



# AWARENESS LEVEL AND IMPACT OF GOODS AND SERVICES TAX AMONG THE HOUSEHOLDS OF ERNAKULAM DISTRICT

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## ABSTRACT

This research work examines the awareness level and impact of Goods and Services Tax (GST) among households in Ernakulam District. By employing the multi-stage sampling technique, 80 respondents are selected from four zones of the district i.e. North, East, West and South. Data collected through the structured questionnaires and it is implemented to the 20 respondents selected from each zone. Necessary hypotheses were formulated and tested through Chi-square test by using R software. Findings disclose that while all respondents have heard of GST, their understanding of its unified tax structure, subsumed taxes, and slab rates is very minimal. Internet and social media emerged as the major sources of information. Majority of the households perceive GST as increasing their cost of living but the verification of bills for GST charges is done rarely. Even though they are aware of latest GST reforms, respondents have no idea about its implications. This is indicated that there is a much more need of further awareness campaigning.

**KEY WORDS** – GST, GST Slab, Tax Rates.

## INTRODUCTION

Even though GST is an indirect tax, it has a direct impact on the daily life of every household in India. Most of the households actually paying a sizeable amount for the purchase which are taken place in their daily life. As GST has a decisive role in the lives of every Indian, it is necessary to know the awareness and attitude of households as regards the GST. The households are buying many FMCG (Fast Moving Consumer Goods) everyday, so it is vital to know the tax burden of every households as regards the products they bought.

Goods and Services Tax (GST) rates in India are crucial for every segment of the economy.. India's GST regime is going to an important transformation with the 56th GST Council meeting disclosing GST 2.0, people centred tax reforms simplifying rate structure slabs to 5%, 18%, and 40%. With Effect from September 22, 2025, these reforms aims to ease compliance, boost the domestic consumption and empower the economic growth.

### Definition of GST

GST, or Goods and Services Tax, is an indirect tax imposed on the supply of goods and services. It is a multi-stage, destination-oriented tax imposed on every value addition, replacing multiple indirect taxes, including Value Added Tax, excise duty, service taxes, etc. (Mehrotra H C and Agarwal V P, 2020)

### Operational Definition of Households

A household in the statistical sense of the word means all the occupants of the same dwelling, without these people necessarily being related (e. g. roommates). A household may consist of only one person. (United Nations Statistics Division, 2017)

### Objectives of the study

1. To evaluate the awareness level of house holds as regards Goods and Services Tax
2. To analyse the impact of Goods and Services Tax in the daily lives of households

### Research methodology

The present study aims to assess the level of knowledge among the households in Ernakulam District as regards GST. It also targeted to know the impact of GST in the day-t-day lives of the people in the same district. For collecting the data the Multi Stage Sampling Technique is used. For this purpose the district is divided into four



region i.e. northern, eastern, western, southern. The sample size of the investigation is restricted to 80, i.e. 20 respondents from each region. Face to face interview was conducted by using interview schedule to collect information from the respondents. Google forms are also used for some households. The hypotheses formulated are tested through Chi-square test by using R Software. Percentage methods are used to analyse the collected data as regards the awareness level and the impact of GST among the daily lives of the households selected as samples.

**Review of Literature**

V Veeravel (2018) has found that as government has already implemented the GST, it is important for us to study the present state of knowledge and awareness on new tax reform that is GST particularly in the city of Puducherry which will serve as a basis for the policy makers to take further steps in educating and increasing the level of awareness among the citizen of Puducherry. Overall findings of this study reveals that the level of awareness among the respondent on GST is still relatively low may be due to lack of adequate information on GST.

Naveen Raj et al., (2022) that majority of the people are aware about GST charged in restaurants including the rate of GST. The rate of GST must reduce since the people feel it is a burden on consumers and most of the consumers are not satisfied with GST rates charged on food, beverages and services in restaurants.

Nagaraj Talwar et al., (2025) have found in their study that the necessity for awareness campaigns, programs, educational initiatives and government intervention to connect the gap between GST and consumer knowledge.

