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A Study on Student's Perception towards GST: With Reference To Vapi

Kajal Chaubey, Sakshi Garg*

Abstract:

GST is crucial tax reform in India from long period. GST is implemented on 1st July, 2017 by government of India. It is an important step in the field of indirect tax. GST is the new buzz in the area of Indian business environment. It is one of the largest reforms after independence of the country. The aim of the study is to find the perception of the students regarding GST and to study if there is any significance difference between student's perception according to gender, family background and their course of study. The study has been conducted in Vapi region. The data collection tool was structure questionnaire.

Key words: GST, Students perception

Introduction:

Tax is the way from which revenue is generated from individual, companies or other entities by the state and central government in order to finance state expenditure. It is also one of the important sources of government for economic growth and achieves the status of developed country and high income.¹

The concept of GST was first introduced in France in the year 1950. After which around 160 countries in the world has adopted this taxation system including the members of the European Union and ASEAN countries. In India GST was first announced in 2006 and then in April 1st 2017 India has introduced GST and the final bill was passed on 1st July 2017 in whole India except Jammu & Kashmir.²

The structure of traditional tax system was too complicated. The new Tax reform GST subsumes multiple states and central taxes such as Excise duty, Service tax, VAT, Octroi etc. GST in India is a comprehensive, multi-stage, destination based tax that is levied on every value addition. Under the GST regime, tax will be levied at every point of sale. In case of intra-state sales CGST and SGST will be charged and in case of inter-state sales will be chargeable to IGST.

GST is a single tax on the supply of goods and service from the manufacturer to the consumer. GST brings huge advantages to the consumers by paying single and transparent tax proportionate to value of goods and services. Goods and services are divided into several tax slabs for the collection of tax- 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcoholic drinks, electricity and real estate are not taxed under GST.¹

***Kajal Chaubey, KBS Commerce & NATARAJ Prof. Sciences College, Vapi Veer Narmad South Gujarat University Surat, Gujarat**

***Sakshi Garg , KBS Commerce & NATARAJ Prof. Sciences College, Vapi, Veer Narmad South Gujarat University Surat, Gujarat**

Saarth

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What is GST?

GST is a biggest indirect tax reform of India. GST is a single tax on the supply of goods and services. It is a destination based tax. GST has subsumed taxes like Central excise tax, Service tax, VAT, Entry Tax, Octroi, etc. GST is one of the biggest tax reform in the country. GST is expected to bring together state economy and improve overall economic growth of nation.

GST is a comprehensive indirect tax levy on manufacturer, sales and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on Goods and services by states and central. Businesses are required to obtain a GST identification number in every state they are registered.

There are around 160 countries in the world that have GST in place. GST is a destination based taxes where taxes collected by state where goods are consumed. It has adopted the dual GST model in which both state and central levies tax on goods or service or both.

- SGST – State GST, collected by the state government.
- CGST – Central GST, collected by the central government.
- IGST – Integrated GST, collected by the central government.
- UTGST – Union Territory GST, collected by the Union Territory government.

Why is GST needed in India?

Introduction of GST is considered to be a significant step in the reform of indirect taxation in India. Amalgamating of various central and state taxes into single tax will help mitigate the double taxation, cascading, multiplicity of taxes, classification issues, and taxable event, etc. and leading to a common national market.

VAT rates and regulations differ from state to state. On the other hand, GST brings in uniform tax system across all the states. Here, the taxes will be divided between central and state government.

Impact of GST on Indian Economy:

GST offers several benefits to our economy. Here are some key advantages:-

- Creates unified common national market for India, giving a boost to foreign investment and “Make in India” campaign.
- Boost export and manufacturing activity and leading to substantive economic growth.
- Help in poverty eradication by generating more employment.
- Uniform SGST and IGST rates to be reduced the incentive for tax evasion.

Saarth

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Impact of GST on consumers:

GST is only beneficial for consumers. Here, is how it impacts the Indian Consumers:-

- Simpler tax system
- Reduction in price of goods and service due to elimination of cascading.
- Uniform prices throughout the country
- Transparency in taxation system
- Increase in employment opportunities

Impact of GST on Traders:

GST also has positive impacts on traders. Let's see how it affects the traders:-

- Reduction in multiplicity of taxes
- Migration of cascading/ double taxation through input tax credit.
- More efficient neutralisation of taxes especially for exports.
- Development of common national market
- Simpler tax regime
- Fewer rates and exemptions
- Distinction between goods and service no longer required.

Literature Review:

Rathi K N, Sreeraj M K: The study concludes that there is a positive attitude towards GST but also believes that due to GST, prices of certain products have risen. There is no difference between the customers in the perception according to gender, age, education qualification, and income level.¹

Dr. Manoj kumar Agrawal: the study concludes that people have a strong perception that GST has increased the tax burden on businessman as well as on common man. It has also increased the situation of inflation in the country and at the same time it is beneficial for country for the long term period.³

Nor Iza Binti Ishak: From this study, it is concluded that the students, as the representative of the society are not supportive with the implementation of GST. It causes the price of many items increased. It creates confusion among the consumers and producers on the items to be imposed with GST.⁴

Dr. P. Gurusamy, V Vasanthakumar: This study concludes that implementation of GST is one of the measures to gain more revenues for the country resulting to gain of nation. It needs the cooperation and commitment from all parties, academicians, professionals including the students as consumers.⁵

Saarth

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Research Objectives:

In general, the study conducted on degree students in Vapi city aims to achieve the following objectives:-

- To see the nature of student's awareness towards GST.
- To study the impact of GST on society.

Research Methodology:

For the purpose of this research we have taken sample size of 36 students ranging from different gender, streams, and students belonging from different family backgrounds.

Research method – Convenience sampling; quantitatively using Questionnaire as the instrument.

Data Analysis – Excel

Summary Report:

- 89% of respondents belong to commerce background.
- 58% of respondents have a business background.
- 100% of respondents are aware about goods and service tax.
- 48% of respondents think the GST has a positive impact on the society.
- 45% of respondents came to know about GST through social media and 48% of respondents came to know about GST through teachers.
- 89% of respondents think GST making the tax system transparent and comprehensive.
- 62% of respondents oppose that GST is burden on people.
- 61% of respondents think that GST will protect the interest of low income earner.
- 56% of the respondents do not find difficult to understand the implementation of GST.
- 45% of respondents find GST has led to rise in price of goods and services.
- 73% of respondents find GST as the best tax system adopted by many countries around the world.

Conclusion:

The study helps to conclude that the perception of students towards GST is positive. The students believe that the GST has somewhat led to price hike of goods and services and also its implementation is little difficult but GST is also comprehensive and transparent tax system which will be advantageous for the country for a long term period.

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Saarth

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