



# **A STUDY OF DEMOGRAPHIC FACTORS ON AWARENESS LEVEL OF GOODS AND SERVICES TAX SYSTEM IMPLEMENTATION**

Dr. Partap Singh<sup>1</sup>, Reema Singh<sup>2</sup> & R L Godara<sup>3</sup>

**Abstract:** A single tax system, Goods and Services Tax was implemented by Government of India from 1st April, 2017. The bill for this tax was analysed by various organisation from all over the world and they concluded that this bill will unite the country into a single platform of tax system. The aim of goods and services tax (GST) is creating a single, unified market that will not only benefit corporates but the economy also. The changed indirect tax system, GST as Goods and services tax is planned to execute in Indian economy. Several countries implemented this tax system followed by France, the first country introduced GST. The main purpose of implementation of value added tax GST in India is to convert basic structure and design of the CGST, SGST and other tax systems into a common Goods and Services Tax which provide uniform tax system on the supply of goods and services, right from the manufacturer to the consumer. Nowadays, GST is a contemporary issue among the people of India and it is necessary to make people aware of the principle of GST. Therefore, this study was carried out to identify awareness and knowledge of Students, staff members and academicians on the implementation of Goods and Service Tax (GST). The sample comprised of 120 respondents from the Jaipur city with different demographic factors. The sample selection was made randomly. This research paper depicts that there is impact of socio-economic factors of Respondents on the awareness level of GST.

**Keywords:** Awareness Level, demographic factors, GST and Indian economy, effective implementation

## **1. THE BACKGROUND**

GST is popularly known as Goods and Services Tax levied by the Government for the purpose of replacing all the indirect taxes. In India, the idea of GST was contemplated in 2004 by the Task Force on implementation of the Fiscal Responsibility and Budget Management Act, 2003, named Kelkar Committee.

The Kelkar Committee was convinced that a dual GST system shall be able to tax almost all the goods and services and the Indian economy shall be able to have wider market of tax base, improve revenue collection through levying and collection of indirect tax and more pragmatic approach of efficient resource allocation. Every person is be liable to pay tax on output and shall be entitled to enjoy credit on input tax paid and tax shall be only on the amount of value added under the Goods and Service Tax mechanism,

The key point of GST is to reduce the cascading effect i.e. tax on tax and it will lead to bringing about cost competitiveness of the products and services both at the national and international market.

GST will be one of the biggest tax reforms that will replace all indirect taxes (like Central Excise Duty, Additional Exercise duty, Service Tax, Customs duty, State VAT etc.) levied on goods and services by the government both center and state. It is an indirect consolidated tax, based on a single tax rate fixed for both goods and services (namely automobile, food products, telecom, insurance etc.) payable at the final point of consumption through a tax credit mechanism. GST subsumes a series of all indirect taxes under a single domain .The recommended GST bill gives concurrent powers to both states and the center to make laws on the taxation of goods as well as services.

The significant of GST or goods and services tax has become a reality. The new tax system was launched at a function in Central Hall of Parliament on 1st July, 2017 (Friday midnight). The objective of GST, "one nation, one tax, one market" is aimed at unifying the country's \$2 trillion economy and 1.3 billion people into a common market.

The elimination of multiple taxes system and provide a single tax platform for corporates, will improve the ease of doing business. It is beneficial for every level of people in India. For consumers, the biggest advantage would be in terms of a reduction in the overall tax burden on goods. "Inflation will come down, tax avoidance will be difficult, India's GDP will be benefitted and extra resources will be used for welfare of poor and weaker section," Finance Minister Arun Jaitley said at GST launch event in Parliament. The Lok Sabha has finally passed the Goods and Services Tax Bill and it is expected to have a significant impact on every industry and every consumer. Apart from filling the loopholes of the current system, it is

<sup>1</sup> Corresponding Author, Associate Professor, Samalkha Group of Institution (SGI),Panipat, Haryana

<sup>2</sup> Asst Prof. & Principal, Deepshikha College of Technical Education, Jaipur

<sup>3</sup> Vice Chancellor, University of Technology, Vatika, Jaipur - 303905

also aimed at boosting the Indian economy. This will be done by simplifying and unifying the indirect taxes for all states throughout India.

## 2. REVIEW OF LITERATURE

Ehtisham Ahmed and SatyaPoddar (2009) have analysed that introduction of GST will provide single and transparent tax system with the purpose of more output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST1.