**ANALYSIS AND DISCUSSION**

**1. Analysis of demographic variables**

Socio-Economic Variables of households (Bread winner of family)		Respondents from Ernakulam							
		NORTH		EAST		WEST		SOUTH	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
Age	Below -20	01	05	02	08	01	05	02	10
	21 – 30	03	15	04	20	04	21	01	05
	31 -40	08	40	11	55	08	39	10	50
	41 -50	05	25	02	10	05	25	04	20
	Above -50	03	15	01	07	02	10	03	15
Gender	Male	14	70	12	60	14	72	11	55
	Female	06	30	08	40	6	28	09	45
Education	Illiterate	01	5	01	05	01	05	01	05
	Primary	02	10	01	05	01	05	02	10
	High School	07	35	07	35	08	40	07	35
	Higher Secondary	09	45	10	50	08	40	09	45
	Post Graduate	01	05	01	05	02	10	01	05
Occupation	Small Business	01	05	02	12.5	01	7.5	01	05
	Job	2	08	01	5	02	10	02	12.5
	Labor	12	62	11	52.5	12	60	11	55
	Farmer	05	25	06	30	05	22.5	06	27.5
Monthly Income of Family	Below – 25000	04	20	06	30	04	20	02	10
	25001 -50000	11	55	06	30	09	45	13	65
	50001 - 75000	02	10	06	30	05	25	03	15
	Above -75000	03	15	02	10	02	10	02	10

**FORMULATION AND TESTING OF HYPOTHESES**

**Hypothesis Statement - Age**

Null Hypothesis (H<sub>0</sub>): There is no significant relation between the age of respondents and their region (North, East, West, South) in Ernakulam District.

Alternative Hypothesis (H<sub>1</sub>): There is a significant relation between the age of respondents and their region in Ernakulam District.

**Result & Interpretation**

The Chi-square test gave a test statistic of  $\chi^2 = 6.1186$  with 12 degrees of freedom and a p-value = 0.91. Since the p-value is much greater than 0.05, the null hypothesis is accepted. This highlights that the pattern of age groups



is similar across North, East, West, and South zones, and no significant regional variation exists with respect to the age of respondents.

**Hypothesis Statement - Gender**

Null Hypothesis (H<sub>0</sub>): There is no significant association between the gender of respondents and their zones in the district of Ernakulam.

Alternative Hypothesis (H<sub>1</sub>): There is a significant association between the gender of respondents and their zones in Ernakulam District.

**Result & Interpretation**

The Chi-square test produced a statistic of  $\chi^2 = 1.4604$  with 3 degrees of freedom and a p-value = 0.6914. Since the p-value is greater than 0.05, we accept the null hypothesis. This indicates that the distribution of male and female respondents does not vary significantly across the zones.

**Hypothesis Statement – Educational Qualification**

Null Hypothesis (H<sub>0</sub>): There is no significant relation between the education level of respondents and their region in Ernakulam District.

Alternative Hypothesis (H<sub>1</sub>): There is a significant association between the education level of respondents and their region in Ernakulam District.

**Result & Interpretation**

The Chi-square test produced a statistic of  $\chi^2 = 1.5923$  with 12 degrees of freedom and a p-value = 0.9998. Since the p-value is much greater than 0.05, we accept the null hypothesis. This shows that education qualification and region are independent variables. To put it briefly, the educational level of respondents are distributed similarly across all four zones, showing no significant regional variation.

**Hypothesis Statement - Occupation**

Null Hypothesis (H<sub>0</sub>): There is no significant association between the occupation of respondents and their region in Ernakulam.

Alternative Hypothesis (H<sub>1</sub>): There is a significant association between the occupation of respondents and their region in Ernakulam.

**Result & Interpretation**

The Chi-square test yielded a statistic of  $\chi^2 = 1.2973$  with 9 degrees of freedom and a p-value = 0.9984. Since the p-value is far greater than 0.05, we accept the null hypothesis. It simply means the distribution of employment such as labour, farmer, job, or small business is fairly similar across four zones, with no significant regional variation observed.

