CHAPTER - III

RESEARCH METHODOLOGY

Objective of Research:

In the backdrop of above, the thesis endeavors to analyse various policy initiative taken so far in the realm of tax reforms in India at federal & state level and give a systematic approach to the question how to augment tax-GDP ratio by ushering further reforms in indirect tax system. Among other things, the thesis has an intention to initiate broad discussions regarding need for more reforms in the federal/state tax structure in India which shall provide more resources to the government. Following aspects are examined in the thesis:

a) Reform measures taken so far and ways by which reform process in the area of indirect tax at federal and state level may be taken forward.

b) How share of indirect taxes in total revenue be enhanced at the federal & State level and ways be found to improve collections so that overall tax-GDP ratio goes up?

c) How to remove complexities in the tax structure to make it as simple as possible in the overall context of tax reforms?

d) What measures may be initiated to simplify the complex tax structure at Federal & State level?

e) How to bring improvement in federal & state tax administration to make it more efficient and effective?
**Area of Research:**

I started my research work from Mumbai, which is the hub of tax payers and the commercial city of the country, where I interviewed the assesses of indirect taxes i.e. Central Excise, Service Tax, VAT etc. which will be subsumed in GST. I also interviewed the assesses of Central Excise in Pune, Nasik and Nagpur. I had also visited Delhi for interacting with the assesses to be affected by GST and those who know a little or heard about the GST were very much enthusiastic about the implementation of this new tax system replacing multiple indirect taxes at present.

**Research Design:**

The research conducted is of descriptive and analytical in nature. The research design and the steps adopted in research methodology kept in focus the objectives set for the study and the general hypothesis for the study. The numbers of the Null hypothesis were formed for the study is subjected to statistical method of testing. The objectives, general hypothesis, different null hypothesis become the centre of the research methodology to fulfill the purpose of the research. The total sample size is 52.

**Collection of Data:**

The collection of data consists of both primary and secondary data. The primary data shall be collected by floating a structured questionnaire. The discussions opinions and interactions with the people would provide a better understanding of the tax systems in india.
In course of preparation of the thesis, exploratory studies have been undertaken. In the ambit of exploratory research strategy, detailed search of the literature has been carried out. Literature review has been performed in order to get secondary data.

Apart from documentary sources viz.-books, journals, reports of various committees constituted to look into tax reforms; multiple sources like area based sources viz.-government reports, budget documents, economic surveys and time-series based sources like statistical reports published by government have also been consulted. Tertiary literary sources called search tools have been used to locate relevant secondary literature.

The structured questionnaire consists of 20 No of questions.

**Statistical Methods:**

The classified data were subjected to the statistical method of analysis. The statistical methods adopted consisted of Simple Arithmetic mean, coefficient of contingency, and for testing Null hypothesis Chi-square test and Students t-test were adopted.

The distribution of the tax types and methods were classified in different tables and chi-square tests of different null hypothesis are given in the technical analysis of the subject.

**Methods of Reporting**

The research reporting text, consists of graphs, tables, bar diagrams, line diagrams, pie charts for effective understanding.