

KAKATIYA GOVERNMENT COLLEGE, HANAMKONDA

WARANGAL URBAN



(2016-17)

Students Field Study Project

**Perception of Traders and Consumers on
GST Implementation- An Analysis**

**Under the Supervision of
Dr.D.Tiruvengala chary
Asst.Prof.of Commerce,
Kakatiya Government College, Hanamkonda**

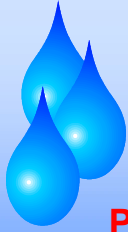
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28	006-16-2228	GUMPELLI JEEVANA	B.Com II Year
29	006-16-2229	GURRAM VASU	B.Com II Year
30	006-16-2230	KASHAMALLA PRIYANKA	B.Com II Year
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32	006-16-2232	KOYYADA SUSHMALATHA	B.Com II Year
33	006-16-2233	KUNTA SINDHURA	B.Com II Year
34	006-16-2234	PATTHI SANDHYA	B.Com II Year
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37	006-16-2237	RENEKUNTLA RANJITH	B.Com II Year
38	006-16-2238	THATIKONDA VAMSHIKRISHNA	B.Com II Year
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JIGNASA -2017
Filed Student Project &
STUDENT STUDY PROJECT ON
PERCEPTIONS OF TRADERS AND CONSUMERS
ON GST IMPLEMENTATION – AN ANALYSIS

Under The Supervision of

DR.D.THIRUVENGALA CHARY
Asst. Professor of Commerce



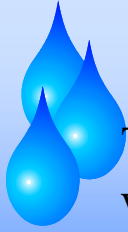
INTRODUCTION

GST (Goods and Services Tax): Goods & Services Tax is a comprehensive, multistage, destination-based tax that will be levied on every value addition.

More than 150 countries implemented GST so far.

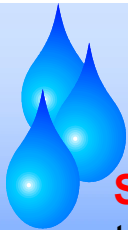
GST will bring uniform taxation across the country

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The Government of India introduced GST with effect from 1st July 2017.

GST is a blanket of Indirect Taxes that will subsume several indirect state and Central taxes such as Value Added Tax (VAT), Excise Duty, Custom Duty and different State Taxes, Central Surcharges, Entertainment Tax, Luxury Tax, Entry Tax and many more.



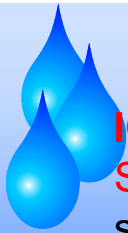
Types of GST

SGST: STATE GOODS AND SERVICE TAX is the part of tax diverted to the state government which is credited to revenue department of state government. This is generally equivalent to CGST. This compensates the loss of existing VAT or Sales Tax revenue to state government. In the case of local sales, 50% quantum of tax amount under GST is diverted to SGST TAX.



CGST: CENTRAL GOODS AND SERVICE TAX

is the share of GST TAX diverted to revenue department of central government and is also equivalent to SGST. This share of tax compensates the loss of existing excise duty and service tax to the central government. In the case of local sales, balance 50% quantum of GST is transferred to CGST.



IGST: INTEGRATED GOODS AND SERVICES TAX

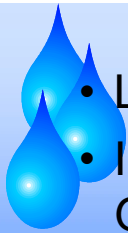
is levied when inter-state sales and purchase is made. One part of this tax transferred to central government and another to state government to whom goods and services belong.

The IGST is charged only in case of **inter-state sales or when transactions between two states involved.**

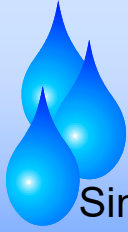


Benefits of GST to the Economy

- Removal of bundled indirect taxes such as VAT, CST, Service tax etc
- Less tax compliance and a simplified tax policy
- Development of Common National Market
- Fewer Rates and Exemptions
- Reduction of manufacturing costs due to lower burden of taxes.



- Lower the burden on the common man
- Increased Demand and Consumption of Goods.
- Increased demand will lead to increase supply. Hence, this will ultimately lead to rise in the production of goods.
- Control of Black Money circulation.
- Boost the Indian economy in the long run.



Benefits of GST to Consumers

Simplified Tax system

Elimination of Cascading Effects i.e, Removes tax on tax.

Uniform Prices throughout the country

Transparency in Taxation system

Increase in Employment opportunities

GST Rates

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GST @ 0%

- Milk
- Lassi
- Prasad
- Unbranded & not packed in container: Honey & Paneer
- Jaggery
- Kajal
- Tender Coconut Water
- Salt
- Fresh Vegetables



GST @ 5%

- PDS Kerosene
- Domestic LPG
- Packed Paneer
- Agarbatti
- Milk Food for Babies
- Coal
- Tea
- Cashew Nuts
- Edible Vegetable Oil
- Footwear (≤ Rs.500)
- Apparel (≤ Rs.1000)
- Coir Mats, Matting & Floor Covering
- Spectacles
- Raisin

GST @ 12%

- Butter
- Umbrella
- Preparations of Vegetables, Fruits, Nuts or other parts of Plants including Pickle Murabba, Chutney, Jam, Jelly
- Ghee
- Packed Coconut Water
- Almonds
- Mobiles



