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ATTITUDE OF PHARMACEUTICAL RETAILERS TOWARDS VAT – WITH SPECIAL REFERENCE TO TIRUCHENDUR TALUK

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ABSTRACT

The purpose of this study was to assess the attitude of Pharmaceutical Retailers towards VAT in Tiruchendur Taluk of Tuticorin District. The researcher study about the concept and structure of VAT, identify the practical problems encountered by under VAT and find out what are the beneficial aspects enjoyed by pharmaceutical retailers under VAT. A sample sizes are 55 Pharmaceutical Retailers, using the purposive sampling techniques. The primary data was gathered using interview schedule and analysed by use of percentage method, T – Test, Analysis of Variance (ANOVA) and F – Test were used in the appropriate places. The researcher conclude that Value Added Tax is a new tax format for all pharmaceutical retailers with the introduction of VAT, there are some new formalities and hidden problems for them. But most of the retailers showed fabourable attitude towards VAT implementation. The problems like daily maintenance of opening and closing stock, Bill maintenance, Self assessment, computerizing the account should be sympathetically viewed by the Government for considering the development of the Pharmaceutical Retailers.

KEYWORDS: Value Added Tax, Attitude, Pharmaceutical Retailers

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INTRODUCTION

The World over tax reform has been an ongoing process influenced by economic theory, evolving economic structure, exigencies of particular tax administration and the lessons of experience. The quarter century between 1965 and 1990 witnessed an unusually strong wave of tax reforms as most countries of the world (including developing nations) reduced their reliance on foreign trade taxes, introduced some form of value added tax (VAT) in domestic taxes on goods and services and streamlined income and company taxes, partly in response to the imperatives of increasing global economic integration. By the late 1980s there was a substantial consensus on the principal issue of a national tax system.

Value Added Tax, popularly called VAT, is a tax levied on the value added to a commodity or service as it passes through different stages of production and distribution, until it reaches the final consumer. In this scheme of taxation, tax is payable by each link in the supply chain on the value addition made by it on the product or service.

In contrast to the system of taxation of goods and services at single or multiple points, VAT is a tax levied on the commodity or service at each point of value addition. Under this system, tax is collected on a commodity or service on a piecemeal basis starting from the producer to the retailer. The total tax collected by the government on a commodity or service under the VAT system will be exactly equal to the tax collected on the retail selling price of the product/service by the retailer.

At each stage, starting from the producer, tax will be collected on the sale price at the rate applicable to the commodity. From the tax so collected the seller will retain the amount of tax paid on purchases and remit the balance alone to the government. This process is continued till the commodity or service reaches the final consumer. In this system, the tax remitted to the government at each stage will be the tax on the value addition of the product to service made by the seller. Thus, value added tax is a way a multiple turnover tax imposed at each stage of production and distribution of goods and services of a business firm minus the tax paid on the purchase of goods and services from other firms.

OBJECTIVES OF THE STUDY:

This study has been carried out with the following objectives. They are

- To study about the concept and structure of VAT.
- To identify the practical problems encountered by under VAT.
- To find out the beneficial aspects enjoyed by pharmaceutical retailers under VAT.
- To suggest the authority the modifications felt by traders.
- To analysis the impact of VAT on pharmaceutical retailers.

METHODOLOGY

This study compiles the help of both primary and secondary data. A pilot study was conducted and the questionnaire was finalised. This questionnaire was used to collect primary data regarding the attitude of Pharmaceutical retailers. The secondary data are collected with the help of relevant Books, Journals and Internet. The sample sizes are 55 respondents. In this study, “purposive sampling” was selected for this research. The study is descriptive in nature and the main purpose of description research is to describe the state affair, as it exists at present. The area of sampling was taken in Tiruchendur Taluk of Tuticorin District.

TOOLS USED FOR THIS STUDY:

In order to have the better analysis percentage method, T – Test, Analysis of Variance (ANOVA) and F – Test were used in the appropriate places.

STATEMENT OF PROBLEMS:

In modern world next to food, medicines are essential to recover from diseases. All medicines are used to save life, they are one of the essential consumable products. So government allows retailer to sell some life save medicines without tax.

Government provides sales tax to medicines excluding some life saving medicines. There are many problems while calculating sales tax for such medicines. To avoid such problems government has introduced new tax system i.e. value Added Tax (VAT).

This taxation system i.e. Vat has been a matter of criticism since its implementation. Some consider it quite beneficial to consumers and retailers as well. There is also a group of people who consider that the taxation system further increase the tax burden and paves way for many practical problems for traders (while maintaining the books of accounts). Hence it is necessary that a study on Traders attitude towards this taxation system is to be studied confine to the study of the retailers of pharmaceutical products i.e. Medicines.