Dr. R. Vasanthagopal, (2011) evaluated a common platform provided with the implication of the constitutional amendment which will help in reduction of conflict among various stakeholders

Girish Garg, (2014) examined that GST is the one of the biggest and most analytical step towards the comprehensive indirect tax reform in our country.

Pinki, et.al. (2014) concluded that the new NDA government in India want to implement the GST positively. It is beneficial for central government, state government and as well as for consumers in long run if its implementation is backed by strong IT infrastructure.

‘The constitution (122nd Amendment) Bill, 2014 (GST) introduced the idea behind GST is to include all existing indirect taxes under one value added tax which will be levied on goods and services. The principal aim of GST is to harmonize the tax system across the country. It seeks to address the challenges of the current indirect tax systems by broadening the tax base eliminating cascading effect and increase compliance by benefiting the manufacturers and the consumers.

Nurulhasnishaari, Alizah Ali, and Noraini Ismail (2015), analysed that the awareness and knowledge of GST is only possible through adequate and relevant fundamental information and it is necessary to make them better understand the general principle of GST by organizing seminar/conference, expert talk, training, course and forum in context to increase awareness and knowledge and also conform to regulation.

## 3. STATEMENT OF THE PROBLEM

GST is introduced with this aim to make Indian economy which has a high income tax system, comprehensive, efficient, transparent and business-friendly. It is also considered the world's best tax system based on the implementation of the country which has implemented the GST. After implementation of GST in India, the government and its crew are still in their way to spread out the information of GST in context to combat confusion among people. Sales and contracts are made almost every day and some of these transactions required people to pay the GST. The government introduced the GST for treating it as a single tax system. It is an issue if people are still unaware or confuse with the tax system of GST and become worst when people ignore and boycott not to pay the tax. GST is the significant and popular issue that is being discussed by people day to day, it is necessary to know whether the students and academician are aware of the government's plan and do they have knowledge on this issue. Therefore this study makes an attempt to analyze the College students and academician Awareness on the Implementation of Goods and Services Tax (GST) in Jaipur.

## 4. RESEARCH METHODOLOGY

The research paper is based on empirical study. It is a type of descriptive research paper.

Objectives of Study:

- To study about the socio- economic and demographic profile of the respondents
- To examine the level of awareness of the respondents implementation of GST
- To make appropriate suggestions on the basis of the findings of the study.

### 4.1 Hypothesis Of The Study

There is no association between socio-economic profile of the respondents such as gender, age, marital status, education status, occupational status, annual income and level of awareness of the respondents on issue of GST.

### 4.2 Sampling Design

Sample size: 120 respondents (Students, staff members and academicians).

Proportionate random sampling technique has been used for this research. The data were collected and subsequently analyzed descriptively to obtain the frequency and percentage and chi square test using the advanced excel tool.

### 4.3 Methodology

The study is based on both Primary and Secondary data. Primary data is collected by Interview Schedule and the secondary data has been collected from books, journals, and websites and so on.

### 4.4 Tools & Equipments Used For Analysis

The data are analyzed with the help of advanced excel tool. The following statistical tools are used.

- Percentage
- Chi-square test

## 5. RESULTS AND DISCUSSION

The researcher has collected the socio economic profile of the respondents such as age, gender, nature of college, studied course, education status of respondents, occupational level of the parents & staff and income of the family. The result is presented in the Table 1

Table 1. Socio-Economic profile of the respondents

Sr No	Particulars	No of Respondents	%	
1	Gender	Male	75	62.5
		Female	45	37.5
		Total	120	100
2	Age	Upto 20	14	11.67
		20-25	48	40
		25-30	32	26.67
		above 30	26	21.67
		Total	120	100
3	Marital Status	Married	45	37.5
		Unmarried	75	62.5
		Total	120	100
4	Educational Qualification	SENIOR SECONDARY	26	21.67
		GRADUATE	47	39.17
		POST GRADUATE	33	27.5
		OTHERS	14	11.67
		Total	120	100
5	Occupation	PUBLIC EMPLOYEE	26	21.67
		PRIVATE EMPLOYEE	45	37.5
		SELF EMPLOYED	37	30.83
		OTHERS	12	10
		Total	120	100
6	Annual Income	< Rs.1 lakh	26	23.33
		Rs.1 lakh to Rs.3 lakhs	48	36.67
		Rs.3 lakh to Rs.5 lakhs	32	26.67
		> Rs.5 lakh	14	13.33
		Total	120	100
Source: Primary data				

While analyzing the personal profile, it is evident that, majority of the respondents (62.5%) are male. In relation to Age wise classification, most of the respondents (40.0%) are having the age of 20 to 25 years. Most of the respondents ( 62.5%) are unmarried in study profile.

