NOLEGEIN Journal of
Financial Planning & Management

ISSN: 2581-4087
Volume 5, Issue 2, 2022
DOI (Journal): 10.37591/NJFPM

http://mbajournals.in/index.php/JoFPM/index

Review NJFPM

Awareness Level of GST at Abids Division of Telangana State

Kumaraswamy Mora[1,*], P. Varalaxmi[2]

Abstract

Goods and Services Tax (GST) synchronized the indirect tax structure in India with the objective of a simple indirect tax system, under the slogan of one nation one tax. The GST, hailed as one of the major tax changes in the nation, replaces a number of indirect taxes levied by the Center and States such as excise, VAT, and service tax. It is assessed on all domestically sold products and services. The GST is an open tax that also cuts back on other indirect taxes. The system made easy of complex tax into easy tax. After its enforcement not only collection of an indirect tax increase by a remarkable amount but it also assisted the betterment of the Easy Doing of Business rank of the nation. Prior to the introduction of the GST, a person had to deal with a number of taxes, including excise, VAT, and service tax, which complicated the procedure and increased the tax burden. However, once the GST was implemented, all indirect taxes were combined into a single tax, which simplified calculations and reduced paperwork. Due to lower compliance costs, the new indirect tax regime will be beneficial to start-ups and small and medium-sized businesses. The present article is going to focus on the awareness level of the GST with respect to small business enterprises of the Abids division of Telangana state. For the study of awareness level exercised distinct types of variables such as particulars of the invoice, tax rates applicable for supply of goods, determination of time, place, and value of supply and payment of tax and refund of it.

Keywords: GST, easy doing of business, awareness level, place of supply, payment of tax and refund of tax

INTRODUCTION

Goods and Services Tax (GST) Act came into enforce in India with effect from 1st July 2017, with the intention to streamline the indirect tax structure in the country. After its implementation, gradually the nation is moving into a state of economic development in addition to easy doing of business in the country. These qualities improve the facilities of the small business enterprises in respect of GST-related matters of concerned businesses. For receiving eligible benefits from the government, the taxpayers must get detailed information or awareness of the related tax or act rules and regulations. Then only, the businesspersons can prove themselves as the best dealer or tax-paying person under the GST and hassle free from proceedings of the concerned authority. The present paper is focusing absolutely on awareness level of regular and composition dealers of the Abids division of the Telangana state [1, 2].

*Author for Correspondence
Kumaraswamy Mora
E-mail: kumarmora123@gmail.com

[1]Assistant Professor, Commerce, Badruka College of Commerce and Arts Hyderabad & Research Scholar from Kakatiya University, Hyderabad, Telangana, India
[2]Professor, Principal and Head, Department of Commerce and Business Management, Kakatiya University, Warangal, Telangana, India

Received Date: July 23, 2022
Accepted Date: December16, 2022
Published Date: February 15, 2023

Citation: Kumaraswamy Mora, P. Varalaxmi. Awareness Level of GST at Abids Division of Telangana State. NOLEGEIN Journal of Financial Planning & Management. 2022; 5(2): 21–25p.

LITERATURE REVIEW

Daga in her issued article “Impact of GST on Small Business Enterprises” articulates that how business enterprises were before the implementation of GST in India, the effect of its on small and medium enterprises, the limitation effect of GST on business regulation of small and medium enterprises, analyses the positive influence of GST on Small and Medium Enterprises, start-ups and studied Challenges faced by SMEs and Start-ups [3, 4].

Verma et al. in their research paper “Impact of GST on the Regulation of Small Business,” they produced that the effect of GST on Micro Small and Medium Enterprises, the limitation effect of GST on business regulation of MSMEs and study the impact of technology with respect to GST with the conclusion of implementation of GST Act has had a pronounced effect on the survival in the market. Some enterprises found it beneficial, but most faced difficulty accepting it for existing enterprises [5].

Sharma and Saini in the offered article “Awareness and Impact of GST among Small Business Owners: A Study of Mandsaur City in M.P.,” conversed that the awareness of GST among the business owners dwelling in Mandsaur city and evaluated the impact of GST among the business owners living in that city more over they stated that in the time of globalization there is the need for the influential and efficient tax structure for challenging India at Global level [6].

