

A Study of Students Perception Towards Gst in Mumbai Region After Covid 19

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Abstract

GST is an indirect tax levied on the supply of goods & services which was implemented on 1st July 2017 by clubbing various central & state taxes together i.e 17 different taxes into one single tax with the aim of “One Nation One Tax” thereby reducing cascading effect and tax avoidance. It is necessary that the students who are our future citizens and future taxpayers need to be aware of our tax system & government plan & policies about taxation. So the present study examines the students’ perception towards GST across Mumbai region. The study attempts to examine students’ level of perception towards GST. The method used for data collection is the primary method through a questionnaire containing 27 questions. The sample size is limited to 60 students. The sampling technique used was random sampling. The research shows that there is a significant difference in the perception of students towards GST.

Keywords: Perception, Awareness, GST, Students

Introduction

Taxation collects income from household & business and remits it to the government. There are too major categories of taxes-

- **Indirect Tax** -Tax levied on the price of a goods or service is called indirect tax example Goods & service tax, custom duty. In indirect tax, impact and incidence of tax is on another person.
- **Direct Tax**-Tax levied on income and wealth of the individual is called direct tax example income tax, corporate tax, capital gains. In direct tax, impact and incidence is on the same

The main goal of taxes is to provide a source of funds for government spending. Government make various plans for the development of nations for which they require the fund to implement such plans & it is Collected from citizens of the nations in the form of taxes. Our constitution allocates the power and authority to the central and state government under the article 246A to levy taxes. Tax payment is not optional. It is the duty of every individual to pay taxes which in turn increases the revenue of the government so that they can implement many more welfare schemes for the development of the nation. In our current study we are concerned with indirect tax i.e GST.

Problem of the Study

GST in an indirect tax levied on supply of goods & services, implemented on 1st July 2017 by clubbing a large number of central & state taxes together, 17 different taxes were combined into a single tax with the aim of “One Nation One Tax” there by reducing cascading effect. It is necessary that the students who are our future citizens to be aware of our tax system & various government plans. So the present study is to examine the students perception towards GST in Mumbai region.

Review of Literature

Various studies have been conducted on indirect taxation and its related aspects of indirect taxation by scholars and researchers. In this study an attempt is made to review some of the available and relevant studies to provide a theoretical background to the study. They are explained below-

- **Roberts & Jonathan Rose (1995)** – The researcher has examined that the Canadian Federal Government’s campaign initiative in communication program in favor of GST to influence public opinion towards GST. The study highlighted that such programme will help to know the perception of public towards GST. The researcher tried to give the exposure to the controversial issues which include constitutional reform, free trade, environmental and energy policy. The ultimate aim of above mentioned GST campaign was to evaluate its efficiency in terms of public opinion.
- **Aakanksha Uppal (2019)**-The researcher conducted their study in Ghaziabad Region with respect to the perception and awareness about GST among Small Business Persons. The sample size for the research was 300. The researcher found that many of the SBPs have admitted the wrong perception of GST and that was due to the false information provided to them by outsiders. The researcher believed that the government should spread knowledge and awareness about newly implemented GST to ensure easiness in understanding and applying it to the business to gain the benefits in their business
- **Dr Arundhati Roy et al. (2020)** – the researcher conducted this study to examine the impact of covid-19 on GST collection in the MSME sector. The researcher conducted research on secondary data. The researcher found that due to the lockdown the supply of goods and services got affected and thereby had an impact on gst collection.
- **Twinkle Rose Vinod (2022)**- The researcher tried to examine the awareness level of general households about GST. The researcher collected data using the primary method. The researcher found that most of the respondents are aware about GST but they do not have in-depth and accurate knowledge about GST

Objectives

- To study GST mechanism implementation in Mumbai region
- To study students’ perception towards various aspects of GST
- To understand the opinion of students toward GST rate after covid 19
- To provide suggestions based on the findings

Hypothesis

- **H₀** – There is no significant difference in the perception of students towards GST after covid 19
- **H₁**- There is a significant difference in the perception of students towards GST after covid 19

Data Collection

The study used both primary and secondary data-

Primary data

The information is collected by sending questionnaires to 60 students across the Mumbai region. A questionnaire containing 27 questions was framed with utmost care to fulfill the objectives of the study. These students were of different age groups, qualifications, and objectives

Secondary Data

This data is collected by using the following means-

- 1) Magazines
- 2) Experts’ opinions published in Print Media
- 3) Data available on the internet through various website

Sample Design and Sample Size

In this research, a stratified sample method was followed for collecting data and the sample size was 60

Techniques and tools to be used

Various tools and techniques are used in the present study. Data collection tool is a questionnaire. Data representation is done through charts such as pie diagram, bar graphs etc., Hypothesis testing is done through the chi-square method

Limitations of the study

- The study is confined only to students of the Mumbai region and hence the findings cannot be generalized.
- Due to a shortage of time, the sample size is limited to 60 students only.
- Accuracy of primary data collected depends upon the authenticity of the information filled by the respondents of a questionnaire.

