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## **A study on the sales performance of registered retail mart (Departmental store) “Pre and post GST”**

**L Prabha, Ridhu V and Rethanya D**

**Abstract**

Goods and Service Tax (GST) is one of the most crucial tax reforms in India. It is a comprehensive tax system that will subsume all indirect taxes of states and central governments. This study aims to analyze and explain the sales performance of retail outlets. Retail business in India is a key pillar of the economy, accounting for about 10% of GDP. The Indian retail market is estimated to be more than US\$ 600 billion.

**Keywords:** retail outlets, goods, indirect tax, sales performance

**Introduction**

Goods and Service Tax (GST) is an indirect tax levied in India on the sale of goods and services. Goods and services are divided into five tax slabs for collection of tax – 0%, 5%, 12%, 18% and 28%. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Retailing involves the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Retailers satisfy demand identified through a supply chain.

**Review of literature**

Garg summarizes in the article “Basic Concepts and Features of Good and Services Tax in India” published in International Journal of scientific research and Management, 2(2), 542-549 about impact of GST on Indian Tax structure and find out that GST will strengthen nation’s economy and development.

Shefali Dani (2016) made a “Research paper on impact of GST in Indian Economy”. The objective of the study is to know the impact of various sectors after GST. The study focuses on the changes implemented on indirect taxes on various goods and services. The study has concluded that GST simplifies indirect tax systems and helps to remove inefficiency created by existing system.

Shakir Shaik, S A Sameera, SK C Firoz (2015), conducted a study on the topic “Does Goods and Service Tax (GST) leads to Indian economic development”. The objective of the study is to know the various advantages and challenges of GST in Indian economy and its impact. The study has concluded that tax policies play an important role in the economy as the impact on efficiency and equity and GST is an improvement over the previous system of VAT.

**Importance of GST**

GST is designed to remove the burden by ending many indirect taxes. It will be important for economy in following ways like tax evasions, helps to provide more money to backward state like Bihar, Jharkhand, etc. which will improve the economy of the country it will also help in removal of local tax BIAS which means a person can set his factory in any state without worrying about different tax system. In conclusion we can say that GST is one tax that can be a major breakthrough in Indian Taxation system.

**Scope of GST**

This study covers the retailers and their outlets. The study considers the retailers and their sales performance, in respect of the period after implementation of GST.

GST is expected to rationalize and simplify the consumption tax structure at centre and state level. Besides simplifying the current tax system and lowering cost of doing business, GST will also call for a fundamental redesigning of the value chain. It will affect how companies operate their business and the consumer demand in the country. Efforts will have to be made to transform the existing IT systems for implementation of GST which could be a challenging task for the IT department.

**Objectives of the study**

- To analyse the impact of GST on the sales performance of the retailers.
- To ascertain the rates of taxes levied upon the goods by comparison of pre and post GST.
- To know the consumer awareness and perception towards GST.

**Statement of the problem**

India is a country meant for the huge consumable population. Major part of the revenue is generated through indirect taxation. But As it has vast economic diversities through differentiate in state borders, by this taxation rate varies from state to state. This leads to indifference in purchasing power of the consumers. So to avoid this the government had implemented to bring “One Nation-One Tax” System. As this is a new approach, we are in a need to analyse the view of sales performance of the goods and services. As a part of this we go for an analysis of the above same on the retail outlets because this reflect the massive consumption power of the public.

**Research methodology**

**Research design**

Research design is the basic plan which guides data collection and analyse phases of the project. It is the

Framework that specifies the types of information to be collected the source of data and data collection procedures. At the stage analysis and interpretation the research design helps the comparison and interpretation process to arrive at solution and recommendation.

**Tools used for analysis**

- Chi - square test
- Percentage analysis

**Chi-square test**

A family of probability distribution differentiated by their degree of freedom used to test a number of different hypotheses about variances, proportions and distributional goodness of it.

$$\text{Chi-square test} = S \frac{(O-E)^2}{E}$$

Degree of freedom= (R-1) (C-1)

Whereas,

- O = observed frequency
- E = Expected frequency
- R = Number of Rows
- C = Number of Columns

**Percentage analysis**

It refers to a special kind of ratio, percentages are used in making comparison between two or more series of data, and percentages are used to describe the relation. This helps to know the highest and lowest percentage level and it allows a meaningful comparison / interpretation.