**Hypothesis Statement – Monthly Income**

Null Hypothesis (H<sub>0</sub>): There is no significant association between the monthly income of respondents and their region in Ernakulam District.

Alternative Hypothesis (H<sub>1</sub>): There is a significant association between the monthly income of respondents and their region in Ernakulam District.

**Result & Interpretation**

The Chi-square test produced a statistic of  $\chi^2 = 7.5769$  with 9 degrees of freedom and a p-value = 0.5773. Since the p-value is greater than 0.05, we never reject the null hypothesis. This means that monthly income and region are independent variables. Otherwise, the income of households is broadly similar across all four region, and no significant regional differences are found.

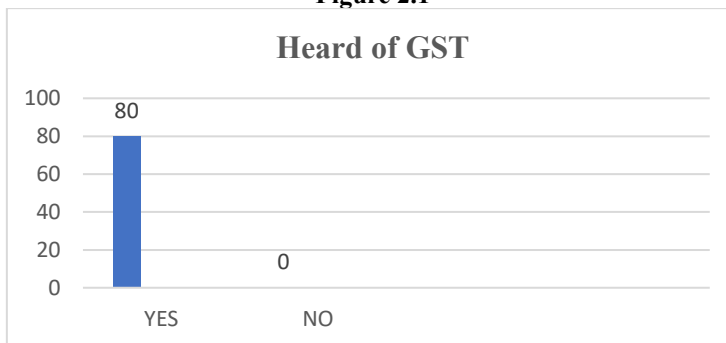
**2. Heard of GST**

**Table No. 1.1**

RESPONSE	No. of Respondents	Percentage
YES	80	100
NO	Nil	0
<b>Total</b>	<b>80</b>	<b>100</b>



Figure 2.1



**Interpretation**

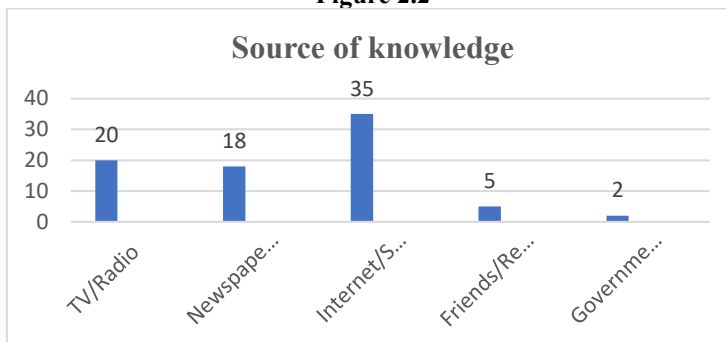
Here the response is unanimous, that is all the respondents are aware and heard about the concept of GST.

**3. If yes, source of first hear about GST.**

Table No. 1.2

RESPONSE	No. of Respondents	Percentage
TV/Radio	20	25
Newspaper/Magazine	18	23
Internet/Social Media	35	43
Friends/Relatives	05	06
Government campaigns	02	03
<b>Total</b>	<b>80</b>	<b>100</b>

Figure 2.2



**Interpretation**

The lions share of people received the information via Internet / Social Media. TV / Radio and Newspaper / Magazine together account for nearly half the respondents (about 48%). Only 2 people cited government campaigns as their source. This suggests either that such campaigns are not very visible, or not very effective, or perhaps not well-publicized in the local context for this information.

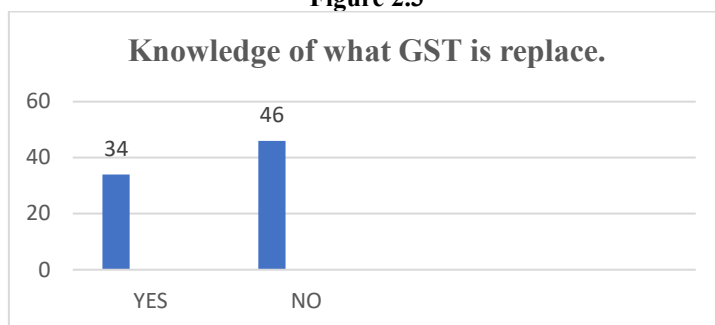
**4. Knowledge about what GST is meant to replace.**

