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Gst And Digital Payments: A Study On Their Impact On Business Transactions

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Abstract
Goods and Services Tax (GST) and digital payment systems have brought significant changes to the way business transactions are conducted in India. GST has created a unified indirect tax system, while digital payments have made financial transactions faster, more convenient, and increasingly traceable. This study examines the relationship between GST and digital payments and their impact on business transactions. The study focuses on how digital payment methods such as Unified Payments Interface (UPI), debit cards, credit cards, and internet banking support business transactions and GST-related compliance. It also considers the benefits and challenges faced by businesses in adopting digital payment methods. The study is based on primary data collected through a structured questionnaire from selected respondents. The findings aim to understand the level of awareness and usage of digital payments and their perceived role in improving transaction efficiency, transparency, and record keeping. The study highlights the importance of digital financial practices in the modern business environment and provides insights into the growing integration of GST and digital payment systems.

Keywords
GST, Digital Payments, UPI, Business Transactions, Tax Compliance, Digital Economy.

1. INTRODUCTION

Goods and Services Tax (GST) is one of the major tax reforms introduced in India to create a unified indirect tax system. It has brought several changes in the way businesses collect and report indirect taxes. At the same time, the rapid growth of digital payment systems has changed the way customers and businesses make and receive payments.

Digital payments such as Unified Payments Interface (UPI), debit cards, credit cards, internet banking and mobile wallets have become common methods of conducting business transactions. These payment methods provide convenience, speed and easier transaction records for both businesses and customers.

The integration of GST with digital business transactions has contributed to greater use of electronic records and technology in business operations. Digital payments can support systematic record keeping and make transaction information easier to maintain for accounting and tax-related purposes.

However, businesses may also face challenges such as lack of digital awareness, technical problems, internet connectivity issues, cybersecurity concerns and difficulties in understanding tax compliance requirements.

Therefore, this study examines GST and digital payments and their impact on business transactions, with particular focus on their usage, benefits, awareness and challenges faced by users.

OBJECTIVES OF THE STUDY

- To understand the awareness of GST and digital payments among respondents.
- To study the usage of digital payment methods in business transactions.
- To examine the perceived benefits of digital payments in GST-related transactions.
- To identify the challenges faced in using digital payments.
- To understand the role of digital payments in maintaining business transaction records

2.METHODOLOGY

2.1 Research Design

The study adopts a descriptive research design to examine the awareness and usage of GST and digital payment methods in business transactions.

2.2 Sources of Data
The study uses both primary and secondary data. Primary data will be collected through a structured questionnaire. Secondary data will be collected from books, journals, research articles and relevant websites.

2.3 Sample Size
The study will be conducted among 50 respondents selected for the purpose of understanding their awareness and usage of GST and digital payments.

2.4 Sampling Method
A convenience sampling method is used for selecting the respondents.

Data Collection
Primary data for the study were collected through a structured questionnaire. The questionnaire was designed to collect information regarding GST awareness, digital payment usage, benefits, challenges, and their impact on business transactions.

The questionnaire consists of the following questions:

1. Are you aware of Goods and Services Tax (GST)?
2. Do you use digital payment methods for business transactions?
3. Which digital payment method do you use most frequently?
4. How often do you use digital payments?
5. Do you receive GST invoices for your purchases or business transactions?
6. Do you think digital payments make business transactions faster?
7. Do digital payments make transaction records easier to maintain?
8. Do you think digital payments support GST-related transactions?
9. What is the major benefit of using digital payments?
10. What is the major challenge you face while using digital payments?

Tools for Analysis
The collected data will be analysed using:

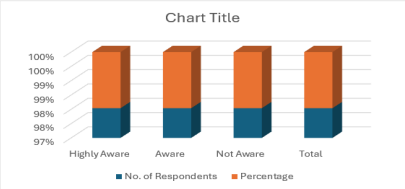
- Percentage Analysis
- Tables
- Charts

3.DATA ANALYSIS AND INTERPRETATION
The data collected from the respondents were analysed using percentage analysis. The findings focus on awareness of GST, usage of digital payment methods, frequency of digital transactions, perceived benefits and challenges associated with digital payments in business transactions.

3.1 Awareness of GST
The study examines the level of awareness among respondents regarding GST and its importance in business transactions.

Table:

Awareness Level	No. of Respondents	Percentage
Highly Aware	18	36%
Aware	22	44%
Not Aware	10	20%
Total	50	100%



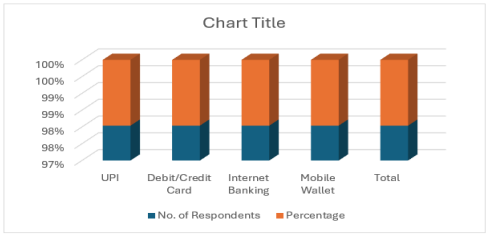
Interpretation:

The table shows that 44% of the respondents are aware of GST, while 36% are highly aware. Only 20% of the respondents are not aware of GST.

3.2 Usage of Digital Payment Methods
The study analyses the digital payment methods commonly used by respondents, such as UPI, debit cards, credit cards and internet banking.