GST @ 18%

- Hair Oil
- Pasta
- CCTV
- Corn Flakes
- Toothpaste
- Ice-cream
- Staplers
- Computer Monitor (≤17 inches)
- Computers
- Printers
- Aluminum Foils

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GST with 28 %

In total 50 luxury products will be taxed at 28% which includes Bidis, molasses, pan masala, ceramic tiles, water heater, dishwasher, weighing machine, washing machine, ACs, ATM, vending machines, vacuum cleaner, automobiles, motorcycles, aircraft for personal use

Services :Private-run lotteries authorized by the states, race club betting, cinema will be taxed 28 per cent tax slab under GST



Need of the study

This study examines the impact of GST after its implementation. it will show the gap between past indirect taxes and GST.

As most of the Consumers and Business entities are so far not aware of the exact structure and process of GST. Similarly, there is a conception that GST has resulted in increased prices of goods and services in general. Hence this is an attempt to evaluate all these factors affecting the implementation of GST



Objectives of the Study

- To Study the impact of GST after its implementation.
- To Know the perceptions of Traders and Consumers on GST implementation.
- To identify benefits and challenges of GST after implementation.
- To know the level of awareness on GST among Traders and Consumers.



Scope of the study

The study of the project will give an insight about the very understanding of the GST bill amongst traders and consumers in the sample area. The study covers very few kinds traders and limited categories of consumers. Similarly Specific impact on slab wise categorization has not been studies and their impact is not covered in this study.

The Scope of the study is limited to tri cities of Warangal only.



Research Methodology

The study covers both Primary and Secondary sources of data.

PRIMARY DATA: A structured questionnaire is used to collect the primary data.

SECONDARY DATA: Secondary data is collected by referring related books, journals and web sites.

PERIOD OF THE STUDY: The study covers a period of One month from 3rd November 2017 to 3rd December 2017.

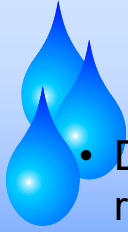


Sample Size

For the purpose of the study, 60 traders and 150 consumers were selected from tri cities of Warangal. i.e., Hanamkonda , Warangal and Kazipet.

Only limited traders were selected like small hotels and cafeterias, Beauty parlors, Provisional and Kirana shops, Book shops, electronics shops and Automobiles show rooms etc.

Similarly, among the consumers segment house wives, salaried persons and business men were included.



Limitation of the study

- Due to time constraint, the study was restricted to Warangal tri cities only.
- The number of respondents was limited to 60 traders and 150 consumers only.
- Some of the respondents were not open in giving their opinions.
- Since sample size is very limited, the results of the study may not be generalized.



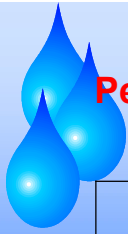
CHAPTERISATION SCHEME

CHAPTER I –Introduction, Need for the study, Scope of the study, Objectives of the study, methodology, Limitations and Chapterisation scheme.

CHAPTER II- Theoretical presentation of an overview of GST –GST slabs – Benefits and Drawbacks of GST and Issues in GST implementation in India

CHAPTER III- Perceptions of Traders and Consumers on GST implementation – An Analysis

CHAPTER IV- Findings, Conclusion and Suggestions



Perceptions of Consumers on GST –An Analysis – Demographic Analysis

Gender	No. of Respondents	Percentage
Male	92	61%
Female	58	39 %
Total	150	100
Age Group		
Below 25	36	24%
25 to 40	72	48%
Above 40	42	28%
Total	150	100



Demographic Analysis –Contd ...

Qualifications	Number	Percentage
Below Intermediate	40	27%
Graduation/Degree	71	47%
P.G and above	39	26%
Total	150	100
Income Per Month		
Less than 20,000	15	10%
20,000 to 40,000	31	21%
40,000 to 80,000	66	44%
80,000 and Above	38	25%
Total	150	100



Descriptive Analysis for Respondent's Acceptance on GST

Factors	Item	Mean
Acceptance	GST in Sample area	2.63
	GST is Fairer	2.93
	Bridging the Gap	2.85
	Contribution of Additional Revenue	3.31
	Understandability of the System	2.88
	Development of Economy	2.96
Total Mean		17.56



CONSUMERS' KNOWLEDGE ON THE ISSUE OF GST (Using Five Point Scale)

VARIABLE	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
GST aims to make the tax system more efficient, comprehensive and transparent.		105 (70%)	30 (20%)	15 (10%)		150
GST will generate and increase revenue for the country	34 (23%)	100 (66.7%)	16 (10.67)			150
GST can overcome the sale and services tax which was introduced earlier.	16 (10.67)	52 (35%)	52 (35%)	30 (20%)		150
GST will not burden people.		52 (35%)	52 (35%)	16 (10.67%)	30 (20%)	150
GST protects the interests of low income earners	34 (23%)	52 (35%)	58 (39%)	6 (4%)		150

Consumers' Knowledge on the issue of GST –contd ...

