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Students' (Owners) awareness and perceptions towards recent changes in GST policy of India

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Abstract

The study is intended to gauge student understanding of GST-related issues and their degree of awareness of changes to the GST policy that have been enacted. The study focuses on the students who are the owners of handicraft business. The administration's desire to change the GST policy, which took effect on July 1, 2017, has produced a broad range of public comments, arguments and points of view. As a result of the implementation, some individuals may react favourably, driving up the cost of products and services, while others may react negatively, raising the likelihood that this tax would burden people. It might reflect that people's understanding of the GST and the policy changes enacted in response to the current situation remains hazy. This survey will be done to determine students' awareness and familiarity with recent changes to India's GST legislation. The primary data will be collected through a questionnaire distributed using a quantitative approach. A three-part series of questions will be meant to collect first-hand information from respondents on their familiarity and comprehension of recent changes to India's GST legislation. For this purpose, around 254 student owns business from various academic institutions are selected in the sample by using a random sampling method.

Subject Classification: *62P20, 62P25.*

Keywords: *GST policy, India GST, Student GST awareness, Student GST perception, Recent changes in GST.*

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1. Introduction

The tax, which can be direct or indirect, generates a significant amount of money for the government. Indirect taxes are typically assessed on commodities, services and transactions. As of July 2017, India had roughly 27 different types of indirect taxes. The introduction of GST is one of the most important indirect tax measures to boost commerce and industry enacted since our independence. (Ahmad Azrin, 2015, Garg & Kumar 2017, Kawale & Aher 2017, Patil 2017, Tiwari & Singh 2018). The key goals of introducing the GST are to avoid domino taxation effects and simplify tax law adherence. (Beri 2017, Leena & Sameena 2017, Nayyar & Singh 2018, Syeda Shamaela et. al., 2020). Despite being labeled as a new system, it has a very long history in India, stretching back to the rest of the globe. France was the first developed nation to apply the GST in 1954, and from then on, practically all other countries have implemented a single taxation system, notably one in which a single tax rate is imposed globally. (Hiaderkhan et. al., 2021).

Since its inception, several adjustments have been made to improve the user experience. It lasted around thirteen years after the new law was drafted and implemented. GST would be fruitful if all stakeholders agreed to it in its entirety. (Antony and John, 2020).

Taxes have an important influence in determining the trajectory of a country's economic and social systems. Contributions generated from tax income have developed as a significant component in India's difficulty as the administration's overall income has increased in comparison to other incomes. A tax is a mandatory levy imposed by the government on primary homes, incomes, and other types of transactions in order to fulfil a country's inhabitants' requirements and interests. It does not include restitution for people who are paying for licences, permissions, tolls, entry fees, and special taxes or fines and fees for certain usage. People's perspectives and attitudes on GST rules, regulations and processes differ. An important issue at this point is, "How do students feel about it?" or How up-to-date are they on current changes to India's GST policy? As a result, efforts have been made to evaluate students' perspectives on a variety of subjects. As transformative leaders, they should be equally thrilled about what is occurring in India. These initiatives have been taken to further strengthen the endeavours of financial inclusion and raise the penetration of the banking sector. For improving the structure of financial inclusion, the initiatives from the demand side to open accounts under several schemes have gotten a good response from urban and rural centers. (Amrita Bhatty, 2022)

2. Literature review

Sharma Malika (2021) researched the likely impact of India's largest tax reform (GST)" and discovered that this tax system will give greater transparency and predictability to the country. The federal and state governments' revenue distributions would be more equitable. There may be some defects, blockages, and inconsistencies, but we will overcome them as we advance. The GST Policy would aid India's socio-economic advancement. The policy should be framed with the participation of various levels of executives and should be approved by the board. (Farhina Sardar Khan, 2015)

According to Bhushan Mamta (2018), The "Impact of the Goods & Services Tax in India" will cut the average Indian's long-term costs for goods and services. It will be fascinating to watch how the government fulfils the administration's promise of long-term economic progress and decreased inflation. the Indian venture capital industry has evolved substantially in recent years, basking in the prosperity of foreign money. (MAZHAR, 2021)

Upendra Gupta (2017), gives a comprehensive description of the GST's essential features and benefits. He stressed the significance of GST in empowering and enriching individuals, as well as the issue of who is required to pay GST. Banks may implement constructive conflict management strategies that will help the adoption of measures to lessen the conflicts. (Urooj Shakeel, 2022). (Kaur, 2018) study revealed that there is a relationship between the demographic profile and the level of GST knowledge and awareness. This study revealed a significant relationship between gender, age, qualification and level of GST knowledge and understanding. Furthermore, according to Roy, Dr. Joseph, Sabu, and Manuel (2018), researchers discovered in their study that the level of knowledge has not reached a suitable level, resulting in a negative view of GST among consumers; additionally, the level of awareness was discovered to be a key element that has produced practical issues.