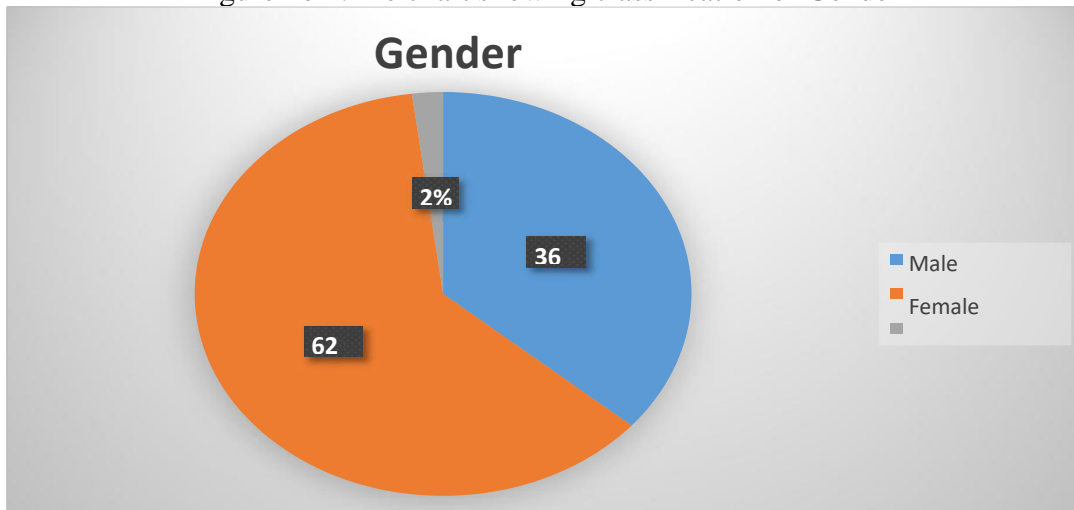
Scope of the Study

The study helps to evaluate the student's perception towards GST. It is focused on evaluating the perception of students toward tax payments in the future. It also aims to find out what students feel about the taxation system and government plans. It also aims at examining students' perception of GST rates and inclusion of various products under the GST Act. The findings of the study will help the policy maker and government to plan accordingly.

Data Analysis and Interpretation

1. Gender

Figure no 1: Pie chart showing classification of Gender



The above Graph no 1 reveal the gender of the students surveyed. The sample size for the research was 60 out of which 62% of respondents were found to be female and 36% respondents found to be male and 2% preferred no to disclose their gender

2. Age Group

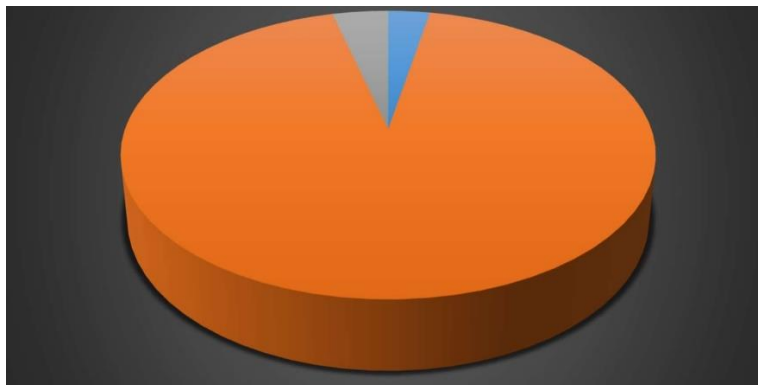


Figure No 2 Pie Chart showing age Group of students

The above figure No 2 reveals the age group of the students. Total 60 students were surveyed out of which 93% of the respondents i.e. majority of the respondents were between the age group of 21-25 and only 4% of the respondents were between 25-30 and the remaining 3% of the respondents were below 20

3. Qualification

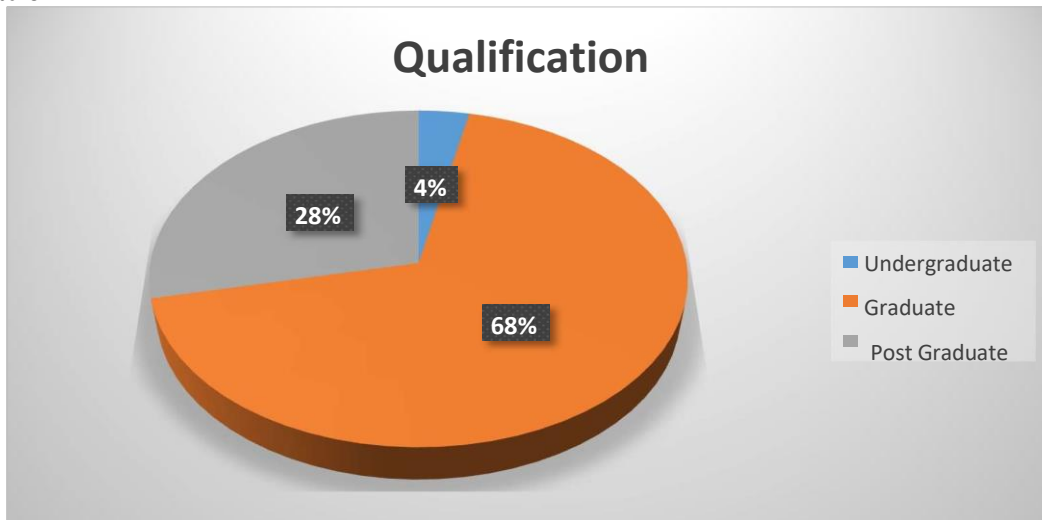


Figure No 3: Pie chart showing Educational Qualification of the students.

Above Table Figure no 3 discloses the educational qualification of the students. Total 60 students were surveyed out of which nearly 68% of the respondents were graduate. However, 28% of the respondent were Post graduate and remaining 4% were undergraduate.

