

IMPACT OF GOODS AND SERVICES TAX IN INDIA

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The Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. In effect, GST provides revenue for the government. Also referred to as Value-Added Tax (VAT) in some countries.

After a lot of deliberation, our GST council has finalized the rates for all the goods and major service categories under various tax slabs, and the GST is expected to fill the loopholes in the current system and boost the Indian economy. This is being done by unifying the indirect taxes for all states throughout India. The tax rate under GST are set at 0%, 5%, 12%, 18% and 28% for various goods and services, and almost 50% of goods & services comes under 18% tax rate. But how is our life going to change post GST? Let's see how GST on some day-to-day good and services will have an impact on an end user's pocket.

Footwear & Apparels/Garments:

Footwear costing more than INR 500 will have a GST rate of 18% from an earlier rate of 14.41 rate but rates for the footwear below INR 500 has been reduced to 5%. So, you need to shell out more for buying a footwear above INR 500/-. And with respect to the ready-made garments, the rates have been reduced to 12% from an existing 18.16% which will make them cheaper.

Cab and Taxi rides:

Now, taking an Ola or an Uber will be cheaper because the tax rate has come down to 5% from an earlier 6% for a cab booking made online.

Airline tickets:

Under the GST, tax rate for economy class for flight tickets is set at 5% but the tax for business class tickets will have a higher tax rate of 12%.

Train Fare:

There will not be much of an impact. The effective tax rate has increased from 4.5% to 5% in GST. But, a passenger who travels for business trips can claim Input Tax Credit on their rail ticket which can help them to reduce expenses. People travelling by local trains or in the sleeper class will not be affected, but first-class & AC travellers will have to pay more.

Movie Tickets:

Movies tickets costing below INR 100 will be charged a GST rate of 18% but prices above INR 100 will have a higher tax rate of 28%.

Life Insurance Premium:

The Premium Amounts on policies will rise; with an immediate impact can be seen on your term and endowment policy premiums as the rates have been increased under GST across life, health and general insurance.

Mutual funds Returns:

GST impact on your returns from mutual funds investments will largely be marginal as the GST will be charged on the TER i.e. Total Expense Ratio of a mutual fund. The TER is commonly called as expense ratio of a mutual fund company, and the same is set to go up by 3%. The return what you get as an investor will be reduced to that extent unless the respective mutual fund company i.e. AMC absorbs it but that anyhow will be a marginal difference.

Jewellery:

The gold investment will become slightly expensive because there will be 3% GST on gold & 5% on the making charges. The earlier tax rate on gold was around 2% in most of the states and the GST is increased from the existing rate to around 2% to 3%.

Buying a Property:

Under construction properties will be cheaper than read-to-move-in properties. The GST rate for an under-construction property is 18% but the effective rate on this kind of property will be around 12% due to input tax credits the builder will avail of.

Education & Medical Facilities:

Education and Medical sectors have been kept outside the GST ambit and both the primary education & healthcare is exempt from GST. It means a consumer will not pay any tax for the money you spent on these services. But due to increase in the rate of taxes for certain goods & services as procured by these organisations, they may pass on the additional tax burden to the consumers.

Hotel Stay:

For your hotel stay, If your room tariff is less than Rs 1,000, then there will be no GST, but anything above Rs 5,000 will attract 28% tax.

Buying a Car:

Most of the cars in the Indian market will become slightly cheaper, except for the hybrid cars because the GST rate will be 28% tax on all the vehicles irrespective of their make, engine capacity or model. However, over and above this 28%, an additional cess will be levied which can be either 1%, 3% or 15 %, depending on the particular car segment.

Mobile Bills:

People will have to pay more on mobile phone bills as GST on telecom services is now 18%, as opposed to the earlier tax rate of 15%. However, telecom companies may absorb this 3% rise due to fierce competition.

Restaurant Bills/EATING OUT:

Your restaurant bill would depend on whether you dined at an AC or Non-AC establishments which do not serve alcohol. Now dining at five-star hotels will be charged at 18% GST rate and the Non-AC restaurants will be charged 12% and a 5% GST will be charged from small hotels, dhabas and restaurants who do not cross an annual turnover of INR 50 Lakh.

IPL & other related events:

Events like IPL i.e. sporting events will have a 28% GST rate which is higher than the earlier 20% rates. This will increase the price of your tickets. And the GST rate for other events like theatre, circus or Indian classical music shows or a folk dance performance or a drama show will be at 18% GST rate, this is lesser than the earlier tax rate.