3. Objective of study

1. To study students' (owners) awareness towards current changes implemented in India's GST Policy.

2. To study students' (owners) perception regarding issues related to GST policy.
3. To validate the instruments used for measuring student Knowledge, Students Attitude and Students Satisfaction.

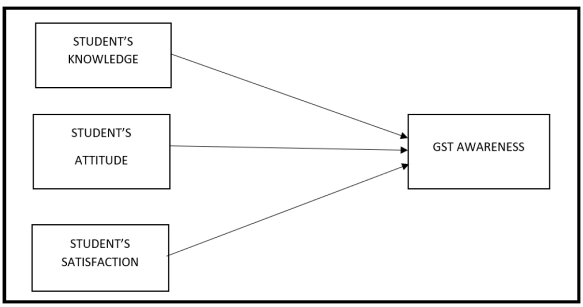
4. Proposed Model and Hypothesis Development

Numerous research has demonstrated that the amount of student understanding of the GST policy is significantly influenced by their perceptions. It described how the components connected to GST related to one another.

The first phase of the model is representing the Student's attitude, Student Knowledge and Student satisfaction as independent variables (IDV) of the study. These are the constructs of the study and contain the basic three hypotheses for the analysis.

Conceptual Model

Figure 1 depicts that these are the constructs these are the constructs of the study and contain the basic three hypotheses for the analysis.



Source: Authors Compilation

Figure 1

Conceptual Model

The second phase has a Dependent Variable (DV) which is GST awareness. Based on the above, the following hypotheses were postulated:

H1: Students' Attitude towards India GST Policy has a positive association with GST Policy Awareness

H2: Students' Knowledge regarding India GST Policy has a positive association with GST Awareness

H3: Students' Satisfaction towards India GST Policy has a positive association with GST Awareness.

5. Research Methodology

The sample for the paper was chosen using the convenience sampling method, and the survey was prepared using Google Docs. The questionnaire link was quickly distributed via emails and texts sent to students. This sampling method was utilised to decrease delays and simplify data entry. Only 254 responses were received due to time restrictions. The survey was accessible online for one month. The data was collected and descriptively analysed using the statistical software SPSS version 20.0 for Windows and AMOS version 23 for the SEM model.

6. Data Analysis & Results

6.1 *Descriptive Analysis*

According to the demographic profile of respondents in Table 1, 50.4% are female and 49.6.% are male. Among the Majority around 41.7% had undergraduate and postgraduate degrees, whereas 47.6% were between the ages of 15 and 24.

Table 1

Demographic Profile of Participants

Gender				
		Frequency	**%**	**CF (%)**
Valid	M	126	49.6	49.6
	F	128	50.4	100.0
	Total	254	100.0	

Education level				
		Frequency	**%**	**CF (%)**
Valid	Matrix	9	3.5	3.5
	Diploma	16	6.3	9.8
	Undergraduates	106	41.7	51.6
	Postgraduates	106	41.7	93.3
	PhD	17	6.7	100.0
	Total	254	100.0	

Contd...

Age (years)				
		Frequency	%	CF (%)
Valid	15 to 24	121	47.6	47.6
	25 to 34	84	33.1	80.7
	35 to 44	31	12.2	92.9
	Above 45	18	7.1	100.0
	Total	254	100.0	

Source: Authors Compilation
NOTE: CF=Cumulative Frequency
M=Male
F=Female

6.2 *Analysis of Reliability*

Alpha value was utilized to determine inter-item consistency. As demonstrated in Table 2, The scale has a high level of internal consistency since each component has an alpha value greater than 0.7. This signifies that this study had a high overall level of consistent, acceptable grading.

Table 2

Reliability Analysis of the constructs

Measurement Properties of the Construct					
Construct	**Item**	**Measures**	**Loading**	**Cronbach's Alpha**	**No. of Items**
GST AWARENESS	GSTA1	Do you update yourself on tax laws applicable to you and your family?	.339	.795	4
	GSTA2	Are you aware of GST?	.288		
	GSTA6	Are you familiar with the tax slabs mentioned in the GST Policy?	.613		
	GSTA7	Are you aware about the current changes implemented under GST Policy?	.675		

Contd...