REVIEW OF LITERATURE:

George N. Lodorfos, Kate L. Mulvana, John Temperley (2006) examines the determinants of consumers' attitudes and intentions to exhibit brand loyal behaviour.This study employed the theory of planned behaviour to investigate the antecedent factors contributing to an individual's brand choice decision within the over-the-counter (OTC) pharmaceutical market. In addition, several hypotheses in relation to the theory of planned behaviour were investigated. A survey of 118 OTC consumers was used to determine if beliefs about trustworthiness, price and past experience determine consumer's attitude towards OTC brand choice. Furthermore, attitudes and subjective norms were examined to determine whether they affect consumers' intention to repurchase from the same brand. This study's empirical evidence suggest that direct experience with the brand, price tolerance, brand trust and the subjective opinions of others are important determinants of repeat purchase behaviour of OTC pharmaceutical products. Price sensitivity had a significant effect on attitude to repurchase, which in turn affected intention to repeat purchase, whilst past experience with the brand is critical in determining trustworthiness beliefs, price sensitivity and purchase behavior.

Uwe E. Reinhardt (2001) deals to provide an economic perspective on the pharmaceutical industry, which has come under increasing criticism on a number of issues. In the main, that criticism amounts to a rather ineffective flailing at the supply side of the market for pharmaceutical products much of it based on inaccurate perceptions when a more productive policy would be to strengthen the hitherto weak and poorly informed demand side of the market.

Naibei and siringi (2013) reveals that impact of electronic tax registers on VAT compliance among private business firms in Kisumu city , Kenya.the empirical of the study indicate that effective and regular use of ETR has a significant positive impact on the VAT compliance. The regular frequency of inspection of private business firms show insignificant relationship with VAT compliance. From these findings, that study concludes that inspection of businesses as well as use of ETRs are major determinants of VAT compliance among private business firms in Kenya.

HISTORY OF PHARMACEUTICAL INDUSTRY IN INDIA

The first Indian Pharmaceutical company, Bengal Chemicals and Pharmaceutical Works, which still exists today as one of 5 government-owned drug manufacturers, appeared in Calcutta in 1930. For the next 60 years, most of the drugs in India were imported by multinationals either in fully-formulated or bulk form. The government started to encourage the growth of drug manufacturing by Indian companies in the early 1960s, and with the Patents Act in 1970, enabled the industry to become what it its today. This Patent act removed composition patents from food and drugs, and though it kept process patents, these were shortened to a period of five to seven years. The lack of patent protection made the Indian market undesirable to the multinational companies that had dominated the market, and while they streamed out, Indian Companies started to take their places.

ROLE OF PHARMACEUTICAL RETAILERS

In general, the business transactions (buying and selling) depend upon the profit. In retail business has close relationship between retailers and public. Retailers are not only selling their products from wholesaler to consumer but also they are giving many offers to attract the customers such as credit sales, instalment sales, offers, gifts in festival seasons, some discount on price.In this stage, Pharmaceutical Retailers are rendering services by all necessary medicines to recover from diseases to all consumers through retailers. Retailers are providing a lot of services such as free samples, discount to customers. Their business is service motive business to society.

WHAT IS VAT?

VAT is a tax on sale or purchase of goods levied at every stage from manufacture or first sale in chain of distribution till the retailer, with provision to deduct tax paid or payable on purchase from tax payable on sale. VAT is popular name of value Added Tax. It is a system of charging sales tax by levying tax on value addition. It is a method of taxation under Sales Tax system. In other words, it is a method of calculation in determining the tax liability of a dealer.

EVOLUTION OF VAT

The origin of VAT can be traced to the first quarter of the 20th century. The concept of VAT was born in 1921 in Germany, when F. Von Siemens proposed VAT as a substitute for the then newly established German Turnover Tax. Later the European Economic Community (EEC) accepted VAT as an instrument of tax harmonization. In 1954, France became the first country in Europe to adopt VAT.

The popularity for VAT went on increasing and many non – EEC countries like Finland, Greece, Turkey and some Latin American countries like Brazil and Mexico adopted the system. At present there are more than hundred countries following the system including our neighbouring countries like Bangladesh, Sri Lanka, Nepal and Pakistan. VAT, which is considered as one of the most significant fiscal inventions of the last century, is also called Added Value Tax (AVT) in the US and Tax on Value Added (TVA) as called by the French and Germans.

For the beneficial effects, a fullfledged VAT was initiated first in Brazil in mid 1960's, then in European countries in 1970's and subsequently introduced in about 130 countries, including several federal countries. In Asia it has been introduced by a large number of countries from China to Sri Lanka. Even in India, there has been a VAT system introduced by the Government of India for about the last ten years in respect of Central excise duties. At the State – level, the VAT systems as decided by the State Governments, would now be introduced in terms of Entry 54 of the State List of the Constitution.

