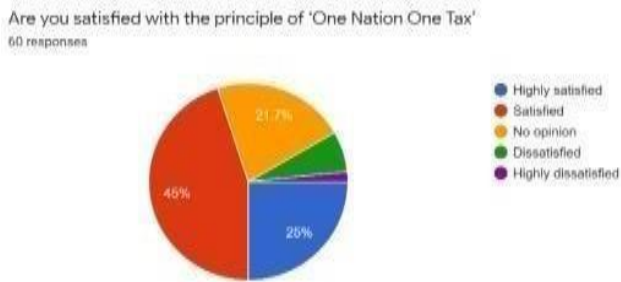
Inference

Majority 46.7 percentage of retailers are graduate.

TABLE 3: Satisfaction of the respondents for the principle 'one nation one tax'

| Satisfaction level of the respondents | No.of respondents | Percentage (%) |
|---------------------------------------|-------------------|----------------|
| Highly satisfied | 15 | 25 |
| Satisfied | 27 | 45 |
| No opinion | 13 | 21.7 |
| Dissatisfied | 4 | 6.7 |
| Highly Dissatisfied | 1 | 1.7 |
| Total | 60 | 100 |

FIGURE 3 Satisfaction of the respondents for the principle ‘one nation one tax’



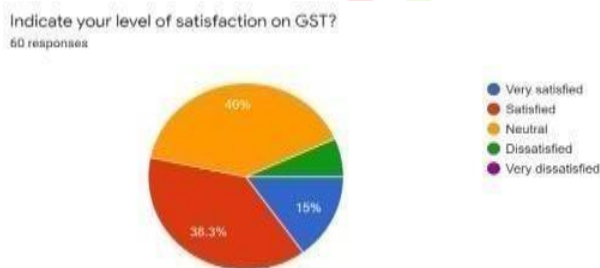
Interference: Table 3 shows that 25 percent of the respondents are being highly satisfied, 45 percent of the respondents are being satisfied, 21.7 percent of the respondents are not able to express their opinion, 6.7 percent of the respondents are dissatisfied with it and 1.7 percent of the respondents are highly dissatisfied of the principle of ‘ONE NATION ONE TAX’.

Inference: The majority of the respondents are being satisfied (45 percent) with the principle of ‘ONE NATION ONE TAX’.

TABLE 4 level of satisfaction of respondents in GST

| Level of satisfaction on GST | No. of respondents | percentage |
|------------------------------|--------------------|------------|
| Highly satisfied | 9 | 15 |
| Satisfied | 23 | 38.3 |
| No opinion | 24 | 40 |
| Dissatisfied | 4 | 6.7 |
| Highly dissatisfied | 0 | 0 |
| Total | 60 | 100 |

FIGURE 4 level of satisfaction of respondents in GST



Interpretation Table 4 shows that 15 percent of the respondents are highly satisfied by the implementation pf GST, 38.3 percent of the respondents are satisfied with

GST, 40 percent of the respondents are not able to express their opinion towards GST, 6.7 percent of the respondents are dissatisfied with GST and no respondents are highly dissatisfied with the implementation of GST

Inference The majority of the respondents has no opinion

ANOVA

TABLE 1 AND 4

Descriptive

Gender

| N | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean | | Minimum | Maximum | |
|-------|------|----------------|------------|----------------------------------|-------------|---------|---------|---|
| | | | | Lower Bound | Upper Bound | | | |
| vs | 9 | 1.00 | .000 | .000 | 1.00 | 1.00 | 1 | 1 |
| s | 23 | 1.00 | .000 | .000 | 1.00 | 1.00 | 1 | 1 |
| n | 24 | 1.29 | .464 | .095 | 1.10 | 1.49 | 1 | 2 |
| d | 4 | 2.00 | .000 | .000 | 2.00 | 2.00 | 2 | 2 |
| Total | 60 | 1.18 | .390 | .050 | 1.08 | 1.28 | 1 | 2 |

ANOVA gender

| Sum of Squares | df | Mean Square | F | Sig. | |
|----------------|-------|-------------|-------|--------|------|
| Between Groups | 4.025 | 3 | 1.342 | 15.153 | .000 |
| Within Groups | 4.958 | 56 | .089 | | |
| Total | 8.983 | 59 | | | |

| | | Subset for alpha = 0.05 | |
|---------------------------|----|-------------------------|-------|
| Satisfaction level on GST | N | 1 | 2 |
| vs | 9 | 1.00 | |
| s | 23 | 1.00 | |
| n | 24 | 1.29 | |
| d | 4 | | 2.00 |
| Sig. | | .054 | 1.000 |

Null hypothesis H0: there is no significant different between gender and satisfaction level of GST.