Eugine and Chellammal uttered in their article “GST-Positive and Negative Impacts on Small Scale Industries,” that revised about History of GST in India in detail and the positive and negative impacts of GST on Small Scale Industries in addition to that extended their words such as MSMEs feel that the rate of GST in higher and would restrict their growth in this era of stiff competition. To avoid this situation, the government can try to reduce the present rate of GST composed on MSMEs and thereby promote the growth of such enterprises and make them compete globally [7].

Geeta et al. presented the research paper Impact of GST on MSMEs with the terms of appraise the impact of GST on MSMEs in Sivagangai District, Tamil Nadu state and exposed that the attentiveness in respect of GST by Micro, Small and Medium Enterprises, need for creating the GST network and other such related trends are turning out to be the bottle neck factors for appreciating the actual consequence of GST enactment [8].

RESEARCH GAP

With the reflection of literature review, it is found that there is a chance to study on awareness level of the small business enterprises after half a decade of its implementation; hence the paper title can be taken as Awareness Level of GST at Abids division of Telangana state.

IMPORTANCE

It is necessary to know the awareness level of the small business enterprises to assess the businessperson's knowledge on the GST-related information and how they are dealing with respect to the tax matters such as particulars of the invoice, tax rates applicable for supply of goods, determination of time, place, and value of supply and payment of tax and refund of it to meet GST compliances effectively in connection with these items [9, 10].

OBJECTIVE

- To examine the awareness level of small business enterprises at Abids division.

HYPOTHESIS

- *Hypothesis0:* There is no significant difference in awareness level between regular dealer and composition dealer.

- *Hypothesis1:* There is a significant difference in awareness level between regular dealer and composition dealer

RESEARCH METHODOLOGY

A structured questionnaire is used to collect the required information from various retail businesspersons who are falling under the small business enterprises, whose annual turnover up to rupees one crore fifty lakh. Probability sample method with stratified random sample technique applied to gather the data more over the sample size of 50. SPSS software utilized to test the data with the tool of One-Way ANOVA test at confidence level is 95% and level of significance is 5%, that is, α is 0.05. And the necessary secondary data acquired through various published sources such as articles, research papers, and publications of government and non-government entities.

LIMITATION

The present study confined with small business enterprises of Abids division of Telangana state whose turnover do not exceed rupees one crore fifty lakh.

DATA ANALYSIS

Interpretation (Table 1)

Type of registration of the small business enterprises consist of the regular dealer category 39 with 78 percentages is higher than the composition dealer 11 with 22 percentages (Table 1).

Interpretation (Table 2)

The variable-wise descriptive statistics present that mean of all variables is more than 3 but near to four to four except supply-related ones and in connection with supply related 4 and plus, it shows that the small business enterprises are having required awareness on the mentioned items (Table 2). Moreover, SD (Standard Deviation) is less than the mean representing that the decision given by the small business enterprises are cohesive, not indifferent to each other.

Interpretation (Table 3)

To check the reliability of the collected data of 16 variables calculated Cronbach's Alpha and Cronbach's Alpha Based on Standardized Items, both the values are more than the standard value, that is, 0.7, so proved that data can be reliable (Table 3).

Interpretation (Table 4)

For the sake of One-Way ANOVA, it is essential to know the homogeneity of variables for that Levene's statistic value should be more than the 0.05, here at 1 degree of freedom P value is 0.49 (Table 4), which indicates that there is sufficient homogeneity among the variables.

Interpretation (Table 5)

In Table 5, $F_{(1, 49)} = 0.847$, $P = 0.362$ ($P > \alpha$), it represents that at the 1 degree of freedom, P value is 0.362 which is more than the α value, that is, 0.05. Hence, decided that the H_0 is accepted. It shows that there is no significant difference in awareness level between regular dealer and composition dealer of the small business enterprises of Abids division of the Telangana state. Both the dealers are having equal awareness level on GST-related information on respective items.

Table 1. Type of GST registration of small business enterprises.