STUDENTS KNOWLEDGE	SK2	GST will generate and boost income for the nation.	.578	.859	5
	SK3	GST has the potential to replace the previous Sales and Services Tax	.682		
	SK4	People would not be burdened by GST.	.644		
STUDENTS ATTITUDE	SA1	Citizens are unprepared for the implementation of GST	.720	.889	5
	SA2	The implementation of the GST is taking place at the wrong moment.	.581		
	SA3	Living expenses would go up as a result of the GST.	.669		
	SA8	GST system is a legal means for the administration to collect revenue to administer an economy.	.715		
	SA13	GST is an excellent way to replace VAT (VAT).	.407		
STUDENTS SATISFACTION	SS8	The media effort to disseminate knowledge about the GST is effective.	.000	.375	6
	SS9	The GST rate of 28% is reasonable.	.011		
	SS10	My spending habits will not be affected by the adoption of the GST.	.017		
	SS11	Exemption from taxes on essential goods and services	5.745		
	SS12	Prices charged by composition dealers	.001		
	SS18	GST electronic invoice	.008		

Source: Authors Compilation

6.3 *Descriptive Statistics of the constructs.*

The conceptual model was validated using IBM SPSS Amos 26. The study presents descriptive data, frequency, CFA (Confirmatory Factor Analysis), reliability, validity, model fit, standardised regression weights, and squared multiple correlation for all constructs. To accomplish the study's goal of validating the tools used to measure Students' Knowledge, Students' Attitude and students' satisfaction. Table 3 displays the construct's descriptive statistics, which includes the values for the average, standard deviation, skewness, and kurtosis.

Table 3

Descriptive Statistics of the constructs.

Descriptive Statistics of the constructs.									
	N	**Minimum**	**Maximum**	**Arithmetic Mean**	**S.D**	**Skewness**		**Kurtosis**	
		Statistic	**Statistic**	$\bar{x}$	σ	**Statistic**	**Std. Error**	**Statistic**	**Std. Error**
Do you update yourself on tax laws applicable to you and your family?	254	1	5	4.00	1.232	-1.112	.153	.190	.304
Are you aware of GST?	254	1	5	3.89	1.262	-.968	.153	-.155	.304
Are you familiar with the tax slabs mentioned in the GST Policy?	254	1	5	3.87	1.138	-.774	.153	-.195	.304
Are you aware about the current changes implemented under GST Policy.	254	1	5	3.88	1.178	-.857	.153	-.273	.304
GST will generate and boost income for the nation.	254	1	5	3.89	1.125	-.763	.153	-.262	.304

Contd...

GST has the potential to replace the previous Sales and Services Tax.	254	1	5	3.84	1.170	-.742	.153	-.345	.304
People would not be burdened by GST.	254	1	5	3.96	1.112	-1.061	.153	.543	.304
GST will raise the cost of goods and services.	254	1	5	3.94	1.154	-1.011	.153	.312	.304
Exported goods and services are exempt from GST.	254	1	5	3.60	1.116	-.406	.153	-.608	.304
Citizens are unprepared for the implementation of GST.	254	1	5	4.04	1.104	-.956	.153	.006	.304
The implementation of the GST is taking place at the wrong moment.	254	1	5	3.89	1.132	-.877	.153	-.015	.304
Living expenses would go up as a result of the GST.	254	1	5	4.02	1.139	-.954	.153	-.025	.304
GST system is a legal means for the administration to collect revenue to administer an economy.	254	1	5	3.97	1.088	-.845	.153	-.096	.304

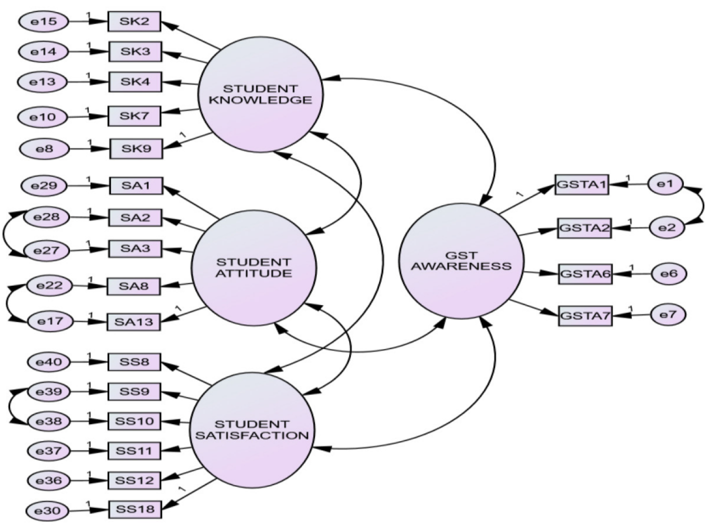
Contd...

