

Awareness of Goods and Services Tax among students in India

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ABSTRACT

Information and Communication tools/technologies play an important role during the implementation of any new economic policy. Government needs to choose an effective tool/technology of communication for its awareness campaigns. Goods and Services Tax (GST) is an important economic policy being implemented by the Indian government. This study is being conducted with a focus on importance of communication channels including Social Network Sites on the level of awareness regarding GST among students. Online-survey instrument was used to collect responses from under-graduate and post-graduate students. The results indicate that students who received the information from colleges and universities have a higher probability of being aware. Social networking sites and online news websites including the websites of tax authority also have a positive impact on the awareness. This paper could contribute for a better implementation of GST and choosing an effective tool for communication for awareness campaigns by the Government.

INTRODUCTION

Economic policy change in a country result in a mixed response, while some show positive response, others show negative response to it. Tax reform is one such policy change that needs to be communicated effectively for a higher compliance level. Tax is a major source of revenue for any Government. For a better implementation of a new economic policy, it is important for the Government to decide on an effective channel of communication, either in the form of traditional or non-traditional channel of communication. A study to understand the awareness, particularly among the educated youth of India would contribute for a better implementation of GST. Further, choosing an effective tool for communication would help the Government to attain compliance from the public. This study focuses on understanding the source of information that influences the level of awareness of GST among the students.

BACKGROUND LITERATURE

The key papers that study the awareness level of Goods and Services Tax:

- Nurulhasni Shaari, Alizah Ali, and Noraini Ismail, "Student's Awareness and Knowledge on the Implementation of Goods and Services Tax (GST) in Malaysia," *Procedia Economics and Finance* 31 (2015) 269 – 279.
- Nasir, N. B. M., Sani, A. B. A., & Mohtar, N. M. B. Kuala Lumpur, Malaysia, "Public Awareness Towards Goods and Services Tax (GST) in Kuala Lumpur, Malaysia.," *International Academic Research Journal of Social Science* 1(2) 2015 Page 101-106.
- Muhammad Syafiq Abdullah, Subri Hasim, Abd Rahim Romle, Helmie Sheha Che Azemi, Mohd Hafiz Mansor, Marni Majid., *Movement to Gst: The Perception of University Students on Goods and Services Tax Implementation in Malaysia.* *Aust. J. Basic & Appl. Sci.*, 9(34): 167-173, 2015.
- Zabri, Shafie Mohamed, Kamilah Ahmad, and Tham Gen He. "Understanding of Goods and Services Tax (GST) and Spending Behavior among Malaysian Consumers.," *Prosiding Perkem-11*, (2016) 27 – 34 ISSN: 2231-962X.