Regarding the educational qualification of the respondents, majority of the respondents (39.17%) have graduate. Under Occupational status, most (37.5%) of the respondents have been employed in Private sector jobs. About the Income wise classification, most of the respondents (36.7%) are having Rs. 1,00,000 to Rs. 3,00,000 as their annual income.

### 5.1 Analysis Of Students Awareness On The Implementation Of Gst

In order to analyse the socio – economic factors of respondents on awareness level of Implementation of Goods and Services Tax (GST), the researchers has collected and presented data in the Table 2

### 5.2 Chi- Square Test

Chi- square test is applied to measure the relationship between two variables. The Chi-square test for independence, also called Pearson's chi-square test or the chi-square test of association, is used to discover the relationship between two categorical variables. The researcher has framed the following hypothesis "There is no association between socio-economic profile of the respondents such as gender, age, marital status, education status, occupational status, annual income and level of awareness of the respondents on issue of GST ". The Chi- square result is shown in table 2

Table 2 – Chi Square Result

Sr No	Particulars	Calculated Value	Tabular Value	Result
1	Gender	0.061747	3.841	H0 - Accepted
2	Age	53.9524775	7.815	H0- Rejected
3	Marital Status	0.055944056	3.841	H0 - Accepted

4	Educational	5.906383437	7.815	H0 - Accepted
5	Occupation	0.624550705	7.815	H0 - Accepted
6	Annual Income	10.55398887	7.815	H0- Rejected

Source: Computed Data

Note: The significant value (Calculated Value) of Chi square which is less than Tabular value calculated on degree of freedom, the null hypothesis is rejected and more than the acceptable level hypothesis is accepted. From the Table shows that “There is no relationship between socio-economic profile of the respondents Such as gender, marital status, educational qualification, occupational status and level of awareness on issue of GST” “There is a relationship between age & annual income of the respondents and their level of awareness on issue of GST”.

**6. MAIN FINDINGS**

1. It is understood from the survey that majority of the respondents (62.5%) are male.
2. It is found that most of the respondents (40.0%) are having the age of 20 to 25 years.
3. It reveals that majority of the respondents (62.5%) are unmarried.
4. It is found that under nature of educational qualification of the respondents, majority of the respondents (39.17%) have graduate.
5. It is indicated that Majority of the respondents (37.5%) have employee of Private sector.
6. It depicts that majority of the respondents (36.7%) comes under the category of incomes Rs. 1,00,000 to Rs. 3,00,000 as their annual income.
7. In order to test the relationship between Socio economic profile of the respondents and have their level of awareness on the issue of GST It is concluded that “There is no relationship between socio-economic profile of the respondents Such as gender, marital status, educational qualification, occupational status and level of awareness on issue of GST” “There is a relationship between age & annual income of the respondents and their level of awareness on issue of GST”.

**7. SUGGESTIONS & CONCLUSION**

It is found from the study that students were aware of the government’s initiative to implement Goods and Services Tax (GST) but they still have confused about to create and to disseminate the knowledge of this issues. The result shows that the adequate information about GST has not provided by the government. Therefore, the government must provide a comprehensive knowledge to this significant issue otherwise people will avoid to levy the tax on time.

Effective implementation of GST is a very significant step towards the field of indirect tax reforms in Indian economy. GST would be a single tax system by amalgamation of a large numbers of central as well as state taxes reducing the effect of cascading and build our economy a common national platform. It is fact that every action has some pros and cons. The inadequate information of GST tax system will create confusion among the people and also avoidance to pay tax. Goods and service tax is a new story of VAT which gives a widespread setoff for input tax credit and subsuming many indirect taxes from state and national level. GST is a popular issue that is being discussed by people day to day, it is necessary to know whether the students and stakeholders an asset of our nation have aware of the government’s plan and do they have knowledge on this issue. No doubt that GST will give India a world class tax system by grabbing different treatment to manufacturing and service sector. It could be only possible through providing adequate and relevant fundamental information that is necessary to make them better understand the general principle of GST by organizing seminar and conferences, training, course and guideline in order to increase awareness and knowledge and also conform to regulation.

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