

# A Study of Consumer Perception on Implementation of GST with Reference to Chittoor Municipality, Andhra Pradesh

Dr.V.Masulamani

Lecturer in Commerce, PVKN Govt. College(A), Chittoor, Andhra Pradesh, 517002

**Abstract—** Taxes are two types i.e. Direct tax and indirect tax. GST is indirect tax. It subsumed into single GST. It included all indirect taxes levied on goods, including central and state-level taxes. Goods and service Tax is simple tax system. It would also make Indian products to market the products in domestic and international. When a single taxation procedure will implement, inflation will come down. The rate of taxation on necessary materials like agriculture product, medicines will be low.

Our economy is highly affected by the indirect taxes like service tax, VAT tax, duties sales tax etc. They are all affecting our economy in different area because most of indirect tax applied by state government in their particular state and that make differentiation in the form of rate of indirect taxes

This study delineates the perception of consumer which changes their purchase behavior. It represents the economic activities of all individual influenced by the GST. This study highlights the perception of consumer on implementation of Goods and Service Tax in Chittoor municipality area.

**Index Terms:** GST, DIRECT TAX, VAT, Consumer perception.

## 1.INTRODUCTION

The Goods and Services Tax is a vast concept that simplifies the giant tax structure by enhancing the economic growth of a country. GST is a complete tax levy on manufacturing, sale and consumption of goods and services at a national level. The Goods and Services Tax Bill mention to as The Constitution Bill, 2014, initiates a Value added Tax to be implemented on a national level in India. Goods and Service Tax is an indirect tax at and to bring into uniformity in the system. Goods and Service tax reduce the overall tax burden, under this system, It has made the entire structure of GST fairly complicated in India. The centre will have to coordinate with states and union

territories to implement tax regime in India Main Features of proposed GST Model i. The CGST and the SGST will be levied simultaneously on all transactions of goods and services except exempted list, goods outside the purview of GST and the transactions below the prescribed threshold limits. ii. CGST and SGST to be paid to the accounts of the Centre and the States separately. iii. Cross-utilization of Input Tax Credit between CGST and SGST in general not allowed. iv. To the extent feasible, uniform procedure for collection of both CGST and SGST. v. Centre would administer CGST and State would administer SGST.

## 2. REVIEW OF LITERATURE

Shaik *et al.* (2015)<sup>1</sup> have same view about GST, they said that GST acts as helper in the collective gain for industry, trade, agriculture and common consumers as well as for the Central Government and the State Government and thus ultimately helpful in development of Indian economy. It was further reported that GST will lead to provide commercial benefits, which were remained untouched by the VAT system.

Chaurasia *et al.* (2016)<sup>2</sup> Studied, "Role of Goods and Services Tax in the growth of Indian economy" and concluded that in overall GST will be helpful for the development of Indian economy and this will also help in improving the Gross Domestic Products of the country more than two percent.

Poonam, (2017)<sup>3</sup> in her study, she had cleared that GST would be a very important step in the field of indirect taxation. The cascading and double taxation effects can be reduced by combing central and state

taxes. Consumer’s tax burden will approximately reduce to 25% to 30% when GST is introduced. After introduction of GST concept, Indian manufactured products would become more and more competitive in the domestic and international markets. This taxation system would instantly encourage economic growth. GST with its transparent features will prove easier to administer

3. NEED/IMPORTANCE FOR THE STUDY

The study exhibits the impact of GST on Indian Economy. It will prove to be great help to a common man to understand the concept the GST. The main purpose behind introducing GST is to improve the Indian economy. Value Added Tax rates were implemented among the states in India. On the other hand, It brings in uniform tax across all the states across diverse industries.

4. STATEMENT OF THE PROBLEM

In India, Different methods are used to collection tax. It intends difficulties in collection from direct and indirect tax .Direct Tax collection is different percentages in different segment. So Uniform of tax is need to collect in all state in India. It gives importance to know the opinion about the single or simple tax of direct tax.

5. OBJECTIVES OF THE STUDY

The following objectives are the current study  
 a) To know the consumer perception about the GST.  
 b) To identify and examine the inter-relationship among the factors related to the socio-economic background of the respondents under study, and  
 c) To identify and analyze the factors influencing implementation of GST.

6. HYPOTHESES

1. “There is no significant difference between Gender and impact of price rates while implementation of GST”.
2. “There is no significant difference between Occupation and purchasing areas while implementation of GST”.

3. “There is no significant difference between level of income and impact Price While a. Implementation of GST.”

7. RESEARCH METHODOLOGY

a. SOURCE OF DATA

Basically in this research, Primary data used. Primary data relating to the background of respondents and their perception were collected with the help of a structured schedule.

b. SAMPLE DESIGN

Purpose sampling was used to study the problem . It has been determined the sample size for the present research study is 100 respondents.

c. TOOLS OF ANALYSIS

Data collected from structured schedule. Primary data is processed systematically and applied classification, tabulation and analysis and chi-square (Chi-square - test) in appropriate place.

d. SCOPE OF THE STUDY

The scope the study is restricted to Chittoor Municipality of Andhra Pradesh primarily due to a couple of reasons. Firstly, it offers a great deal of convenience to the researcher being a native of Chittoor in making the study a success.