Table:

Digital Payment Method	No. of Respondents	Percentage
UPI	35	70%
Debit/Credit Card	8	16%
Internet Banking	5	10%
Mobile Wallet	2	4%
Total	50	100%



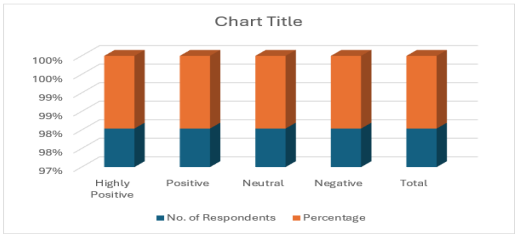
Interpretation:

The table shows that 44% of the respondents are aware of GST, while 36% are highly aware. Only 20% of the respondents are not aware of GST.

3.3 Impact of Digital Payments on Business Transactions
The responses are analysed to understand whether digital payments have made business transactions faster, easier and more convenient.

Table:

Response	No. of Respondents	Percentage
Highly Positive	20	40%
Positive	21	42%
Neutral	6	12%
Negative	3	6%
Total	50	100%



Interpretation:

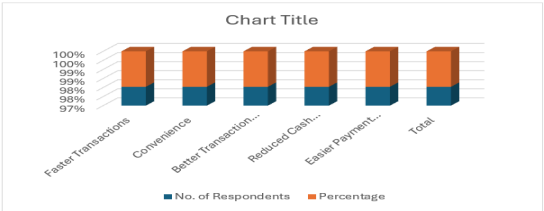
The table indicates that UPI is the most commonly used digital payment method among the respondents, accounting for 70% of the responses.

3.4 Benefits of Digital Payments
The major benefits considered in the study include:

- Faster transactions
- Convenience
- Better transaction record
- Reduced use of cash
- Easier tracking of payments

Table :

Benefit	No. of Respondents	Percentage
Faster Transactions	15	30%
Convenience	14	28%
Better Transaction Records	11	22%
Reduced Cash Usage	6	12%
Easier Payment Tracking	4	8%
Total	50	100%



Interpretation:

The table shows that faster transactions are the major benefit of digital payments, reported by 30% of respondents. Convenience is reported by 28%, while 22% consider better transaction records as the major benefit. Reduced cash usage and easier payment tracking account for 12% and 8% respectively

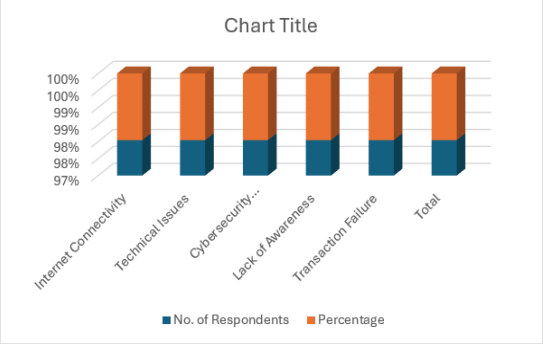
3.5 Challenges in Digital Payments

The study also considers challenges such as:

- Internet connectivity problems
- Technical issues
- Cybersecurity concerns
- Lack of awareness
- Transaction failures

Table:

Challenge	No. of Respondents	Percentage
Internet Connectivity	16	32%
Technical Issues	12	24%
Cybersecurity Concerns	10	20%
Lack of Awareness	7	14%
Transaction Failure	5	10%
Total	50	100%



Interpretation:

The table shows that internet connectivity problems are the major challenge faced by 32% of respondents. Technical issues account for 24%, while cybersecurity concerns account for 20%. Lack of awareness and transaction failure account for 14% and 10% respectively.

4.FINDINGS

- ✓ The study found that the respondents have a considerable level of awareness about Goods and Services Tax (GST).
- ✓ Digital payment methods are widely used for business transactions, with UPI being a commonly preferred method.
- ✓ Digital payments have made business transactions faster, easier and more convenient for users.
- ✓ Digital payment systems help businesses in maintaining transaction records and tracking payments more easily.
- ✓ Digital payments can support GST-related transactions by providing electronic records of payments.
- ✓ The major benefits identified include faster transactions, convenience, better record keeping and reduced cash usage.
- ✓ The study also identified challenges such as internet connectivity problems, technical issues, cybersecurity concerns and transaction failures.
- ✓ Digital awareness and proper knowledge of online payment systems are important for the effective use of digital payments in business transactions.

5. SUGGESTIONS

- ➢ Businesses and consumers should be provided with greater awareness about GST and digital payment systems.
- ➢ Digital literacy programmes should be conducted to help users understand and use digital payment methods effectively.
- ➢ Businesses should maintain proper digital records of their transactions for accounting and GST-related purposes.
- ➢ Better internet connectivity and digital infrastructure should be developed, especially in areas with connectivity problems.
- ➢ Users should be educated about cybersecurity and safe digital payment practices.
- ➢ Businesses should regularly update their knowledge about GST procedures and digital payment facilities.
- ➢ Payment service providers should work towards reducing technical problems and transaction failures.
- ➢ Encouraging secure and efficient digital payments can help improve the transparency and convenience of business transactions.

6.CONCLUSION

GST and digital payment systems have become important components of the modern business environment. The use of digital payments has made business transactions more convenient, faster and easier to record. It also supports the maintenance of electronic transaction records, which can be useful for accounting and GST-related compliance.

The study highlights the importance of awareness and proper use of digital payment methods among businesses and consumers. At the same time, challenges such as technical problems, internet connectivity, cybersecurity concerns and lack of digital knowledge need to be addressed.

Overall, greater awareness and digital literacy can help users make effective use of digital payment systems in GST-related and other business transactions. Continuous improvement in digital infrastructure and user awareness can further support the adoption of digital transactions.

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