RESEARCH QUESTION

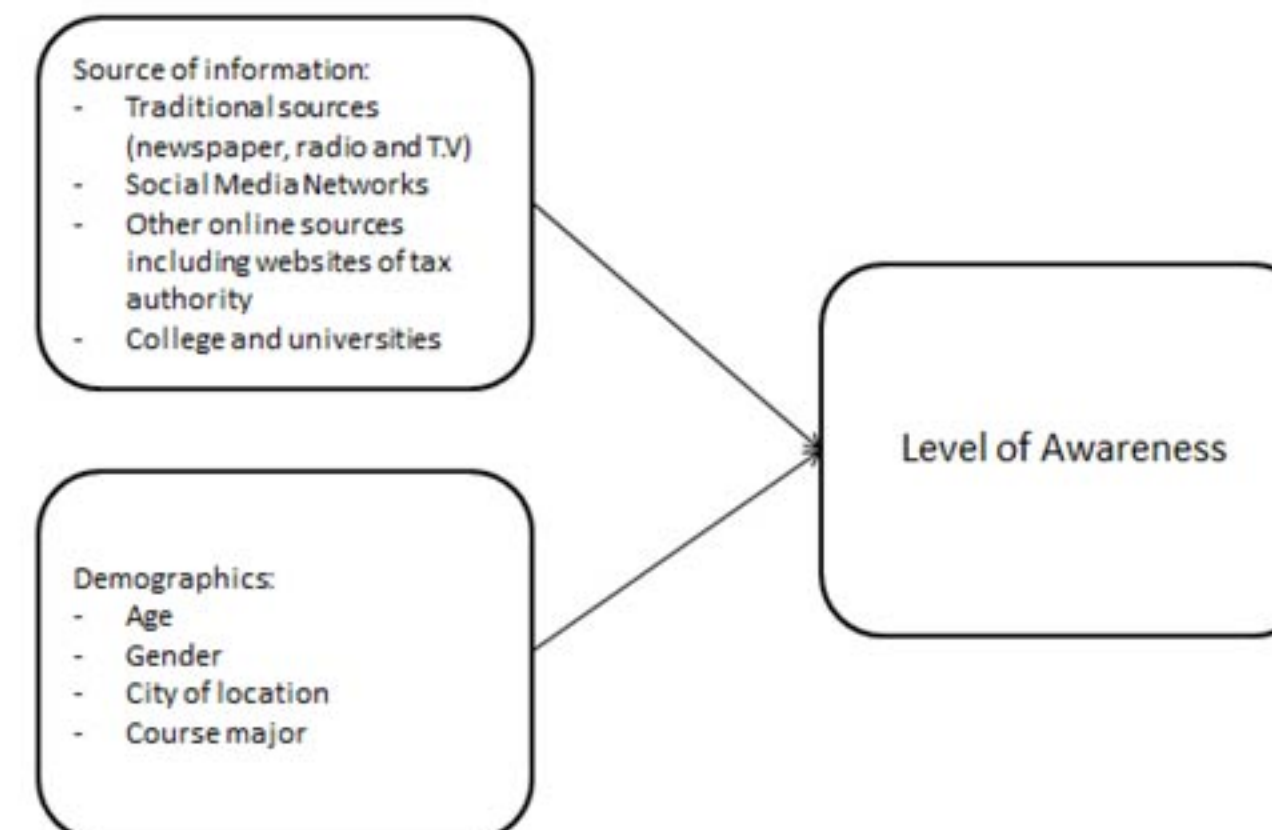
What are the different sources of information that influence the level of awareness among the educated youth in India?

EMPIRICAL MODEL

$$AWA = \beta_1 + \beta_2 TRA + \beta_3 SON + \beta_4 OLS + \beta_5 DIS + \beta_6 GE + \beta_7 CI + \beta_8 AG + \beta_9 MAJ + U$$

Where,
AWA = Level of awareness about GST
TRA = Traditional source of information like Newspaper, Radio and T.V.
SON = Social Media
OLS = other online sources including websites of tax authority
DIS = Discussion about GST in college/university
GE = Gender
CI = City of location
AG = Age
MAJ = Major
U = Error Term

CONCEPTUAL MODEL



HYPOTHESIS

- H1: People who receive their information from traditional sources like Newspaper, Radio and T.V have a higher level of awareness of GST.
- H2: People who receive their information from Social Networking Sites have a higher level of awareness of GST.
- H3: People who receive their information from other Online Sources including websites of Tax authority have a higher level of awareness of GST.
- H4: People who discuss about GST in College/University have a higher level of awareness of GST.

RESEARCH METHODOLOGY

- ❖ For the purpose of collecting data, an online-survey instrument was used.
- ❖ Sampling: A quota sampling has been employed for the survey to get responses from locations across India.
- ❖ Sample Size: 110
- ❖ Analysis: Ordinal Logistic Regression

RESULTS

Independent Variables	Odds Ratio	Coefficient	P- Value
Traditional source	.44	-1.33	0.183
Social Media	3.23	2.08	0.038
Other online sources	2.57	2.49	0.013
Discussion in class	4.61	2.25	0.024
Gender	1.53	1.02	0.307
City of location	.81	-0.43	0.670
Age	1.28	0.48	0.633
Major	2.97	2.48	0.013

RESULTS INTERPRETATION

- Students who have participated in the class discussions regarding GST are significantly more likely (5% level) to be aware about GST.
- Among the other sources of information, students who have received the information from Social Media Network and other online sources including the websites of tax authority tend to have a higher probability of being aware about GST. Both are found to be significant at 5%.
- The students who are majoring in Finance domain were found to have significantly higher awareness regarding GST.
- The traditional sources of information do not show any significant impact on the awareness.

Publication

Conference / Journal	Paper Title	Status	Scopus Indexed	Submission Status
ISSCP'17	Awareness of Goods and Services Tax among students in India	To be Presented	Yes	Accepted