Table No. 1.3

RESPONSE	No. of Respondents	Percentage
YES	34	43
NO	46	57
<b>Total</b>	<b>80</b>	<b>100</b>



Figure 2.3



**Interpretation**

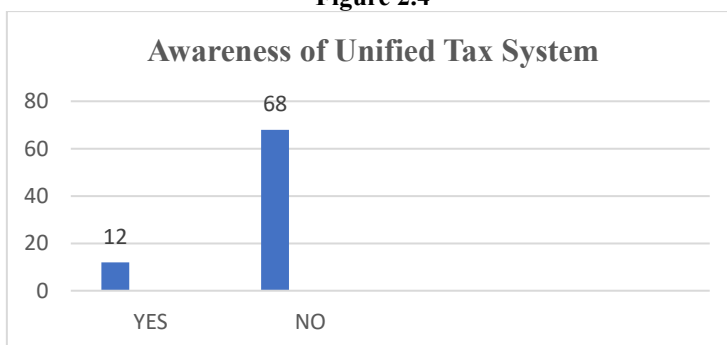
It indicates that they have minimal knowledge about what kind of taxes are actually subsumed after implementation of GST in India.

**5. Aware that GST is a unified tax system across India.**

Table No. 1.4

RESPONSE	No. of Respondents	percentage
YES	12	15
NO	68	85
<b>Total</b>	<b>80</b>	<b>100</b>

Figure 2.4



**Interpretation**

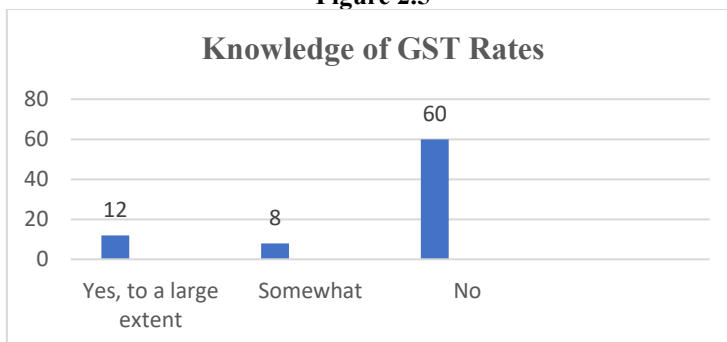
Only 12 respondents have realised that GST is a unified taxation system, it indicates that the awareness level is very low. It means that, even now, most of them thinks that each states have different taxation for their supply.

**6. Knowledge of current GST rates (e.g., 5%, 12%, 18%, 28%) for goods and services.**

Table No. 1.5

RESPONSE	No. of Respondents	Percentage
Yes, to a large extent	12	15
Somewhat	08	10
No	60	75
<b>Total</b>	<b>80</b>	<b>100</b>

Figure 2.5





**Interpretation**

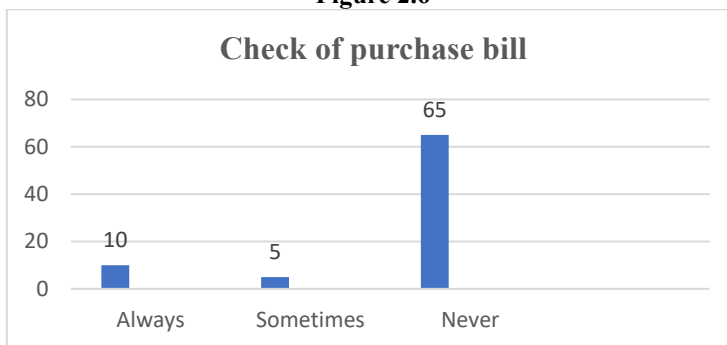
Only 15% of the households opines that they know the GST rates to a large extent. This is only a few proportion. It indicates only a small minority feel confident about their understanding and knowledge of the GST slabs which they consume in their daily lives.