8. RESULT AND DISCUSSIONS

Respondents Demographical Profile  
 Table-1

Factors	Male	Female	Total	
Caste	BC	16	21	37
	OC	29	11	40
	SC	9	8	17
	ST	4	2	6
			100	
Religious	Christian	2	2	4
	Hindu	51	38	89
	Muslim	5	2	7
			100	
Profession	Businessman	19	2	21
	Employment	12	11	23
	Farmer	8	0	8
	Labour	19	29	48
			100	

Source: Primary data collected by researcher  
 The above table 1 depicts the demographical profile of respondents. Out of 100 respondents, 37 Percent belongs to BC category, 40 percent OC category, 17

percent belongs to Scand 6 Percent belongs to ST category participated in this study. As Religion wise, 89 percent belongs to Hindu's, Followed by 7 percent Muslims and Christians are 4 percent, As Professional wise, 48 percent respondents belongs to Labour(Workers), employees are 23 percent, businessman are 21 percent and farmers are 8 percent participated in this research.

Table-2 Respondents opinion about preference given to purchase goods in various formats

Formate	Male	Female	Total
Convenient stores	3	14	17
Departmental Stores	6	1	7
Kirana stores	26	21	47
Supermarkets	23	6	29
Total	58	42	100

Source: Primary data collected by researcher

Table-2 indicates Respondents opinion about preference given to purchase goods in various formats .Out of 100 respondents, 47 respondents are preferred kirana stores, 29 respondents are preferred Supermarkets, 17 respondents are preferred super markets and least preference given by the respondents for departmental stores. Females respondents preferred Kirana stores and Convenient stores which is nearby them.

Table-3 Respondents opinion about seeking information about GST

Influence	Male	Female	Total
Colleagues	6	6	12
Family Members	18	15	33
Friends	12	15	27
Relatives	22	6	28
Total	58	42	100

Source: Primary data collected by researcher

Table-3 displays Respondents opinion about seeking information about GST. Out of 100 respondents ,33 respondents are know about GST from family members followed by 28 respondents from relatives , 27 respondents from friends and 12 responds from colleagues. It shows that family members plays vital role in getting information about GST implementation.

Table-4 Respondents Opinion about Goods sales effected by implementation of GST

Goods	Male	Female	Total
Cosmetics	15	4	19
Electronic goods	30	18	48
Textiles goods	7	18	25
Vegetables	6	2	8
Total	58	42	100

Source: Primary data collected by researcher

Table-4 depicts Respondents opinion about goods sales effected by implementation of GST. Out of 100 respondents, 48 respondents agreed that electronic goods sales effected by the GST, followed by 25 respondents accepted textiles goods are effected and 19 respondents agree that Cosmetic goods are effected and 8 respondent are agree vegetable goods effect by GST implementation. Totally all goods sales are effected by the implementation of GST.

Table-5 Respondents Opinion about implementation of GST in various areas.

Areas	Male	Female	Total
Business	28	32	60
Hospitals	7	4	11
Hotels	9	4	13
Transports Agencies	14	2	16
Total	58	42	100

Source: Primary data collected by researcher

Table-5 shows Respondents opinion about implementation of GST in various areas in chittoor municipality. Out of 100 respondents ,60 respondents agree that the business firms implemented the GST. 16 respondents said that implemented in hospitals, 13 respondents accepted in hotels and 11 respondents agreed that Transport agencies implemented GST. It conclude that all business firms are implemented GST in this areas.

Table-6 Respondents opinion about Advertisement about GST in media

Media/Gender	Male	Female	Total
Facebook	0	1	1
Internet	12	5	17
News paper	14	18	32
T.V	32	18	50
Total	58	42	100

Source: Primary data collected by researcher

Table-6 delineates Respondents opinion about Advertisement about GST in media. Out of 100 respondents, 50 percent respondents have given first place for advertisement in TV about GST, second place for News papers, third place for Internet.

Advertisement in Television is crucial instrument to promote GST.

Table-7 Respondents opinion about price rates change after the implementation of GST

Rates/gender	Male	Female	Total
High	33	28	61
Low	0	1	1
Medium	25	10	35
No Change	0	3	3
Total	58	42	100

Source: Primary data collected by researcher

Table 7 depicts that, Out of 100 respondents, 61 respondents agree that after implementation GST prices were high. 35 respondents said that prices were medium, three respondents said that there were no change in prices rates when GST implemented, one respondent said that the prices are low when implementation of GST.