4. Occupation

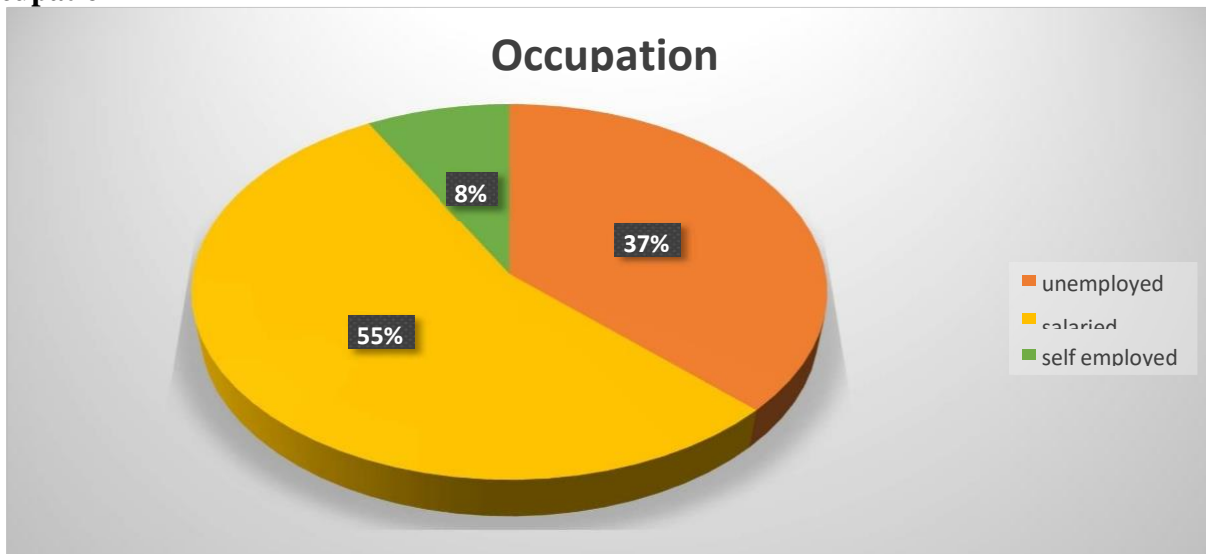


Figure No 4: Chart showing occupational details of student

The above chart No 4 reveals the occupational details of the students. Total 60 respondents were surveyed out of which 55% of the respondents were salaried i.e. majority of the respondents. However, 37% of respondents are unemployed and remaining 8% of the respondents were self-employed.

5. What is your annual income?

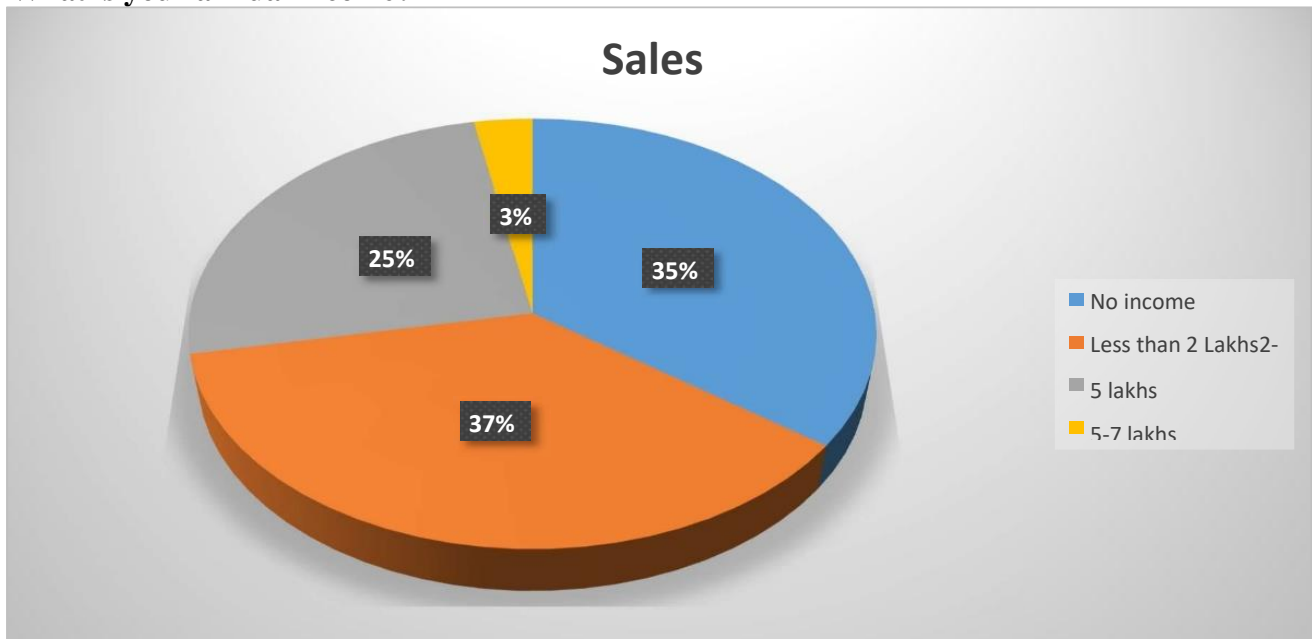


Figure No 5: chart showing Annual Income of the Individuals

The above chart No 5 show the annual income of the students. Total 60 students were surveyed out of which 37% of the respondents' i.e. majority of the respondents were having their income below 2 lakhs. However, 25% of the respondents were having their income between 2 lakhs -5 lakhs. Only 3% of the respondents were having their income between 5 lakhs and 7 lakhs and remaining 35% of respondent do not have any income.