Type of registration	No of business enterprises		Percentage
Regular	39		78
Composition	11		22
Total	50		100

Source: *Primary data.*

Table 2. Variable wise descriptive statistics.

Variable	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total	Mean	SD
Particulars of invoice	4	2	2	32	10	50	3.84	1
Invoice for taxable supply	4	2	3	34	7		3.76	
Invoice for exempted supply	5	5	5	30	5		3.50	
Invoice for delivery challan	7	3	16	14	10		3.34	
Credit notes	4	2	4	23	17		3.94	
Debit note	4	2	3	23	18		3.90	
GST rates (0%, 5%, 12%, 18% and 28%)	4	2	2	28	14		3.92	
IGST rate	4	2	2	28	14		3.92	
CGST rate	4	2	3	27	14		3.90	
SGST rate	4	3	2	28	13		3.86	
Time of supply	4	3	3	19	21		4.00	
Place of supply	4	2	2	20	22		4.08	
Value of supply	4	2	2	21	21		4.06	
Payment of tax	4	3	4	20	19		3.94	
Refund of tax	4	3	7	18	18		3.86	

Source: *Primary data.*

Table 3. Reliability statistics.

Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
0.79	0.76	15

Source: *Primary data processed through SPSS.*

Table 4. Test of homogeneity of awareness level.

Levene's statistic	df	P value
0.484	1	0.49

Source: *Primary Data processed through SPSS.*

Table 5. One-way ANOVA of awareness level of regular and composition dealers.

Type of registration	N	Mean	SD	SE	df	F-Value	P-Value	H_0 Status
Regular	39	3.6667	0.9192	0.1472	1	0.847	0.362	Accept
Composition	11	3.3727	0.99608	0.3003				
Between groups								
Total	50	3.6020	0.9343	0.1321				

Source: *Primary data.*

CONCLUSION

After half a decade of the enforcement of GST in India gives a push up to the economic system and growth of the nation. By creation and acquisition of awareness on the information and provisions related to the businesses leads to complete the tax compliances not only without any fines and penalties but also gets image from the concerned department authorities as a good taxpayer. In the division of Abids of Telangana state, small business enterprises of retail businesspersons are having a good awareness level on the items of particulars of the invoice, tax rates applicable for supply of goods, determination of time, place, and value of supply and payment of tax and refund of it.

REFERENCES

1. Chellammal T. (2018). GST-positive and negative impacts on small scale industries. [Online] Available at https://www.academia.edu/40401740/GST_positive_and_negative_impacts_on_small_scale_industries [Accessed on February 2023]

2. Harishekar L, Manoj G. GST and its impact on small and medium scale enterprises: a study of Peenya Industrial Area in Bangalore, Karnataka. Stud Bus Econ. 2021; 16 (1): 81–94.
3. Daga D. Impact of GST on small business enterprises. J Emerg Technol Innov Res. 2019; 6 (2): 432–434. https://www.jetir.org/papers/JETIRY006081.pdf
4. Gautami S. Effect of goods services tax on micro small medium enterprises in India. J Emerg Technol Innov Res. 2018; 5 (1): 473–476.
5. Verma A, Khandelwal P, Raj SJ. Impact of GST on the regulation of small business. J Bus Manag. 2018; 20 (7): 81–83.
6. Sharma MK, Saini S. Awareness and impact of GST among small business owners: a study of Mandsaur City in MP. Indian J Acc. 2019; 51 (1): 91–100.
7. Thangam Geeta SD, Mathiraj SP, Thivya Bharathi M. Impact of GST on MSMEs. Int J Recent Technol Eng. 2019; 8 (2S6): 688–694. https://doi.org/10.35940/ijrte.B1130.0782S619
8. Geeta SD, Mathiraj SP, Bharathi MT. Impact of GST on MSMEs. Manag Res. 2019; 8 (2): 91–95.
9. Goods and Services Tax Network. (2023). Goods and Services Tax. [Online] Available at www.gst.gov.in [Accessed on February 2023]
10. Central Board of Indirect Taxes & Customs. (2023). Tax Information Portal. Available at https://taxinformation.cbic.gov.in/ [Accessed on February 2023]