Table-8 Respondents opinion about incentives are given after the implementation of GST

Incentives/Gender	Male	Female	Total
Discounts	10	8	18
Free	5	6	11
No offer	7	16	23
One for one offer	36	12	48
Total	58	42	100

Source: Primary data collected by researcher

Table-8 shows Respondents opinion about incentives are given after the implementation of GST. Out of 100 respondents, 48 respondents accepted that there is offer on one for one offer when purchase of goods, 23 respondents said that there is no offer after implementation of GST in purchase of goods followed by. 18 respondents agreed there is discount and 11 respondents agreed that there is free of goods in some goods purchase. This study tells most of the respondents accepted after implementation GST there is one for one offer and no offer are implemented in business activities.

Table-9 Respondents opinion about accept of Bills without GST

Opinion/Gender	Male	Female	Total
Agree	21	18	39
No Opinion	12	14	26
Satisfactory	9	4	13
Strongly Agree	16	6	22
Grand Total	58	42	100

Source: Primary data collected by researcher

Table-9 depicts Respondents opinion about accept of bills without GST. Out of 100 respondents, 39 respondents agree that agree about bills with GST when they were purchase of goods followed by 26 respondents agreed that no opinion take bills without GST, 22 respondents strongly agree that they demand bill with GST. 13 respondents said that satisfactory on making bills with GST. It concludes that respondents are agree to take bill with GST format.

Testing

Hypothesis-1

“There is no significant difference between Gender and impact of price rates while implementation of GST”.

Table-10

Gender /price rates	High	Medium	Low	No Change	Total
Female	28	10	1	3	42
Male	33	24	0	1	58
Total	61	34	1	4	100

Test	Calculated value	Degree of Freedom	Level of Significance	Critical Value	Hypothesis
Chi Square	5.762	3	5%	7.82	Accepted

It Concluded that, the calculated value of Chi square Value 5.762 is less the Table value 7.82. Hence the null Hypothesis is accepted. So there is no significant difference between gender and impact of price rates while implementation of GST.

Hypothesis-2

“There is no significant difference between Occupation and purchasing areas while implementation of GST”

Table-11

Row Labels	Convenient stores	Departmental Stores	Kirana stores	Super markets	Total
Businessman	1	6	10	4	21
Employer	2	0	7	14	23
Farmer	0	0	1	7	8
Labour	14	1	29	4	48
Total	17	7	47	29	100

Test	Calculated value	Degree of Freedom	Level of Significance	Critical Value	Hypothesis
Chi Square	56.60	9	5%	16.91	Rejected

It Concluded that ,the calculated value of Chi square Value is 56.60 greater than the Table value 16.91. Hence the null Hypothesis is rejected. So There is

significant difference between Occupation and purchasing areas while implementing GST.

Hypothesis 3

“There is no significant difference between level of income and impact Price While implementation of GST.”

Table-12

Income /uses	cosmetics Low	food items low	Textiles of Low	Total
Above 1,00,000	0	2	0	2
Less than 1,00,000	11	18	7	36
Above 40,001	0	0	1	1
Below 40,000	8	12	41	61
Total	19	32	49	100

Test	Calculated value	Degree of Freedom	Level of Significance	Critical Value	Hypothesis
Chi Square	26.02	6	5%	12.59	Rejected

It Concluded that ,the calculated value of Chi square Value 26.02 is greater than the Table value 12.59. Hence the null Hypothesis is rejected . So “There is a significant difference between level of income and impact Price While implementation of GST.”

9. FINDINGS

The following are the finding in this research.

- 61 percent respondents are agreed when GST implemented, Price will increased.
- 33 percent respondents accepted that family members are main source to know about GST bill
- 47 percent respondents purchased goods from kirana stores. They were not ask bills with GST when they purchase goods
- 48 percent of respondents expressed that electronic goods sales are effected by the implementation of GST.
- 60 percent of respondents stated that implementation of GST occur in only business activities.
- 50 percent respondents state that Television is the main source for advertisement on implementation of GST.
- 39 percent respondents agree that they want to bill with GST model.
- 61 percent respondents agree that after implementation GST prices were high

- 48 percent respondents accepted that there is offer on one for one offer when purchase of goods

10. CONCLUSION

Government has taken crucial decision to implement Goods and service Tax for uniform of Tax in India. It consists on Tax in whole country with state and Govt. control. The study concludes that Govt. will take necessary action to reduce the tax rates. It represents, the motivation or awareness on GST necessary for consumer.

11. LIMITATIONS OF THE STUDY

The main drawback of the study is the non-cooperation of responds in providing reliable data relating to some of the questions incorporated in the schedule. Because of this some of the aspects relating to implementation of GST are not covered as planned.

- Time was another limiting factor
- Cost was also another limiting factor

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Row Labels	Agree	No opinion	Satisfactory	Strongly agree	Grand Total
Internet	10	10	2	1	23
News paper	15		5	10	30
T.V	34	5	5	3	47
Grand Total	59	15	12	14	100

Advertisement and satisfaction levels

Row Labels	Agree	Strongly agree	Disagree	No opinion	Grand Total
Internet	7	5	5	6	23
News paper	10	10	5	5	30
T.V	34	3	5	5	47
Grand Total	51	18	15	16	100