

CHAPTER I

INTRODUCTION AND METHODOLOGY

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1.1 INTRODUCTION -

There was a lot of hue and cry when the Turnover Tax was introduced in Maharashtra from the concerns of Chambers of Commerce and Industries, Organisations of Dealers etc. They have been complaining about the adverse impact of the Turnover Tax on their business. This made us to formulate the research problem taken up for the present study.

1.2 STATEMENT OF THE PROBLEM -

The imposition of Turnover Tax might have put a lot of problems for the dealers. As such, whether the turnover tax has any justification or not ~~cancelled~~ and if not could it be outrightly cancelled? This was the problem taken up for the study.

1.3 OBJECTIVES OF THE STUDY -

The study aimed at the following objectives.

- a) To find out the origin and present state of the Turnover Tax.
- b) To examine the impact of the turnover tax on the trading community.
- c) To suggest suitable measures to modify the present system, if any.
- d) To make other appropriate suggestions based on the main findings of the study.

1.4 SCOPE OF THE STUDY -

The study is restricted to the sample survey of dealers of the various categories in Kolhapur City only. However, the conclusions thereof may be equally applicable in case of the dealers in the state as a whole.

1.5 SIGNIFICANCE OF THE STUDY -

The study is significant as an attempt is made in it to formulate theoretical concepts relating to the turnover tax. Similarly, no such study has previously been done relating to the turnover tax. As such, it can be considered as a novelty of the subject chosen. What is more important, the conclusions drawn ~~have~~ ~~an~~ extremely relevant in the present circumstances, when in Maharashtra, there is still no unanimity among the scholars regarding the abolition or substitution of octroi by some other tax. The study is also significant as it deals with a burning problems of the trading community.

1.6 METHODOLOGY OF THE STUDY -

The study was conducted by following the methodology as mentioned below.

a) Sample Survey -

If comprised the primary data collection from 50 dealers of various categories from the Kolhapur City. For this purpose a structured schedule was administered.

b) Interviews -

Interviews of some of the knowledgeable persons from the field and government offices were conducted with a view to gathering their opinion regarding the turnover tax.

c) Library Data -

Some relevant data pertaining to the problem were collected from the periodicals and journals such as Reserve Bank of India, Bulletin, Vypari Mitra etc.

Thus, use of primary and secondary data wherever possible has been made for the study.

1.7 CHAPTER SCHEME -

Thus study has been divided into the following chapters.

1. Introduction and Methodology
2. Rational of Turnover Tax
3. Theory of Turnover Tax
4. Main Findings and Significance

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