GST is an excellent way to replace VAT (VAT).	254	1	5	4.17	1.104	-1.449	.153	1.474	.304
The media effort to disseminate knowledge about GST is effective.	254	1	5	1.69	.821	1.842	.153	4.704	.304
The GST rate of 28% is reasonable.	254	1	5	4.30	1.110	-1.514	.153	1.282	.304
My spending habits will not be affected by the adoption of the GST.	254	1	5	4.24	1.046	-1.254	.153	.587	.304
Exemption of necessary Goods and Services	254	1	5	4.03	.992	-.840	.153	.005	.304
Prices charged by composition dealers	254	1	5	2.99	1.149	.315	.153	-.663	.304
GST electronic invoice	254	1	5	3.01	1.372	.023	.153	-1.202	.304
Valid N (listwise)	254								

Source: Authors Compilation

Confirmatory Factor Analysis (CFA):

In the CFA analysis, each concept item was loaded and only those that demonstrated a significant connection were kept.



Source: Authors Compilation

Conceptual Model with Estimates for CFA

Table 4 shows the constructions' model fit to our model. Hu and Bentler (1999) advise using a combination of these values because each has advantages and disadvantages.

Overview of the Model fit:

The overall model fit result from CFA (Confirmatory Factor Analysis) said that the model is appropriate for further analysis and explained the acceptable substantial relationship between the components.

Table 4

Overview of the Model fit.

Measure	Estimate	Threshold	Interpretation
CMIN	275.457	--	--
DF	160	--	--
CMIN/DF	1.722	Between 1 and 3	Excellent
CFI	0.955	>0.95	Excellent
SRMR	0.064	<0.08	Excellent
RMSEA	0.053	<0.06	Excellent
PClose	0.290	>0.05	Excellent

Source: Authors Compilation

Conceptual Model with Estimates for CFA

Table 5

Cutoff Criteria of the CFA Model Fit

Cutoff Criteria

Measure	Terrible	Acceptable	Excellent
CMIN/DF	>5	>3	>1
CFI	<0.90	<0.95	>0.95
SRMR	>0.10	<0.08	<0.80
RMSEA	>0.08	>0.06	<0.06
PClose	<0.01	<0.05	>0.05

Source: Gaskination StatWiki.

Note: Table 5 shows the cutoff criteria for model fit as per Gaskination statWiki. It is worth noting that Hu and Bentler (1999, "Cutoff Criteria for Fit Indexes in Covariance Structure Analysis: Conventional Criteria Versus New Alternatives' ') recommend the use of numerous measurements. Personally, I like CFI more than 0.95 and SRMR less than 0.08. To reinforce the proof, include the RMSEA0.06. J. Gaskin and J. Lim (2016), AMOS Plugin, "Model Fit Measures." Gaskination StatWiki.

Discussion & Conclusion

According to the study's findings, students are aware of changes implemented in India's GST policy. According to the report, the first hypothesis, H1: Students' attitude towards India GST Policy shows a positive association with GST policy awareness. The second hypothesis, H2: Students' knowledge regarding India's GST policy shows a positive association with GST Awareness. The third hypothesis, H3: Students' satisfaction towards India GST policy shows a positive association with GST awareness**.** Table 4 explains that the value of CFI is 0.95 which is >0.95, and the value of SRMR is 0.06 which is <0.08. the value of RMSEA is 0.05 which is <0.06, and the value of PClose is 0.29 which is > 0.05. All these values in Table 4 explain that the model with the selected construct had achieved the model fit and all the values are within the prescribed threshold, confirming the model's fit. This was concluded by the study, which found that the H1, H2 and H3 all were accepted and explained that there was a significant relationship between students knowledge, students attitude, student satisfaction and GST Awareness.

Recommendations and Future Direction

GST has been one of the most widely debated subjects in India since the government announced its intention to adopt it in July 2017. The installation of the new tax regime, GST, is viewed as one of the strategies to increase income for the country. The more the government's revenue, the greater the advantages to the country. As a result, it requires the participation and dedication of all stakeholders, including academicians, professionals and students as customers. This is because a comprehensive comprehension of this notion will have a positive influence on better governance. Students and the younger generation are, in fact, vital vital assets to the country and will be future leaders. This group is one of the elements contributing to the country's success and development. Cooperation would result if people were aware of and understood their responsibilities. It is vital to provide enough and appropriate core information to help people better comprehend the main idea of GST by arranging seminars, talks, training, courses, and forums to raise awareness and understanding while also adhering to regulations. In the framework of this tax regime, the responsible person should pay attention to and emphasise society and students in order for the successes of the tax system to be acknowledged.

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