6. Are you aware of GST?

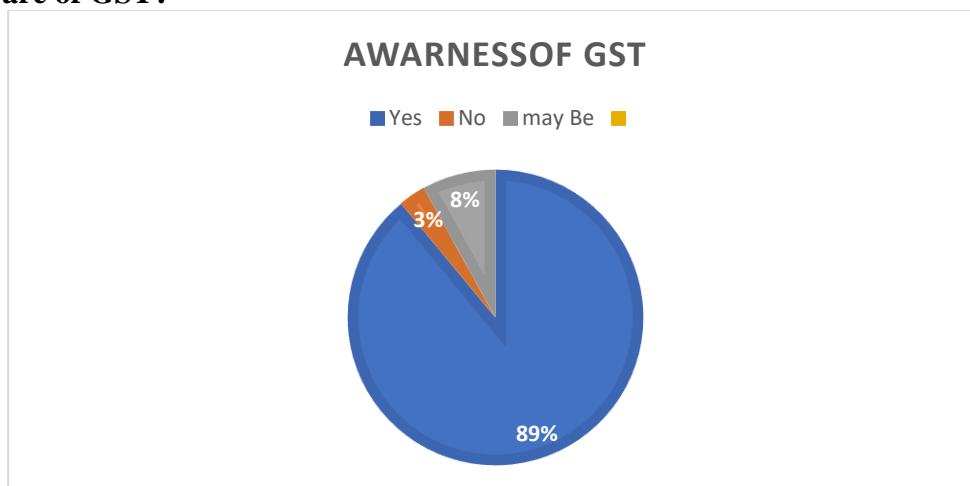


Figure No 6: Chart showing Awareness about GST

In the above chart no 6 it discloses the awareness level about GST It was found that 89% of the total respondents were aware about the GST whereas 8% of the total respondents were not aware about the GST and the remaining 3% respondents gave the answer that they may know the GST

7. Do you think GST make our tax system more effective?

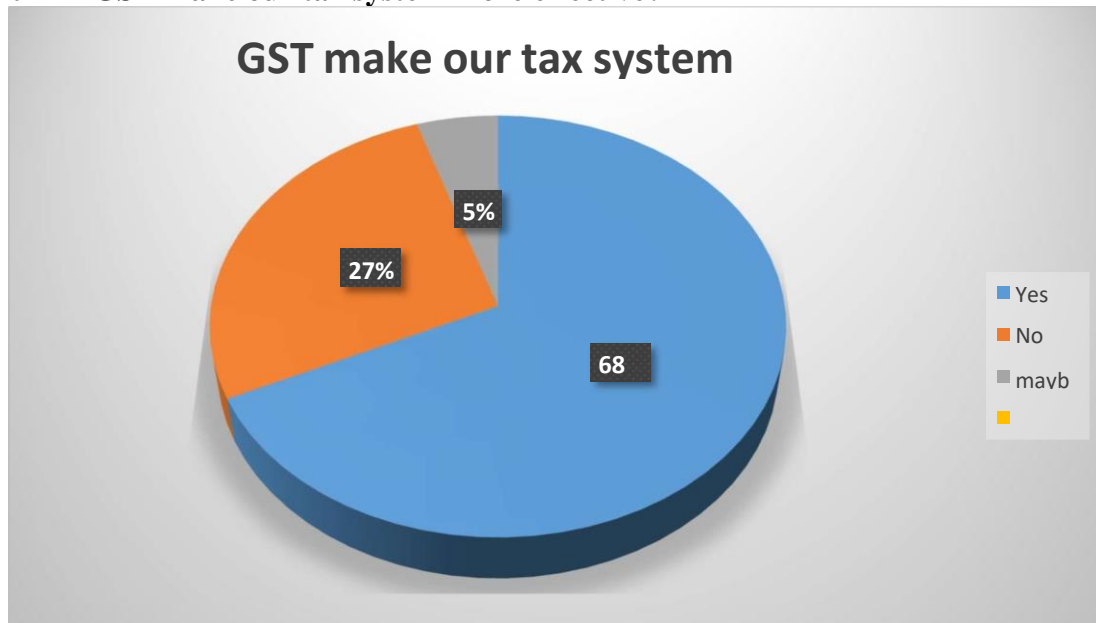


Figure No 7: chart showing perception about GST make our tax system efficient

The above chart no 7 showing perception about GST make our tax system efficient. The 68% of respondents feels that GST make our tax system efficient whereas 27% of respondent feels that GST do not make our tax system efficient and the remaining 5% of respondents feels that GST may or may not make our tax system efficient.