Alternative hypothesis H1: There is a significant different between gender and satisfaction level of GST.

CHI SQUARE TEST

Table 2 & 3

| Valid | | | Missing | | Total | |
|-------------------------|---------|--------|---------|------|---------|--------|
| N | Percent | N | Percent | N | Percent | |
| Education qualification | 60 | 100.0% | 0 | 0.0% | 60 | 100.0% |

Means for groups in homogeneous subsets are displayed. Uses Harmonic Mean Sample Size = 8.963.

The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Interpretation

Since p value is 0.000 is less than 0.05 so, null hypothesis is rejected, Alternative hypothesis is accepted. Hence there is no significant difference between gender of respondents and satisfaction level of GST.

Null hypothesis H0: there is no significant different between gender and satisfaction level of GST.

Alternative hypothesis H1: There is a significant different between gender and satisfaction level of GST.

Means for groups in homogeneous subsets are displayed.

Uses Harmonic Mean Sample Size = 8.963.

The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Interpretation

Since p value is 0.000 is less than 0.05 so, null hypothesis is rejected, Alternative hypothesis is accepted. Hence there is no significant difference between gender of respondents and satisfaction level of GST.

education qualification * satisfaction level of ONOT Crosstabulation

| | | Satisfaction level of ONOT | | | | | Total |
|-------------------------|------|----------------------------|-----|------|-----|-----|-------|
| HS | | S | N | D | H | | |
| education qualification | 10th | Count | 15 | 8 | 0 | 0 | 23 |
| | | Expected Count | 5.8 | 10.4 | 5.0 | 1.5 | 23.0 |
| graduate | | Count | 0 | 19 | 9 | 0 | 28 |
| | | Expected Count | 7.0 | 12.6 | 6.1 | 1.9 | 28.0 |
| postgraduate | | Count | 0 | 0 | 4 | 4 | 9 |
| | | Expected Count | 2.3 | 4.1 | 2.0 | 1.6 | 9.0 |

| | | | | | | | |
|-------|----------------|------|------|------|-----|-----|------|
| Total | Count | 15 | 27 | 13 | 4 | 1 | 60 |
| | Expected Count | 15.0 | 27.0 | 13.0 | 4.0 | 1.0 | 60.0 |

Chi-Square Tests

| Value | | df | Asymptotic Significance (2-sided) |
|------------------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 68.855 ^a | 8 | .000 |
| Likelihood Ratio | 72.071 | 8 | .000 |
| Linear-by-Linear Association | 37.334 | 1 | .000 |
| N of Valid Cases | 60 | | |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .15.

Interpretation

Since p value is 0.000 is less than 0.05 so, null hypothesis is rejected, Alternative hypothesis is accepted. Hence there is no significant difference between education qualification of respondents and satisfaction level (towards one nation one tax) of respondent. Null hypothesis H₀: there is no significant different between education qualification and satisfaction level towards one nation one tax Alternative hypothesis H₁: There is a significant different between education qualification and satisfaction level towards one nation one tax

Summary of Findings

The majority of the respondents (82.7 percent) are male. So most of SME's are male

The majority of the respondents are graduates (46.7 Percent) who pay's GST

The majority of the respondents are being satisfied (45 percent) with the principle of 'ONE NATION ONE TAX' by saying while compared to other tax it is easy and flexible.

The majority of the respondents (40 percent) are neutral with the implementation of the GST. Due to this we can find that it is simple and way more easy tax to pay.

In our country, GST has evolved the notion of One Nation, One Tax. The convergence of taxes and the harmonisation of the disparate interests of various states and union territories is a tremendous accomplishment. GST, as described by honourable Prime Minister Shri. Narendra Modi, may truly become a decent and simple tax provided compliance is made straightforward, eliminating unnecessary complexity. The government has taken steps to make conducting business easier, but it is critical that the compliance load be lowered and our energy be saved for more essential activities rather than regular tasks. There is way to improvement at both the idea and compliance levels. Can improve GST.

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Yogesh Garg1 , Jyoti Gupta he sid that history of tax system various tax exist in hisorically.start from

CENVAT from GST in p. 772 in VOL.6

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