

Satisfaction of Goods and Services among Small and Medium Traders in and Around Pollachi Taluk

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Abstract

Goods and Services Tax was introduced on 1st July 2017, and it plays an important role in the present business scenario. It replaces all indirect tax like Sales tax and Value-added Tax (VAT) etc.; after the implementation of GST, it is witnessed that several positive changes have been taken in the fiscal domain of India. GST is making sure that "One Nation, One Tax, One Market" becomes the reality of our country. The objective of the study is To identify the benefits enjoyed by the Small and Medium Traders. To determine the level of satisfaction with the GST. There are 146 respondents taken for this study by applying the convenience sampling method. The study was conducted in Pollachi taluk. The statistical tools were used in this study are Simple percentages, chi-square test and Friedman rank test. The findings of the study are Majority 106 (72.6%) of the respondents are lying under the age group of 25-35 years. The majority 120 (82.20%) respondents are male, majority 66 (45.2%) of the respondents are Under Graduates, majority 73(50%) of the respondents family are having three to five members, majority 79 (54.1%) of respondents are comes under nuclear family, and majority 132 (90.4%) respondents are doing manufacturing type of business.

Suggestions of the study are: it is suggested that give prior intimation about the late fee collection. The taxpayers suggested that the provisions for collecting late fees need to be relaxed. GST statement return on the frequency filing should be reduced to a Single Return per Quarter. To create more awareness about Reverse Charge Mechanism. The government gives more training to the GST taxpayers for their betterment in their activities. It is concluded that GST has a simplified tax compliance system and have a positive influence on the overall industry by creating a single unified market. For small scale medium traders and startups, GST has benefited by increasing the threshold limit, decreasing the cost of logistics and tax payment simplification.

Keywords: GST, Small and Medium Traders, Indirect Tax, Sales Tax.

Introduction

Goods and Services Tax was introduced on 1st July 2017, and it plays an important role in the present business scenario. It replaces all indirect tax like Sales tax and Value-added Tax (vat) etc.; after the implementation of GST, it is witnessed that several positive changes has been taken in the fiscal domain of India. GST is making sure that "One Nation, One Tax, One Market" becomes the reality of our country.

Goods and Services Tax is a value-added tax levied on most goods and services supplied for domestic consumption. Like a sales tax, businesses collect the GST from customers when they purchase goods and services, and ten emit those taxes to the government. This study will help the taxpayers o create awareness about the GST, and also some of the small and medium traders are not aware of some of the concepts used in GST. And also, definitely, after implementing GST, there is a positive impact among the small and medium traders.

Review of Literature

G.Garg,(2014), in his study entitled that “Basic concepts and features of Goods and Services Tax in India”, analysed that the impact of GST on the Indian tax scenario and also tried to highlight the objectives of the proposed GST plan along with the possible challenges and opportunity that GST brings. This study concluded that GST is the most logical step towards the comprehensive indirect tax reform in our country since independence.

Pinki, Kamna S. and Verma R. (2014), in their study entitled that “Goods and Service Tax – Panacea for Indirect Tax System in India “, explored the concept of GST, the need to introduce it in India, and the other challenges to the introduction of GST in India highlighted are the availability of strong IT network, infrastructure and programmes, agreement on other provisions like basic threshold, an exemption to goods/services, rates are to be applied.

Statement of the Problem

To identify the impact of GST, the following questions were raised in the minds of the researcher, and hence it is of considerable interest to know:

1. What are the benefits enjoyed by the Small and Medium Traders? and
2. How far are they satisfied with the GST?

Objectives of the Study

A systematic study of the extent of using Goods and services Tax used by small and medium traders and their satisfaction are to be studied to find answers to the questions raised. The present study is conducted with the following specific objectives:

To identify the benefits enjoyed by the Small and Medium Traders.

To determine the level of satisfaction with the GST.

Hypotheses of the Study

In tune with the objectives, the following hypotheses are framed:

1. There is no association between demographic factors and the benefits of GST.
2. Small and medium traders satisfaction is not associated with demographic factors.

Methodology

Approach to the study, methods employed to collect the data, sampling method adopted for collection of data and the framework for analysis of data are discussed.

