ABSTRACT

Introduction of the Value Added Tax (VAT) at the Central and the State level has been considered to be a major step – an important breakthrough – in the sphere of indirect tax reforms in India. VAT is one of the most radical reforms of taxation in India. VAT has made vast and radical changes in the financial and tax management practices of the VAT assessees of Kerala. This study focuses on measuring the extent of the impact of VAT on the financial and tax management practices of the VAT assessees of Kerala. In order to estimate the impact of VAT on financial and tax management practices, the study has considered their financial decisions, investment decisions, liquidity decisions, profit decisions, registration practices, assessment practices, accounting practices, transaction practices, input tax credit practices, output tax collection practices, return filing practices, appeal filing practices, special rebate practices, penalty payment practices, tax rates and schedules and tax refunding practices. The study is descriptive and analytical in nature and hence it is based on both primary and secondary data. Primary data for the study was collected from 1030 VAT assessees using structured interview schedule. Secondary data was collected from various published sources like books, journals, newspapers, research articles, working papers, seminar reports, reports of business establishments, government reports and other published sources. The statistical tools used for analysis are percentages, mean, variance, range, chi-square test, standard deviation, reliability coefficients, probability, correlation analysis, coefficient of concordance, analysis of variance (ANOVA), simple regression analysis and multiple regression analysis.

KEY Words: VAT, VAT assessees, LIT, HIT, LIM, HIM, Financial Management, Tax Management