8. GST is based

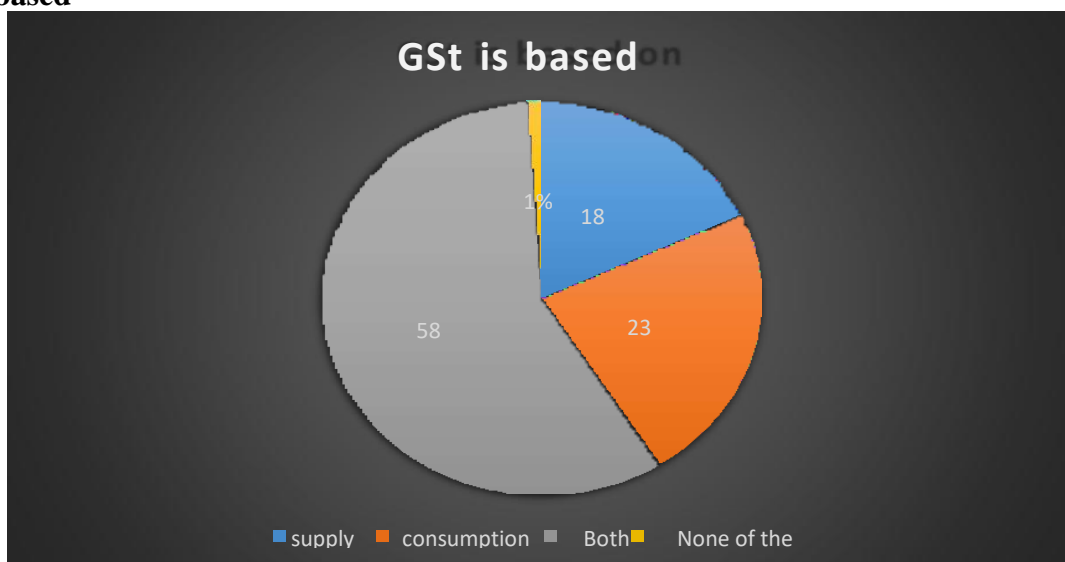


Figure No 8: chart showing information about GST is based on

The above figure no 8 chart showing information about GST is based on. The 23% of the total respondents feel that it is based on consumption whereas 18% of the respondents feel that it is based on supply. However, 58% of respondents feels that it is based on both and remaining 1% respondent feels that it based on neither consumption and nor supply.

9. Do you know who notify's GST rates ?

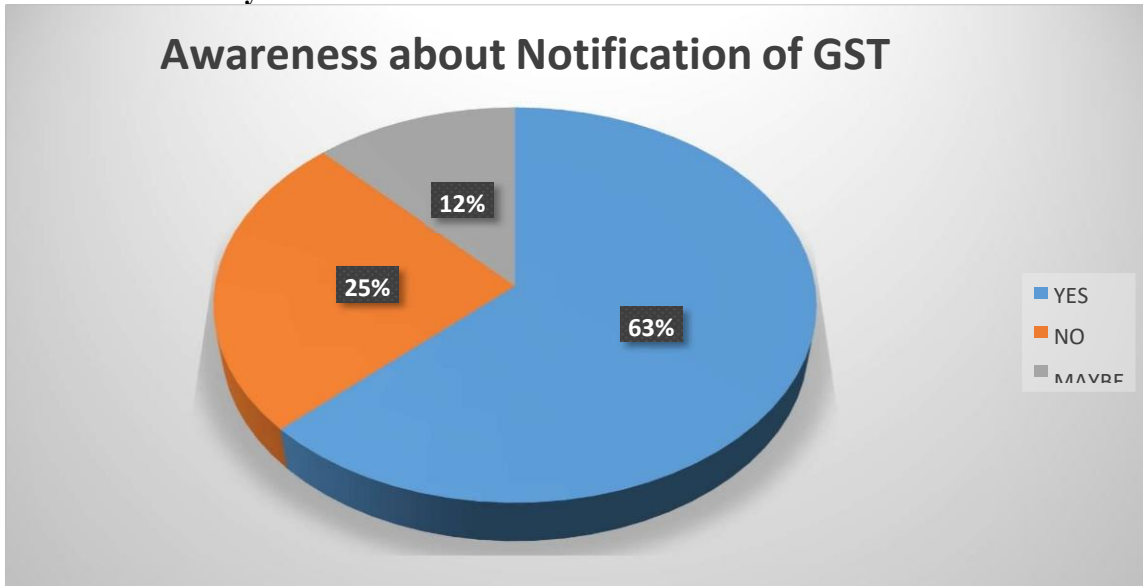


Figure No 9 : Chart showing awareness about notification of GST rate

The above chart no 9 awareness about notification of GST rates .The 63% of respondents are aware about notification of GST rate whereas 25% of respondents are not aware about notification of GST rate and the remaining 12% of respondents may or may not be aware of notification of GST rate

10. Do you think GST is difficult to understand by layman?

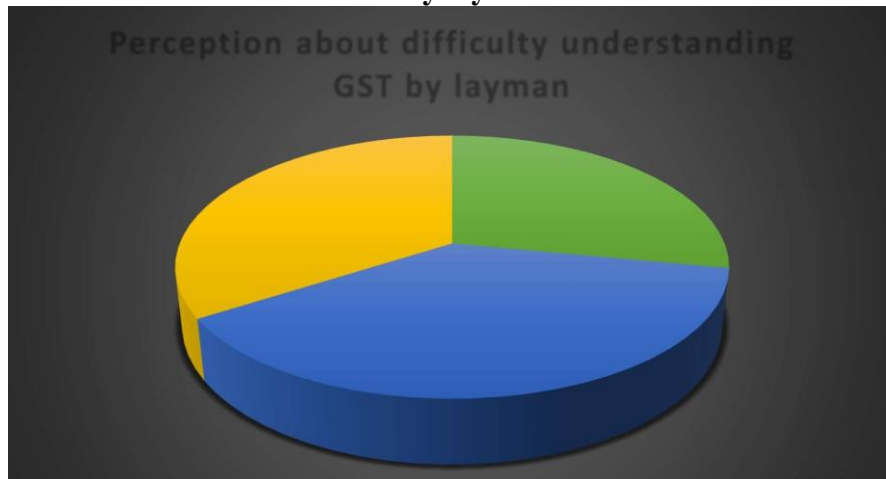


Figure no 10: chart showing Perception about difficulty in understanding GST by layman