**7. Check of purchase bill to see if GST is included.**

**Table No. 1.6**

RESPONSE	No. of Respondents	Percentage
Always	10	13
Sometimes	05	06
Never	65	81
<b>Total</b>	<b>80</b>	<b>100</b>

**Figure 2.6**



**Interpretation**

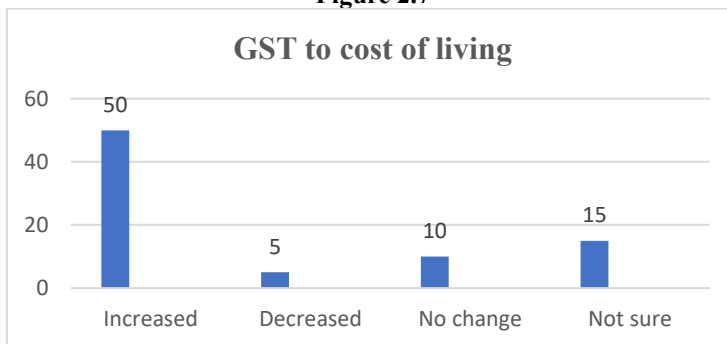
A large share of the households never check whether GST is included in their purchase bill. This suggests that most consumers are either unaware, unconcerned, or assume that GST is included automatically without verifying.

**8. GST has increased or decreased the cost of living.**

**Table No. 1.7**

RESPONSE	No. of Respondents	Percentage
Increased	50	63
Decreased	05	06
No change	10	13
Not sure	15	18
<b>Total</b>	<b>80</b>	<b>100</b>

**Figure 2.7**



**Interpretation**

Majority of the households opines that the GST has increased the cost of living .This is the dominant perception among respondents as regards it.

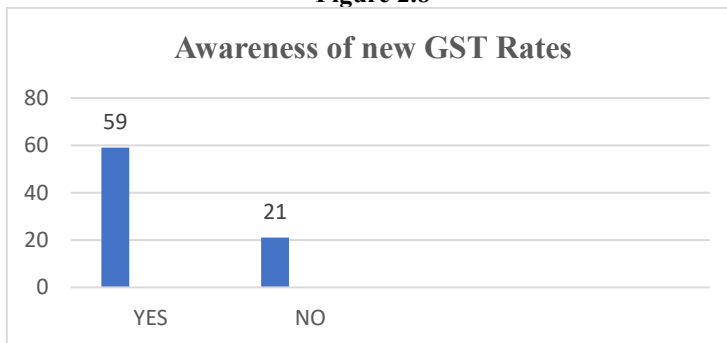
**9. Aware about new GST slab which is to be implanted from September 22, 2025**

**Table No. 1.8**

RESPONSE	No. of Respondents	Percentage
YES	59	74
NO	21	26
<b>Total</b>	<b>80</b>	<b>100</b>



Figure 2.8



**Interpretation**

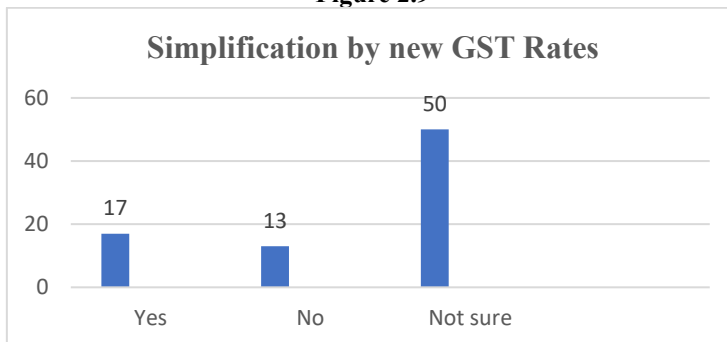
Awareness is relatively high. Most of the population you surveyed knows about the change. This suggests that the news has penetrated reasonably well—via media, announcements, social networks etc.

