



**ORIGINAL RESEARCH PAPER**

**Management**

**A STUDY ON CONSUMER PERCEPTION TOWARDS GST IN KANCHEEPURAM DISTRICT**

**KEY WORDS:** Aggregated, Emphasis, intern, adhered

**R. Karthick**

Assistant Professor, Department of Business Administration, Madras Christian College, Chennai, Tamil Nadu -600059.

**Esther Hepziba. R**

Ph.D Research Scholar, Department of Commerce, Madras Christian College. Chennai, Tamil nadu-600059.

**ABSTRACT**

Goods and Service Tax a new dimension in taxing system has taken over in the recent past. After the amendment of the taxing system passed by the government its implementation has created lot of confusions among various categories of business entities. This paper talks about the impact of consumers and their value chain due to GST implementation.

**INTRODUCTION**

GST a unified taxing system was implemented recently by the Prime Minister to simply the process of taxing and to integrate all goods and services accordingly the Policies and regulations are defined to be adhered by the traders according to the business they do. The percentages for certain products and services are defined in the range of 0% to 28%

0%	5%	12%	18%	28%
Unpacked food grain	Sugar	Butter	Hair oil	Chewing gun
Milk	Tea	Ghee	Tooth paste	Molasses
Curd	Edible oil	Almonds	Pasta	Chocolate
Egg	Packed paneer	Fruit Guice	Corn flakes	Wafers
Educational services	Raisin	Coconut water	Soups	Ceramic tiles
Health services	Domestic lpg	Jam jelly	Ice cream	Water heater
Salt	Agarbatti	Umbrella	Toiletries	Weighing machine
Prasad	Coir mats floor mats	mobiles	printers	Washing machine
Unbranded besan etc	Cashew etc	Preparation of pickle etc	Computers etc	Dishwasher etc

Looking in to the business cycle entities like wholesalers, retailers, distributors, and consumers the concept of GST varies The government has fixed the ceiling of 20 lakhs on two ranges above and below, traders who's annual turnover above are liable to pay GST on subsequent period. Many traders who are not coming under this category also implement GST charges on their billing. Consumer's intern pay the total aggregated amount. To know about the level of understanding of GST by consumers and their differences in expenditure this study is done.

**OBJECTIVES**

- To identify the awareness among consumers
- To identify how much they spend on various aspects before and after GST implementation
- To know their views on this new taxation system

**PROBLEM OF THE STUDY**

- Manufacturer to wholesaler taxing on total bill for the product sold
- Wholesaler to distributor taxing on total bill for the product sold
- Distributor to Retailer taxing on total bill for the product sold
- Retailer to Consumer itemized / total bill taxing for the product bought

**SCOPE OF THE STUDY**

This study is conducted to find out the views of consumers in kancheepuram district and to know about their expenditure pattern and the variation. The respondents selected are of mixed group which will give wider difference in understanding. The scope of the paper is limited only to the concerned area of study which cannot be justified for any other place

**RESEARCH METHODOLOGY**

Exploratory study is done to know in depth about the area of study. The respondents are from the above specified area. Sampling frame is resident consumers and the sample size is 52. Simple random sampling is used to collect data The data collected is by both means primary and secondary and factor analysis is used to find the results

**REVIEW OF LITERATURE**

**Times of India (26/7/2017)** page no 1&17 it is stated that Sweet makers are confused with fixing the tax for their products as the ingredients used in the sweets are taxed separately as raw material and as finished goods the products its taxing is different ex. Plain burfi is 5% taxed but chocolate burfi is fixed with 28%. Plain burfi mixed with other dry fruits is of 12%. This taxing system makes the Sweet makers to get confused on how much GST to be fixed for which product. **Times of India dated ( 27/7/2017)** page1 it is stated that the GST implication across different places for the same product has wider differences which the consumers are unaware, resulting them in surprise. Ex A Rasamalai sold in counter at a shop is taxed with 5% but if it is served in the hotel it is taxed with 18% this has resulted in difference of consumers shopping to purchase the similar products

**International Journal of Scientific research and management (2014)** Girish Gargh Assistant Professor from PGDAV College University of delhi has published paper titled "Basic Concepts and Features of good and service tax in india. In this paper he has given the outline of GST and what does this tax system wants to achieve with threats and challenges opportunities that the free market economy can bring.