DTH and cable services:

The money you pay towards your DTH (Direct-To-Home) connections or to your cable operator will reduce a bit as the rate is fixed at 18%, which is lower than the earlier taxes which were comprising of entertainment tax in the range of 10% to 30%, apart from the service tax of 15%.

Amusements Parks:

The ticket price for amusement parks and theme parks will increase as the earlier service tax of 15% will become 28% under the GST.

Here's is a list of some items which are completely exempt from the GST regime:

- *The unprocessed cereals, rice & wheat etc.
- *The unprocessed milk, vegetables (fresh), fish, meat, etc.
- *Unbranded Atta, Besan or Maida.
- *Kid's coloring book/drawing books.
- *Sindoor/Bindis, bangles, etc.

These are just a few ways in which the GST will impact daily life.

ONLINE BANKING SCENARIO IN INDIA

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Online banking has become the need of the hour. Online banking has slowly becoming the lifeline blood in everyone's life whether it is business or professional or personal life. The reason behind this is the lesser time availability in the fast running life, government policies e.g. demonetization, etc. For online banking access, one just need to register himself or herself for online banking and for this he or she has to enter his or her personal details like Bank account number, PAN number, Aadhar number, etc. But no one cares about the security of the data entered and the accountability of the frauds, if any, i.e., whether it is the bank or the customer himself, who will bear the risk of loss. This is the biggest issue in the online banking which needs immediate attention of everyone whether bankers or customers or government.

According to a survey, North America came on the first position in case of data breach level and Europe stood on the second position and Asia Pacific came on the third position. Identity theft has the highest number of incidents and records in 2015 in internet data security and online banking services came on the second position but as compared to the number of incidents occurred, number of incidents record accounted was relatively few. This shows an alarming trend in the growth of internet usage but it is not confirmed whether it will result in less or selective usage of internet and online banking services or not.

Moreover, the digital payment system in India is going through a massive transformation. Now-a-days everyone has smart phones and these smart phones play a major role in the increasing usage of online banking services. Mobile wallet is the latest innovation in online banking services. If one uses mobile banking services, then the full data available in his or her mobile is at risk of theft. 43% of all mobile phone owners with a bank account had used mobile banking in 2015 as compared to 39% in 2014 and 33% in 2013. They used mobile banking for checking account balances or recent transactions, transferring money between an individual's own accounts and receiving an alert from their bank. Still the use of mobile payments is less trendy as compare to use of mobile banking. Security of the technology used is one of the most common reasons for the persons not using mobile banking and online banking.

The main issue with online banking is lack of trust of the consumers regarding the security and privacy of the information. The customers whether using online banking or not, are not sure of the security of the data entered and about their funds and whether the banks maintained the privacy of their accounts online or not. Most of the customers don't follow all the security guidelines issued by the banks while using online banking in order to save some time. So, ignorance of the customers regarding security norms is also another main issue in this respect. But the main issue which needs immediate attention by the bankers and the government is to fix the accountability of the frauds, if any, occur while dealing in online banking. At present, there are no set rules and regulations and set laws in India regarding the same.

If government wants to adopt cashless economy model, there is a strong need of set rules and regulations and laws for doing safe and secure online banking. The banks need to provide training and awareness campaigns among its customers for using safe and secure online banking services. Also, banks need to update its online banking software from time to time so that security features are duly up to the mark. Banks and government need to build such an environment so as to build the trust of the customers in online banking and the dream of the government of cashless economy can become a reality.

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A TOOL TOWARDS BUSINESS GROWTH: INNOVATION AND CREATIVITY

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“Creativity is thinking up new things. Innovation is doing new things” In order to survive in competitive business world, an organization needs to be more productive in their strategies by applying new methods and techniques. Fundamentally, innovation means introducing something new into business. This could be:

Improving or replacing business processes to increase efficiency and productivity, or to enable the business to extend the range or quality of existing products and/or services.

Developing entirely new and improved products and services - often to meet rapidly changing customer or consumer demands or needs. Adding value to existing products, services or markets to differentiate the business from its competitors and increase the perceived value to the customers and markets.

Enhancing skills of employee towards the development and growth of business.

APPROACHES TO INNOVATION

Innovation in your business can mean introducing new or improved products, services or processes. Analyze the marketplace. There's no point considering innovation in a vacuum. To move your business forward, study your marketplace and understand how innovation can add value to your customers. For more information on analyzing your marketplace, see the page in this guide on planning innovation. Identify opportunities for innovation.