**Analysis and Interpretation**

**Level of agreeability towards sale of goods before and after GST**

Items	Before GST						After GST					
	Low		Medium		High		Low		Medium		High	
	No	%	No	%	No	%	No	%	No	%	No	%
Provision	07	28	13	52	05	20	05	20	17	68	03	12
Cosmetics	07	28	15	60	03	12	15	60	08	32	02	08
Beverages	07	28	10	40	08	32	05	20	15	60	05	20
Personal care	05	20	18	72	02	08	15	60	08	32	02	08
Confectionaries	07	28	05	20	13	52	03	12	10	40	12	48
Households	13	52	07	28	05	20	05	20	15	60	05	20
Toiletries	08	32	15	60	02	08	06	24	17	68	02	08
Stationery	18	72	05	20	02	08	10	40	11	44	04	16
Textiles	12	48	10	40	03	12	10	40	10	40	05	20
Leather	13	52	10	40	02	08	12	48	08	32	05	20
Toys	10	40	10	40	05	20	10	40	12	48	03	12
Others	05	20	15	60	05	20	07	28	15	60	03	12

**Interpretation**

**Provisions**

From the above table, the percentage of provision under the basis of medium sale has been increased to 68% after the implementation of GST.

**Cosmetics**

From the above table, the percentage of cosmetics under the basis of low sale has been increased to 60% after GST.

**Beverages**

From the above table, the percentage of beverages under the

basis of medium sale has been increased to 60% after GST.

**Personal Care**

The above table depicts, the percentage of personal care under the basis of low sale has been increased to 60% after GST.

**Confectionaries**

The above table depicts, the percentage of confectionaries under the basis of medium sale basis has been increased to 40% after GST.

**Households**

The above table represents, the percentage of households under the basis of the high sale basis has been increased to 60% after GST.

**Toiletries**

The above table represents, the percentage of toiletries under the basis of the medium sale basis has been increased to 68% after GST.

**Stationery**

The above table represents, the percentage of toiletries under the basis of the medium sale basis has been increased to 44% after GST.

**Textiles**

From the above table, the percentage of textiles under the high sale basis has been increased to 20% after GST.

Size	High	Medium	Low	Total
Medium	4 (20)	11 (21.1)	5 (17.8)	20
Large	1 (5)	2 (3.84)	2 (7.14)	05
Total	5	13	7	25

**Interpretation**

It is identified from the above table it is clear that under high level of sale of goods before GST, the size of respondents with provisions scored 20% as highest among the size, under the category of medium stores. The medium level of sale of goods before GST, the size of respondents with provision scored 21.1% as highest among the size, under the category of medium stores. The Lowest level of sale of goods before GST, the size of respondents with provision scored 17.8% as highest among the size, under the category of medium stores.

**Chi-square test**

**Size of the store and provision (before GST)**

Factors	Calculated Value	Table Value	Degree Of Freedom	Significant Value
SIZE	8.00	5.991	2	5%

Since the calculated value is greater than the table value, and the result is not significant at 5% level. Hence, the H<sub>1</sub> hypothesis is rejected and it is concluded that the size of the respondents and provision are dependent.

**Two way table**

**Size of the store and provision (after GST)**

Size	High	Medium	Low	Total
Medium	2 (16.6)	15 (22)	3 (15)	20
Large	1 (8.3)	2 (2.94)	2 (10)	05
Total	3	17	5	25

**Interpretation**

It is identified from the above table it is clear that under high level of sale of goods before GST, the size of respondents with provisions scored 16.6% as highest among the size, under the category of medium stores. The medium level of sale of goods before GST, the size of respondents with provision scored 22% as highest among the size, under the category of medium stores. The Lowest level of sale of goods before GST, the size of respondents with provision

**Leather**

From the above table, the percentage of leather under the basis the high sale basis has been increased to 20% after GST.

**Toys**

The above table depicts, the percentage of toys under the basis of medium sale basis has been increased to 48% after GST.

**Others**

The above table depicts, the percentage of others under the basis of low sale has been increased to 28% after GST.