**International Journal of innovative studies in sociology and humanities (2016)** A study on impact of GST after implementation Milandeep Kour and his co-authors Assistant Professor from Eternal University himachal Pradesh talks about the impact of GST and implementation of it, its benefit and challenges. He also emphasises that GST is going to change things in current situation.

**ANALYSIS AND INTERPRETATION**

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.877	26.151	26.151	2.877	26.151	26.151	2.364	21.490	21.490

2	1.848	16.802	42.953	1.848	16.802	42.953	2.094	19.036	40.526
3	1.608	14.616	57.569	1.608	14.616	57.569	1.875	17.043	57.569
4	.962	8.744	66.313						
5	.926	8.420	74.733						
6	.835	7.590	82.323						
7	.651	5.917	88.240						
8	.514	4.672	92.912						
9	.389	3.540	96.453						
10	.262	2.378	98.830						
11	.129	1.170	100.000						
Extraction Method: Principal Component Analysis.									

Component Matrix <sup>a</sup>			
	Component		
	1	2	3
importance	.549	-.357	.386
aware	.546	-.117	-.086
purchase	.732	.157	-.387
check	.466	.016	-.376
grievance	.684	-.118	-.312
question	.519	.192	-.475
impact	.289	.793	.397
change	.325	.832	.336
gain	.408	-.040	.335
accept	.551	-.468	.338
succeed	.355	-.299	.583
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

Rotated Component Matrix <sup>a</sup>			
	Component		
	1	2	3
imp	.155	.744	-.020
aware	.468	.317	.000
purchase	.820	.098	.167
check	.598	.016	-.020
grievance	.717	.249	-.057
question	.714	-.102	.109
impact	.026	.059	.930
change	.095	.021	.950
gain	.100	.479	.202
accept	.180	.766	-.137
succeed	-.116	.733	.061
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

**Component1- Consumer Awareness**

The Elements of component1(purchase(.820), grievance(.717), questioning(.714)) with high ratio explains that people go through GST norms in billing and raise questions when they go for buying, they also check how much is charged and get explanation about the charging this shows that people are aware of the GST trend.

**Component2-Intentions**

The elements of component2 constitutes (importance (.744), accept(.766) and succeed(.733)) with high ratio explains about their intentions towards GST. They are ready to accept if clarity is given on taxation. They feel unified system reduces time and will bring easy mode of transactions .

**Component3-Implification**

The elements of Component3 (Impact(.930),changes(.950)) defines that the consumers pattern of buying has changed due to inflation and deflation of cost. This has resulted in reduction of buying and has impacted normal routine life of people.

**OPINION OF CONSUMERS**

Tax % very high  
Need to create more awareness among the public.  
No clarity on understanding the taxing system

Highly confusing and compromised methods followed  
Common people find it difficult  
Should be considered only for certain products not for every products and should decrease the percentage of tax.  
Tax rate should reviewed periodically, as the compliance improves.  
Rate of all items have increased after GST.

**SUGGESTIONS**

1. Steps followed in the taxing should be clearly defined for all level of business people
2. Consumers to be given clear awareness about GST on products and services
3. GST can be implemented on total bill of the company and not on individual billing
4. System can be set for billing with unified software
5. Grievences should be handled then and there
6. According to the sector different level of business people has to be taught with way of taxing

**CONCLUSION**

Even though there are many reviews coming on GST in published source it is difficult for the traders to have clarity on their taxing.The real problem lies on when and how GST to be fixed. GST will be successful only when every business person knows properly how it should be implemented without which it will be a chaos always. Since it is taking time for understanding some people take this as advantage for over charging or billing and some pay more for their small services. For effective GST it should be defined in such a way that every individual should be clear of his own transaction and billing system.

**References**

- Websites**
1. <http://ijrsh.org/wp-content/uploads/2017/01/IJISSET-010204.pdf>
  2. [http://www.academia.edu/24836048/A\\_Study\\_on\\_GST\\_Implementation\\_and\\_its\\_Impact\\_on\\_Indian\\_Industrial\\_Sectors\\_and\\_Export](http://www.academia.edu/24836048/A_Study_on_GST_Implementation_and_its_Impact_on_Indian_Industrial_Sectors_and_Export)
  3. <http://www.allresearchjournal.com/archives/2017/vol3issue1/Part1/3-1-142-650.pdf>
  4. [www.ijrm.in/v2-i2%20ijrm.pdf](http://www.ijrm.in/v2-i2%20ijrm.pdf)
- Magazines**
5. Times of India paper dated 26/7/17 and 27/7/17 page 1 and 17