You can identify opportunities for innovation by adapting your product or service to the way your marketplace is changing. For example, if you're a specialist hamburger manufacturer, you might consider lowering the fat content in your burgers to appeal to the health-conscious consumer.

You could also develop your business by identifying a completely new product. For example, you could start producing vegetarian as well as meat burgers. You could innovate by introducing new technology, techniques or working practices - perhaps using better processes to give a more consistent quality of product. If research shows people have less time to go to the stores,

you could overhaul your distribution processes, offering customers a home-delivery service, possibly tied in with online and telephone ordering.

Finally, for an organization to expand its business, it must focus on the following: Putting down your goals, both long and short term and detailing how you intend to achieve them. Linking goals to financial targets, such as achieving a specific turnover by a set date. Reviewing your plan regularly.

RELATIONSHIP BETWEEN PERSONALITY TRAIT AND SOCIAL MEDIA USAGE

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Communication methods have developed substantially over the past two decades and these changes have influenced consumption patterns. Extensive use of information technology has become prevalent and the emergence of the World Wide Web and Internet-based social media allows consumers to interact easily both with other individuals and with commercial entities. In particular, Web 2.0 is an important technological infrastructure, with its customer-based content properties and collective social media platforms, which enable the creation and distribution of social information. This interactive technology has enabled blogs and other social networking forums to develop rapidly. Content sharing, personal commentary, and private life broadcasting have emerged as the distinct elements of this new media. Accordingly, social networking websites allow their users to find individuals with similar interests for social and emotional purposes. Two main drivers behind the tendency to interact with other people on the Internet: individuals' characteristics and their social backgrounds. Social media users are most commonly young adults (aged 18 to 31); three-quarters of adult Internet users under age 25 have a profile on a social media site. Social media websites are designed to be widely accessible and initially attract homogeneous populations, so it is not uncommon to find groups using websites to segregate themselves according to nationality, age, educational level, or other factors that typically segment society, even if that was not the intention of the designers. There are gender differences among personality traits.

Few researchers have found that extraversion was positively related to social media use, while emotional stability was negatively related to the use of these online social applications. In the study by Correa et al., the relationship between social media use and openness to experience was not found to be statistically significant for males. However, men who were more extraverted and anxious were more likely to use social media. For women, extraversion and openness to experience were positively related to social media use. In contrast to men, emotional stability was unrelated to social media use. There was a relationship between demographic variables (including age, gender, level of education, and level of income) and personality traits. In spite of the increasing importance of social networking websites, research into social media use in relation to personality traits remains rather limited. Nevertheless, there is some evidence of that differences in individuals' personality traits determine their online behaviour.

The more time an individual spends on the Internet, the greater is the social behavioural influence exerted on the individual by the people they communicate with online. Millions of people around the world establish links by joining social media networks on the Internet. Interaction through social media may actually result in a stronger relationship than might be possible through face-to-face methods. Research concludes that Facebook use is related to personality factors. Researchers also concluded that introverted people tend to communicate over the Internet, whereas extroverted people tend to communicate by traditional face-to-face means.

Overall, it is reasonable to conclude that the importance of studies concerning social media and personality is increasing day by day in line with the popularity of social media use.

CREATIVITY AND INNOVATION IN ORGANIZATIONS

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Creativity is the method for obtaining new ideas and innovation is the process of implementing those ideas profitably. Creativity is a prerequisite for innovation and any creative idea if not implemented is a waste. Creativity is defined as “**the ability to bring something new into existence**”. Domain skills, Creativity skills and motivation are the components of creativity and these help the mind generate creative ideas. Creativity can be enhanced via various methods such as- Synectics, brainstorming, Gordon method, attribute analysis, projection techniques etc.

Innovation is described as the process of doing new things or doing old things through new techniques. It transforms creative ideas into useful applications. It is very important for economic development of any organization or country itself. Innovation can be either developing a new product, process, technology or modifying existing ones. Innovation can be radical or incremental; while radical innovation leads to the formation of a new knowledge, incremental ends in modifying the existing knowledge.

Creativity and innovation are very essential for organizations nowadays. It helps them attain an edge over the competitors as well as increase their profits. It is believed unless you diversify your business it will decline. Creativity and innovation is a tool for such business, who have their products at maturity stage of product life cycle, to revamp the existing product and bring in some modification. An example of such a business can be Apple, it is continuously innovating, adding new features etc. to make its products more attracted as well as in accordance with the changing customer demands.