The above chart no 10 shows perception about difficulty in understanding GST by layman. It was observed that 28% of respondents perception is that it is difficult to understand GST by layman whereas 38% of the respondents feels that it is not difficult to understand GST by layman and remaining 33% of respondents feels that it may or may not be difficult to understand GST by layman

11. Does GST increases the revenue of the government

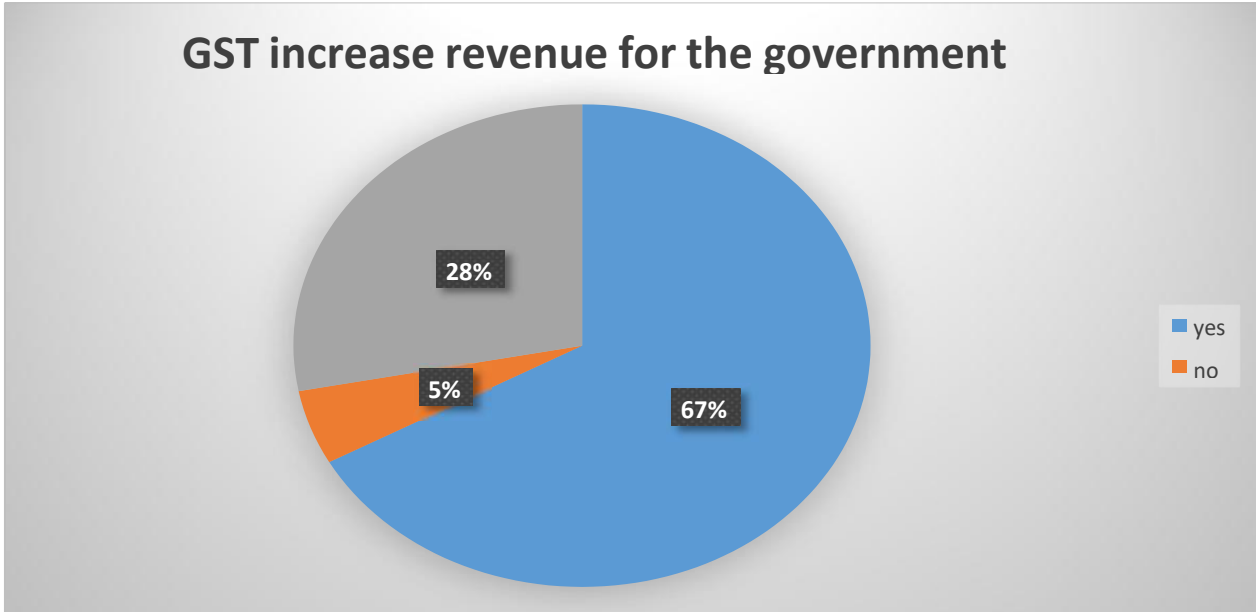


Figure No 11:chart showing awareness about GST increases revenue for the government

The above Chart no 11 shows awareness among college students as GST increases revenue for the government. From the study it is highlighted that 67% of respondents feels that GST increases revenue for the government whereas 5% of respondents feels that GST does not increase government revenue and remaining 28% of respondents feels that GST may increase or may not increase the revenue of GST

12. Does GST helps to reduces corruption?

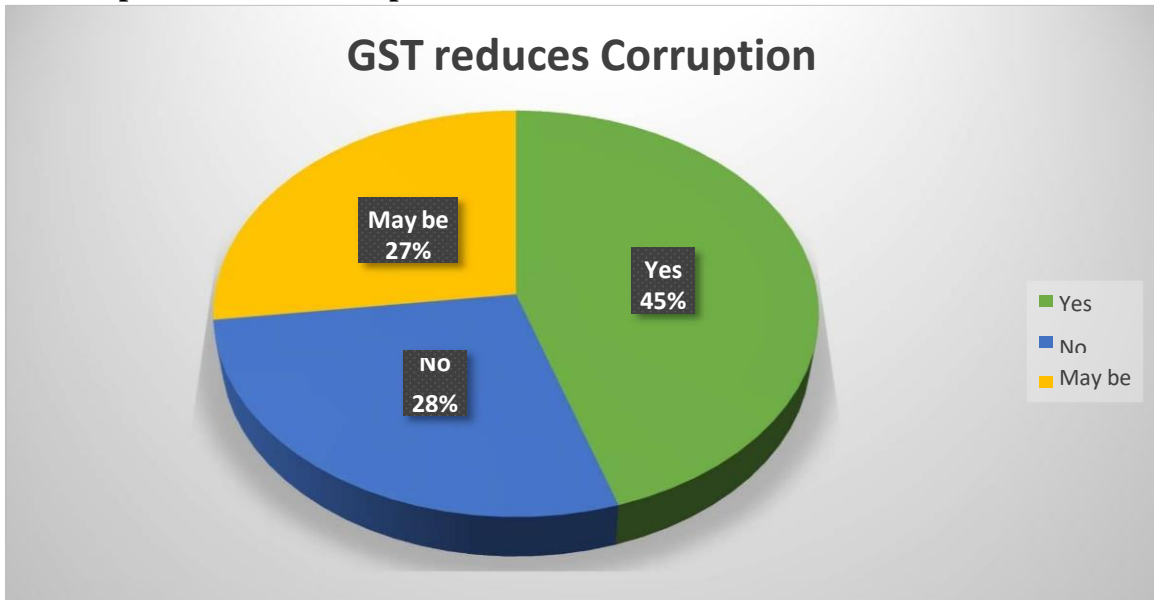


Figure No12 :chart showing information whether GST reduces corruption

The above chart no 12 show information about whether GST reduces Corruption.It was observed that majority of students i.e 45% of respondents accepts that GST will reduce corruption while 28% of respondents feels that GST will not reduce corruption and the remaining 27% of students feel that GST may or may not reduce GST