Data

For the study, both primary and secondary data are utilised. Primary data have been collected from GST taxpayers by way of distributing questionnaires.

Secondary data have been collected from journals, magazines, newspapers, books and websites.

Sampling Method

Convenience sampling method has been adopted for collecting primary data.

Sample Size

Of the 150 questionnaires distributed to small and medium traders, of them 146 questionnaires were found complete in all respect, and 146 were considered for the study.

Period of the Study

Regarding the study period, it has been carried out during the year 2021.

Statistical Tools

SPSS 13, 0 for the windows package was used to analyse the data.

The various statistical tools employed to analyse the data are Simple percentages, Chi-square tests and Friedman rank tests.

The simple percentage is used to identify the number and percentage of respondents in each category.

The Chi-square test is an important non-parametric test. It is used as a test of association between demographic factors and: factors such as demographic factors and awareness towards GST.

Friedman rank test is used to rank the impact of GST among small and medium traders.

Scope of the Study

After implementing GST, a great impact on all the sectors took place, especially in India. Through

GST, India earns more revenue and as well as most of the traders are registered and also it brought forth new insights on the effect of the new indirect tax regime on MSME in India as well as this study will help to create awareness and also identify the level of satisfaction about GST among traders and customers.

Limitations of the Study

The following are limitations of the study are:

The data being primary nature, limitations applicable to primary data are equally applicable to the present study. The sample is limited to MSME using GST. The study is confined to Pollachi, and hence, utmost care should be taken before generalising the results.

Conceptual Framework

i) Goods and Services Tax

Goods and Services Tax (GST) replaced indirect tax, and all the indirect tax systems are coming under one tax system, and it is treated that one nation one tax.

ii) MSME

Micro Small and Medium Enterprises (MSME) is primarily engaged in the production, manufacturing, processing or preservation of goods and commodities, and it is an important sector for the Indian economy and also has contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works hand-in-hand towards developing the nation's backward and rural areas.

Age of the Respondents

The following table contains the data related to the age-wise classification of the respondents that are given below

Table 1: Age of the Respondents

Particulars	Frequency	Percentage
Below 25 years	21	14.40
25-35 years	106	72.60
35 - 45 years	15	10.30
above 45 years	04	2.70
Total	146	100

Source: Primary data

The above table 4.1 shows that 21 (14.40%) respondents are coming under the age group of below 25 years, 106(72.60%) of the respondents are coming under the age group of 25-35 years, 15(10.30%) of the respondents are coming under the age group of forty 35-45 years, 04(2.70%) of the respondents are coming under the age group of above 45 years.

Majority of 106 (72.6%) of the respondents are lying under the age group of 25-35 years.

Gender of the Respondents

The classification of the gender of the respondents are given below

Table 2: Gender

Particulars	Frequency	%
Male	120	82.20
Female	26	17.80
Total	146	100

Source: Primary data

Table 3.4 states that 120 (82.20%) are male, 26 (17.80%) respondents are female.

The majority of 120 (82.20%) respondents, are male.

Educational Qualification

The following table represents that the respondent's educational wise classifications are given below.

Table 3: Educational Qualification

Particulars	Frequency	%
Up to school level	40	27.40
Under Graduate	66	45.20
Post Graduate	40	27.40
Total	146	100

Source: Primary data

The above table shows that 38 (26.03%) are completed up to school level, 66 (45.2%) respondents are undergraduates, 36(24.652%) respondents are finished their post-graduation degree.

Majority of 66 (45.2%) of the respondents are Under Graduates.

Registration of GST

The following table 4.8 explain the registration of GST are as follows

Table 4: Registration of GST

Registered in Gst	Number of Respondents	%
Yes	90	90%
No	10	10%
Total	100	100%

Source: Primary data

Table 4.7 states that 90 (90%) respondents are doing manufacturing type of business and 14 (10%) respondents are doing services type of sector.

The majority of 90 (90%) respondents are registered under GST.