VARIABLE	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Do not understand how GST would be implemented		117 (78%)	14 (9%)	19 (13%)		150
GST will result in higher prices	54 (36%)	14 (9%)	52 (35%)	30 (20%)		150
GST is the best tax system adopted by many countries	52 (35%)	52 (35%)	34 (23%)	12 (8%)		150
No GST is imposed on exported goods and services.	32 (21%)	52 (35%)	36 (24%)	30 (20%)		150

Mean, Standard Deviation and Correlations

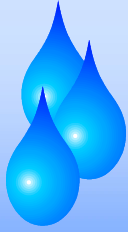
Constructs	Mean	SD	Correlation N = 150					
			1	2	3	4	5	6
1. Comprehensive and Transparency	3.56	0.91	1					
2. Impact on Revenue	4.00	0.75	0.162**	1				
3. Simplicity	3.74	0.87	0.357**	0.122*	1			
4. Impact on Prices	3.84	0.76	0.690**	0.092	0.183**	1		
5. Understandability	3.35	0.81	0.596**	0.135*	0.388**	0.617**	1	
6. Overall Awareness	3.57	0.90	0.374**	0.267*	0.278**	0.302**	0.323*	1
√AVE				0.62	0.73	0.74	0.75	0.62

OPINION ABOUT GST

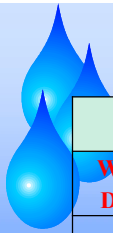
Variable	Number	Percentage
Generalized Sales Tax	85	57 %
Goods and Service Tax	65	43 %
Will Increase Price - YES	92	61 %
NO	58	39 %
Awareness about GST Rates -YES	54	36 %
NO	96	64 %
GST – Whether Beneficial To Public -YES	87	58 %
No	63	42 %

DESCRIPTIVE ANALYSIS OF RESPONDENT'S AWARENESS ON GST

Factors	Categories	Frequency	Percentage	Level
General Awareness	Yes	138	92	High
	No	12	8	
Information Provided	Yes	90	60	Moderate
	No	60	40	
Promotional Activity	Yes	52	35	Low
	No	98	65	
Implementation	Yes	126	84	High
	No	24	16	
Tax Payer Responsibility	Yes	96	65	Moderate
	No	54	35	
Respondents Readiness	Yes	22	15	Low
	No	128	85	




ANALYSIS OF TRADERS PERCEPTIONS ON IMPLEMENTATION OF GST

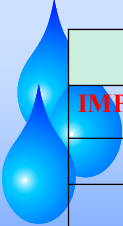


TRADERS PERCEPTIONS ON GST

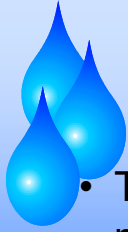
Opinion Variable	Number	Percentage
WHETHER GST IS EASIER OR DIFFICULT TO COMPLY WITH		
Easier	08	13 %
Difficult	22	37 %
Do not know	30	50 %
Total	60	100
REGISTRATION OF BUSINESS		
Yes	45	75 %
No	15	25 %
Total	60	100



Opinion Variable	Number	Percentage
WHETHER CURRENT SOFTWARE SYSTEM SUITABLE TO HANDLE GST		
Yes	12	20 %
No	48	80 %
WHETHER GST IS A FAIR TAX		
Yes	51	85 %
No	09	15 %
IMPACT OF GST ON PRICES		
Prices Increased	38	63 %
Prices Decreased	14	24 %
No Change in Prices	08	13 %



Opinion Variable	Number	Percentage
IMPACT OF GST ON TURNOVER		
Sales Increased	08	14 %
Sales Decreased	38	63 %
No Change in Sales	14	23 %
Total	60	100
IMPACT OF GST ON PROFITS		
Profit Increased	17	28
Profit Decreased	33	55
No Change in Profits	10	17
Total	60	100



CONCLUSION

- The GST mechanism is advancement over the present tax system, the idea being that a unified GST Law will create a seamless nationwide market.
- It is also expected that Goods and Services Tax will improve the collection of taxes as well as boost the development of Indian economy by removing the indirect tax barriers between states and integrating the country through a uniform tax rate



Suggestions

1. Since the implementation of GST is in initial stages only, the Government and other officials should create more awareness among the consumers and traders on the positive effects of GST.
2. There must be dispute redressal mechanism and the same should be transparent and fair.
3. Trader must be given training and orientation on registration of their business entities under GST act.



బంధు, వైరు వీమా తదితర పథకాలపై అభ్య
 యనం చేయగా మరి కొంతమంది విద్యార్థులు
 అటవీ చట్టాలు, పర్యావరణ పరిరక్షణ తదితర

డి 10 హార్డులు, సైబర్స్ వ్య
 హార్డులు, విద్యార్థుల ప్రజాసేవ
 హార్డులు జేరాయిలారు. వీర

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 తార్కాలు సందూలారిని నిర్వహించిన హోస్టల్ కలలు విద్యార్థులు



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Certificate of Merit

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