13. Does GST supports Make in India Initiative?

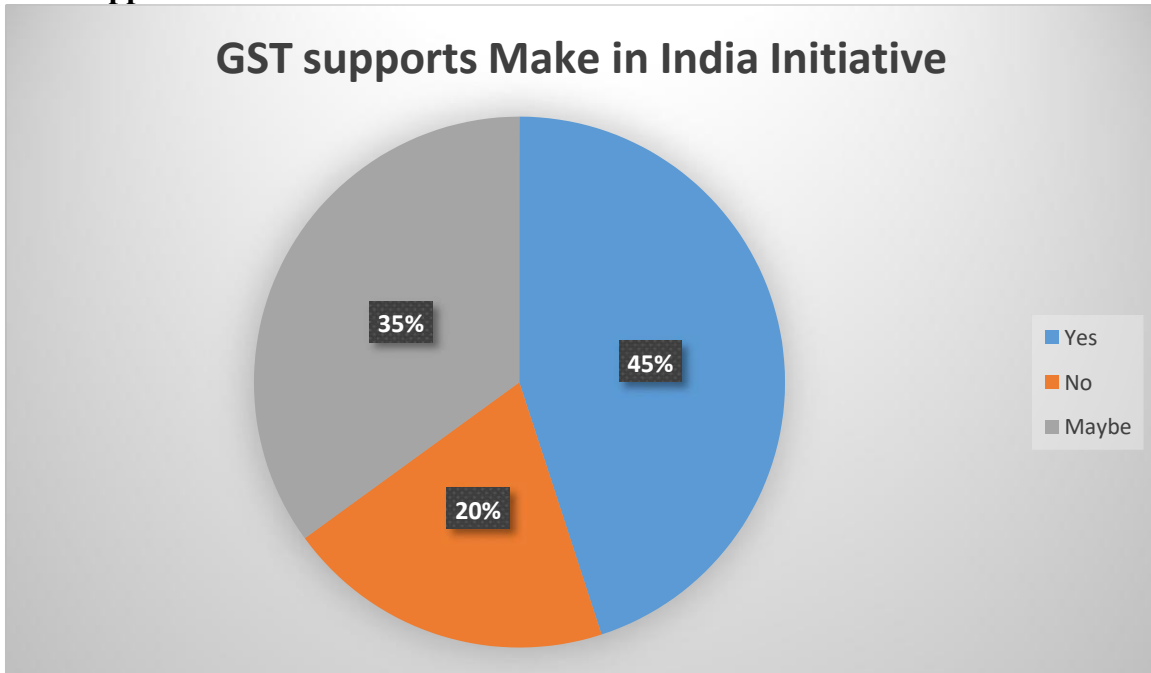


Figure No 13: chart showing information whether GST support make in India Initiative
The above chart no 13 shows information whether GST support make in India Initiative. The study observed that 45% of respondents feels that GST support make in India Initiative Whereas 20% of respondents feels that GST does not support make in India Initiative and remaining 35% of respondents feels that GST may or may not support make in india initiative.

14. Do you think there is a need of creating awareness about GST?

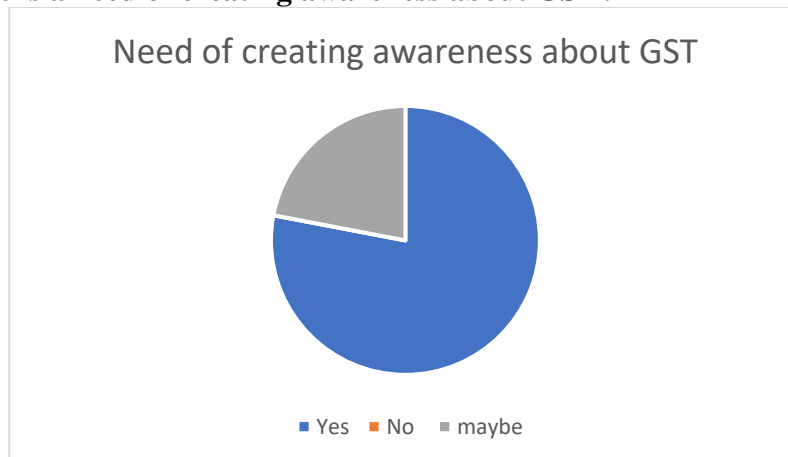


Figure No 14: chart showing information about spreading of awareness about GST
The above chart no 14 shows information about spreading awareness about GST. The study observed that 78% of respondents feels that there is need of spreading awareness about GST and remaining 22% of respondents feels that there may or may not be need of spreading awareness about GST.