**Chi-Square Analysis**

**Two Way Table**

**Size of the Store and Provision (Before GST)**

scored 15% as highest among the size, under the category of medium stores.

**Chi-square test**

**Size of the store and provision (after GST)**

Factors	calculated Value	Table Value	Degree Of Freedom	Significant Value
Size	7.00	5.991	2	5%

Since the calculated value is greater than the table value, and the result is not significant at 5% level. Hence, the H<sub>1</sub> hypothesis is rejected and it is concluded that the size of the respondents and provision are dependent.

**Two way table**

**Size of the store and households (before GST)**

Size	High	Medium	Low	Total
Medium	4 (20)	6 (21.4)	10 (19.2)	20
Large	1 (5)	1 (3.57)	3 (5.76)	05
Total	5	7	13	25

**Interpretation**

It is identified from the above table it is clear that under high level of sale of goods before GST, the size of respondents with provisions scored 20% as highest among the size, under the category of medium stores. The medium level of sale of goods before GST, the size of respondents with provision scored 21.4% as highest among the size, under the category of medium stores. The Lowest level of sale of goods before GST, the size of respondents with provision scored 19.2% as highest among the size, under the category of medium stores.

**Chi-square test**

**Size of the store and households (before GST)**

Factors	calculated Value	Table Value	Degree Of Freedom	Significant Value
Size	8.11	5.991	2	5%

Since the calculated value is greater than the table value, and the result is not significant at 5% level. Hence, the  $H_1$  hypothesis is rejected and it is concluded that the size of the respondents and provision are dependent.

### Two way table

#### Size of the store and households (after GST)

Size	High	Medium	Low	Total
Medium	4 (20)	12 (20)	4 (20)	20
Large	1 (5)	3 (5)	1 (5)	05
Total	5	15	5	25

### Interpretation

It is identified from the above table it is clear that under high level of sale of goods before GST, the size of respondents with provisions scored 20% as highest among the size, under the category of medium stores. The medium level of sale of goods before GST, the size of respondents with provision scored 20% as highest among the size, under the category of medium stores. The Lowest level of sale of goods before GST, the size of respondents with provision scored 20% as highest among the size, under the category of medium stores.

### Chi-square test

#### Size of the store and households (after GST)

Factors	Calculated Value	Table Value	Degree Of Freedom	Significant Value
Size	8.16	5.991	2	5%

Since the calculated value is greater than the table value, and the result is not significant at 5% level. Hence, the  $H_1$  hypothesis is rejected and it is concluded that the size of the respondents and provision are dependent.

### Findings

#### Percentage analysis

##### Before GST

- Majority of respondents say high agreeability only in confectionaries.
- Majority of respondents say medium agreeability in provisions, cosmetics, beverages, personal care, toiletries, others.
- Majority of respondents say low agreeability in households, stationery, textiles, leather.

##### After GST

- Majority of respondents say high agreeability only in confectionaries.
- Majority of respondents say medium agreeability in provisions, beverages, households, toiletries, stationery, toys, others.
- Majority of respondents say low agreeability in cosmetics, personal care, leather.

### Chi-Square Analysis

1. The chi – square test shows that it is dependent on the size of the respondents and provisions before GST as the level is not significant at 5%.
2. The chi – square test shows that it is dependent on the size of the respondents and provisions after GST as the level is not significant at 5%.

3. The chi – square test shows that it is dependent on the size of the respondents and households before GST as the level is not significant at 5%.
4. The chi – square test shows that it is dependent on the size of the respondents and households after GST as the level is not significant at 5%.

### Suggestions

- The government authorities should conduct various GST awareness programs for better guidance for the Traders.
- The registration procedures and filling of GST procedures should be simplified and be easy understandable for the retailers.
- The consumers should be explained about the GST and relevant information through the retailers.

### Conclusion

This study concludes that GST on retail basis will have a significant impact on those who are living under subsistence level, and the purchasing power has been decreased compared to the pre GST amendment. GST is levied on all supply of goods, provision of services, etc. All sectors of economy, the business including government departments and service sectors should bear the impact of GST. Thus the public should be aware of the taxation. This enumerates the future development of the economy.

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