**10. Recent changes in GST rates have simplified the taxation system.**

Table No. 1.9

RESPONSE	No. of Respondents	Percentage
Yes	17	21
No	13	16
Not sure	50	63
<b>Total</b>	<b>80</b>	<b>100</b>

Figure 2.9



**Interpretation**

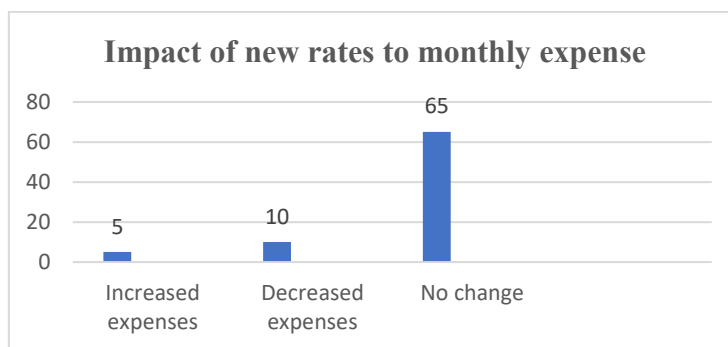
63% of respondents are “Not sure.” This suggests that while reforms are underway, many people either haven’t understood all the details, haven’t seen how it impacts them, or are unsure of whether the simplification is real or effective.

**11. Recent GST rate will change the monthly expenses.**

Table 1.10

RESPONSE	No. of Respondents	Percentage
Increased expenses	05	06
Decreased expenses	10	13
No change	65	81
<b>Total</b>	<b>80</b>	<b>100</b>

Figure 2.10



**Interpretation**

the above table highlights that for many, either the rate changes don't apply to what they buy regularly, or any price changes are too small/gradual to be felt immediately.

**RESULTS AND DISCUSSION**

This highlights that the pattern of age groups is similar across North, East, West, and South zones, and no significant regional variation exists with respect to the age of respondents. Most of the respondents belongs to an age group of 31 to 40 and the educational level of respondents are distributed similarly across all four zones, showing no significant regional variation. Majority of breadwinners have secondary or higher secondary educational qualification. The study indicates that the distribution of male and female respondents does not vary significantly across the zones. The occupation of the respondents similar across four zones, with no significant regional variation observed. The households mainly depends on labour across all zones. The income of households is broadly similar across all four region, and no significant regional differences are found. Most of the family belongs to a category of middle income range of 2500 to 50000.

All the households have heard of the term GST. The largest number of people (35 out of 80) received the information as regards GST via *Internet / Social Media*. It indicates that social media and internet having crucial role in this regard to disseminate the knowledge. Majority of the respondents doesn't have an idea of what taxes subsumed after the implementation of GST. Most of the respondents haven't any idea about that GST is a unified taxation system of our country. The respondents have only minimal knowledge about the four scale GST rates i.e. 5%, 12%, 18% and 28%. Respondents have put only little bit effort to know about how much GST is charged in the bill for their goods and services consumed. They have no clarity about the statement that GST has increased their cost of living. Most of the respondents have aware about the new tax rates of GST which are going to be implemented in the future date as per the recommendations of GST council. They have no clear idea about that the new tax slabs will simplify the taxation regime. They think that the recent rate cut will never affect the monthly expenses.

**CONCLUSION**

To put it briefly, the study highlights that the respondents awareness level remains limited. Most of them belongs to middle-income group, depending labour for their livelihood, and education is limited up to secondary or higher secondary levels. The internet and social media is the main sources of GST-related information, emphasizing their influence in disseminating financial knowledge. However, very limited knowledge in understanding GST's unified nature, its subsumed taxes, and valid tax rates. Respondents exhibiting a narrow effort in pursuing GST charges on bills and not clear about its impact on their cost of living. Although they are aware of upcoming changes in GST rates, they have no clarity on how these changes will lighten the existing taxation system or affect their expenses, highlighting to the demand for healthy awareness campaigns and educational efforts. The awareness level of the respondents are very low, necessary campaigning as regards the GST and its new slab rates are very much essential. (*Awareness among the respondent on GST is still relatively low may be due to lack of adequate information on GST, Veeravel 2018*). So, the Union Government for States and State Government should take necessary steps for increasing the awareness level of the households connected with GST and its new reforms which are implemented as on 22<sup>nd</sup> September 2025 in the name of 'Next generation reforms'.

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