15. Does GST support the principal of one nation one tax?

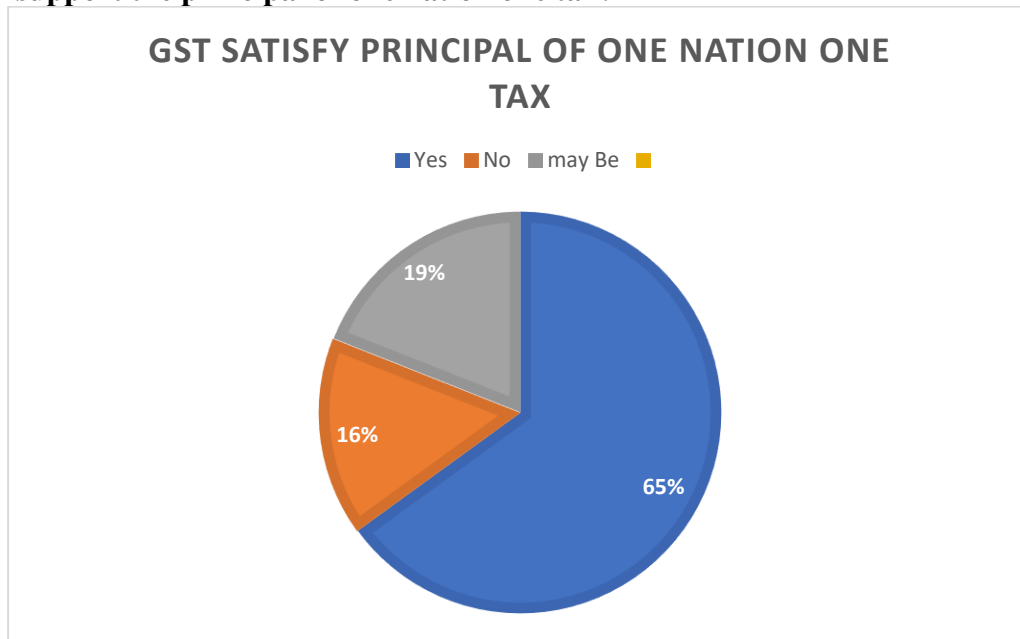


Figure No 15: chart showing whether GST satisfy principal of one nation One tax

The above table no 15 and chart no 15 shows information whether GST satisfy the principal of One Nation One Tax. The study highlighted that majority of respondents i.e 65% of respondents agrees that GST satisfy the principal of One Nation One Tax where as 16% of respondents feels that GST does not satisfy the principal of One Nation One Tax and remaining 19% of respondents feels that GST may or may not satisfy the principal of One Nation One Tax.

Testing of Hypothesis

Following Questions, I have considered for testing my hypothesis-

- Do you think GST is difficult to understand by layman?
- Does GST helps to reduce corruption?
- Do you think GST supports 'MAKE IN INDIA' initiative?
- Does GST satisfy the principal of one nation one tax?

Questions	Yes	No	May be	Total
Difficult to understand	17	23	20	60
Reduce corruption	27	17	16	60
Make in India	27	12	21	60
Satisfy	39	10	11	60
Total	110	62	68	240

Responses	Questions	Observed (O)	Expected (E)	O - E	(O - E) ²	(O - E) ² /E
Yes	Difficult to Understand	17	27.50	-10.50	110.25	4.01
	Reduce corruption	27	27.50	-0.50	0.25	0.01
	Make in India	27	27.50	-0.50	0.25	0.01
	Satisfy one tax	39	27.50	11.50	132.25	4.81
No	Difficult to Understand	23	15.50	7.50	56.25	3.63
	Reduce corruption	17	15.50	1.50	2.25	0.15
	Make in India	12	15.50	-3.50	12.25	0.79
	Satisfy one tax	10	15.50	-5.50	30.25	1.95
May be	Difficult to Understand	20	17.00	3.00	9	0.53
	Reduce corruption	16	17.00	-1.00	1	0.06
	Make in India	21	17.00	4.00	16	0.94
	Satisfy one tax	11	17.00	-6.00	36	2.12
Total		240	240.00	0.00	406.00	19.00

Level of significance= 0.05

Degree of Freedom= (number of rows - 1) * (number of columns - 1) = 2*3=6 $X^2_6 = 12.592$

Therefore, **19.00 > 12.592** **Reject H₀ if $X^2_{cal} > X^2_{tab}$**

Hence, we reject **H₀** – There is no significant difference in the perception of students towards GST after Covid 19 and accept **H₁**- There is a significant difference in the perception of students towards GST after Covid 19

Conclusion

GST is the major reform in our indirect taxation system. But its effectiveness depends upon the perception of the citizen of the nation. This study attempted to examine the perception of students towards GST in Mumbai region. From the findings, it is observed that there is a significant difference in the perception of students toward GST. Some feel that it is a good initiative and it has achieved its objective of “one Nation one tax” and avoidance of double taxation but others feel that it has increased legal compliances and may bring inflation in the country and thereby affect the purchasing power of the individual. I would like to conclude that every coin has two sides it depends upon our perception and perception comes from implementing and using it and when we use it we can encounter flaws in it. Once flaws are recognized government should take steps to solve that problem and ensure the smooth functioning of GST to derive long-term benefits and accelerate the growth of the economy.

Suggestions

- Financial institutions along with social institutions such as Rotract club, and Lions club shall come forward to spread awareness about GST as a boon for developing our nation. State and the central government shall also spread awareness about GST
- General awareness is not sufficient they should have in-depth knowledge to understand how GST works in reality because today's students are tomorrow's nation.

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