Findings of the Study

Association between Demographic Factor and Awareness towards GST using Chi-Square Analysis

Hypothesis	Chi-Square value	Calculated Value	Result	Alternative Hypothesis
There is no association between age and level of awareness about GST	0.000	0.05	Rejected	There is an association between age and level of awareness about GST
There is no association between educational qualification and the level of awareness	0.000	0.05	Rejected	There is an association between educational qualification and level of awareness about GST
There is no significant relationship between the patient marital status and level of awareness about GST	0.648	0.05	Accepted	There is no significant relationship between the patient marital status and level of awareness about GST
There is no significant relationship between the size of the family and level of awareness about GST	0.000	0.05	Rejected	There is a significant relationship between the size of the family and level of awareness about GST
There is no significant relationship between the type of the family and level of awareness about GST	0.052	0.05	accepted	There is no significant relationship between the type of the family and level of awareness about GST
There is no significant relationship between the monthly income of a family and level of awareness about GST	0.000	0.05	rejected	There is a significant relationship between the monthly income of a family and level of awareness about GST

Profile of GST taxpayers are as follows:

- The majority, 106 (72.6%) of the respondents, are lying under 25-35 years.
- The majority of 120 (82.20%) respondents are male.
- The majority of 66 (45.2%) respondents are Under Graduates.
- The majority, 73(50%) of the respondents family are have three to five members.
- The majority, 79 (54.1%), of respondents come under the nuclear family.
- The majority of 132 (90.4%) respondents are doing manufacturing type of business.

**Association between Demographic Factor and Satisfaction
towards GST using Chi-Square Analysis**

Hypothesis	Chi-Square value	Calculated Value	Result	Alternative Hypothesis
There is no significant relationship between age and level of satisfaction about GST.	0.000	0.05	Rejected	There is an significant relationship between age and level of satisfaction about GST.
There is no significant relationship between educational qualification and level of satisfaction about GST	0.000	0.05	Rejected	There is an significant relationship between educational qualification and level of satisfaction about GST
There is no significant relationship between marital status and level of satisfaction about GST.	0.065	0.05	Accepted	There is no significant relationship between marital status and level of satisfaction about GST.
There is a significant relationship between occupation and level of satisfaction about GST	0.000	0.05	Rejected	There is a significant relationship between occupation and level of satisfaction about GST
There is a significant relationship between size of the family and level of satisfaction about GST.	0.000	0.05	Rejected	There is a significant relationship between size of the family and level of satisfaction about GST.
There is nosignificant relationship between size of the family and level of satisfaction about GST.	0.67	0.05	Accepted	there is no significant relationship between size of the family and level of satisfaction about GST.
There is no significant relationship between individual income of the family and level of satisfaction about GST.	0.000	0.05	Rejected	There is a significant relationship between individual income of the family and level of satisfaction about GST.
There is no significant relationship between income of the family and level of satisfaction about GST.	0.000	0.05	Rejected	There is a significant relationship between income of the family and level of satisfaction about GST.

Friedman Rank Test

Impact of Goods and Services tax considered by the traders after using GST is ranked as follows: the first rank is given to ‘Reduce the cost of doing businesses. Other factors are in the order of ranking are ‘Increase Government Revenue’, ‘Effective Tax collection’, ‘Increase tax payers’, ‘Transparency’, ‘Dual Control, increase of the cost of some commodities’, ‘Fewer Taxes’, ‘Increase in Foreign Investment’.

Suggestions of the Study

Based on the findings of the study and the opinion expressed by the respondents, the following suggestions are made to enable the GST holders to have greater awareness, larger benefits and better satisfaction.

- The impact of GST has highly effect on the small scale industries.
- It is suggested that give prior intimation about the late fee collection.
- The taxpayers suggested that the provisions for the collection of late fees need to be relaxed.

- GST statement return on the filing of frequency should be reduced to a Single Return per Quarter.
- To create more awareness about Reverse Charge Mechanism.
- The government give more training to the GST taxpayers for their betterment in their activities.

Conclusion

Introduction to the GST is the most crucial form in the Indian taxation system it simplified tax structure in India consumer good segment delivery cost is reduced, and tax rates are changed in the implementation of the GST where the companies whose tax is increased has to increase the price of the goods. GST has simplified tax compliance system and has a positive influence on overall industry by creating a single unified market. For small scale medium traders and startups, GST has benefited by increasing the threshold limit, decreasing the cost of logistics and tax payment simplification.

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