While startups are considered synonyms to innovation and creativity. Most of the startups are following radical innovation, that is they are bringing something new into the markets that never existed there before. Radical innovation helps the startups to get an entry into the market as well as visibility among the customers. Chaayos is an example of a startup that has practices radical innovation; targeting tea lovers with variety of tea.

So, it has been observed that creativity and innovation are very essential for organizations today be it startups or established players. Unless they have creative ideas that can be implemented effectively their businesses will doom one day. So, having such strategies and a business environment that support creativity and innovation is a clear-cut path to success.

HUMAN RESOURCE AUDIT

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The word “audit” comes from the Latin verb “audire”, which means, “to listen”. Listening is an attempt to know the state of the affairs as they exist and as they are expected/ promised to exist. Auditing has been a routine exercise in the area of finance, especially because it is a statutory obligation. However, when it comes to Human Resource, there is no legal obligation to adopt auditing, but still some of the companies still have Human Resource audits.

HR Audit is the process of evaluating the performance of Human Resource Department and its activities undertaken, and the policies followed towards the accomplishment of organizational goals. The HR Audit is conducted to identify the lapses, shortcomings, gaps in the implementation of HR functions and suggesting the remedial actions, if any.

The **American Accounting Association’s Committee** on Human Resource Accounting (1973) has defined Human Resource Accounting as “the process of identifying and measuring data about human resources and communicating this information to interested parties”.

Objectives of the Human Resource Audit

- To review the performance of the Human Resource Department and its relative activities in order to assess the effectiveness on the implementation of the various policies to realize the Organizational goals.
- To identify the gaps, lapses, irregularities, short-comings, in the implementation of the Policies, procedures, practices, directives, of the Human Resource Department and to suggest remedial actions.
- To know the factors which are detrimental to the non-implementation or wrong implementation of the planned Programmes and activities.
- To suggest measures and corrective steps to rectify the mistakes, shortcomings if any, for future guidance, and advise for effective performance of the work of the Human Resource Department.
- To evaluate the Personnel staff and employees with reference to the Performance Appraisal Reports and suggest suitable recommendations for improving the efficiency of the employees.
- To evaluate the job chart of the Human Resource Managers, Executives, Administrative Officers, Executive Officers, Recruitment Officers, whether they have implemented the directives and guidelines for effective Management of the Human resources in their respective Departments.
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Importance of Human Resource Audit:

If a company conducts HR audit every two or three years it can help a company in the following ways:

- Identify policies and procedures that need to be updated for changes in the law or compliance rules
- Identify policies and procedures that are not followed and find out why
- Find out about unwritten practices and whether there are any legal risks associated with those practices
- Gauge whether procedures and practices are user friendly and what changes can be made to help assure broader compliance
- Identify opportunities for new policies or procedures that will help minimize risk
- Determine whether record-keeping practices are being followed
- Identify where additional training or communication would be helpful for compliance

Essential steps in Human Resource Auditing

Though the process would vary from organization to organization, generally it involves the following steps:

1) Briefing and orientation:

This is a preparatory meeting of key staff members to:

- discuss particular issues considered to be significant,
- chart out audit procedures, and
- develop plans and programme of audit.

2) Scanning material information:

This involves scrutiny of all available information pertaining to the personnel, personnel handbooks and manuals, guides, appraisal forms, material on recruitment, computer capabilities and all such other information considered material.

3) Surveying employees:

Surveying employees involves interview with key managers, functional executives, top functionaries in the organisation, and even employees' representatives, if necessary. The purpose is to pinpoint issues of concern, present strengths, anticipated needs and managerial philosophies on human resources.

4) Conducting interviews:

What questions to ask? The direction which audit must follow is based on issues developed through the scanning of information gathered for the purpose. However, the audit efforts will get impetus if clarity is obtained as to the key factors of human resource management selected for audit and the related questions that need to be examined.

5) Synthesizing:

The data thus gathered is synthesized to present the

- current situation
- priorities
- staff pattern, and
- issues identified.

Similarly, future needs are identified and appropriate criteria developed for spotlighting the human resource priorities and specific recommendations made.

6) Reporting:

Just as the planning meetings of briefing and orientation, the results of the audit are discussed within several rounds with the managers and staff specialists. In the process, the issues that get crystallized are brought to the notice of the management in a formal report. Follow-ups are necessary after an audit to see if the action plan used to solve problems found this the audit worked or not.

In conclusion, human resource audit is an important approach to human resource planning. It is practical because if correctly conducted, it should increase the effectiveness of the design and implementation of human resource policies, planning and programmes. A periodic and systematic audit helps human resource planners develop and update employment and programme plans.

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