CONCEPT OF VAT AND SET – OFF/ INPUT TAX CREDIT

The essence of VAT is in providing set-off for the tax paid earlier, and this is given effect through the concept of input tax credit rebate. This input tax credit in relation to any period means setting off the amount of input tax by a registered dealer against the amount of his output tax. The Value Added Tax (VAT) is based on the value addition to the goods, and the related VAT liability of the dealer is calculated by deducting input tax credit from tax collected on sales during the payment period (say, a month).

a) COVERAGE OF SET-OFF / INPUT TAX CREDIT

This input tax credit will be given for both manufacturers and traders for purchase of inputs/supplies meant for both sale within the State as well as to other States, irrespective of when these will be utilised / sold. This also reduces immediate tax liability. Even for stock transfer consignment sale of goods out of the State, input tax paid in excess of 4% will be eligible for tax credit.

b) CARRYING OVER OF TAX CREDIT

If the tax credit exceeds the tax payable on sales in a month, the excess credit will be carried over to the end of next financial year. If there is any excess unadjusted input tax credit at the end of second year, then the same will be eligible for refund. Input tax credit on capital goods will also be available for traders and manufacturers. Tax credit on capital goods may be adjusted over a maximum of 36 equal monthly instalments. The States may at their option reduce this number of instalments. There will be a negative list for capital goods (on the basis of principles already decided by the Empowered Committee) not eligible for input tax credit.

c) INPUTS PROCURED FROM OTHER STATES

Tax paid on inputs procured from other States through inter-State sale and stock transfer will not be eligible for credit. However, a decision has been taken for duly phasing out of inter-State sales tax or Central sales tax. As a preparation for that, a comprehensive inter-State tax information exchange system is also being set up.

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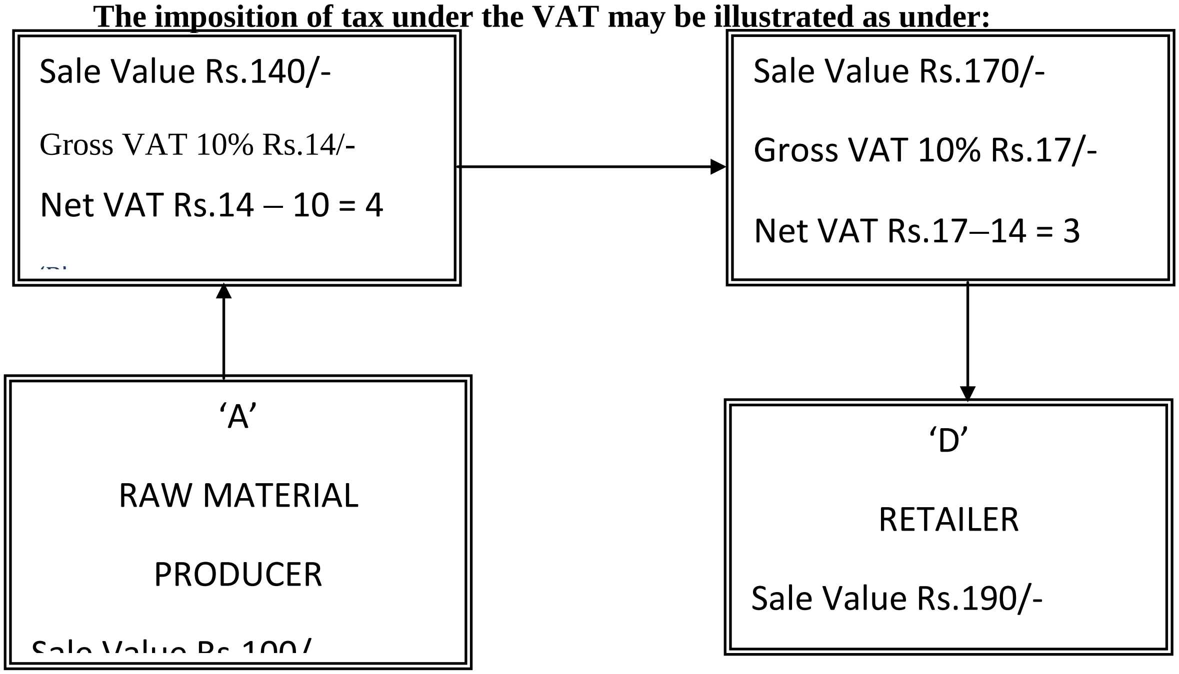
2.6.VAT CALCULATION

The imposition of tax under the VAT may be illustrated as under:



Note: Total VAT collected at four points:

Rs.10 + 4 + 3 + 2 = Rs.19/-

Sources: *ACCST Research Journal*

VAT RATES

a) VAT RATES TO PRODUCT

Ideally, VAT should be subjected to a single rate of tax. Though this is not possible, it is certain that there should be minimum varieties of rates, however, for the time being, three floor rates, viz. Exempted, 4 & 12.5% have been recommended. Special rates of 1% for gold and 20%. For petroleum may also be prescribed.

Broadly, following VAT rates were being proposed:-

- 0% on natural and unprocessed produces in unorganized sector, goods of social importance like slates, pencils, educational books etc, life saving drugs. Items barred from taxation like newspapers, national flag.
- 1% floor rate for gold, silver, precious and semi-precious stones.
- 4% for goods of basic necessities (bread), industrial and agricultural inputs like beedi leaves, fibres, seeds, declared goods (iron and steel, hide and skin etc), medicines & drugs, textiles and sugar, capital goods.

- 12.5 % RNR (Revenue Neutral rate) on other goods. It is contemplated that this rate of tax may neutralize the revenue loss, if any when VAT is implemented in the place of sales tax system.
- Aviation turbine fuel and petroleum products will be out of VAT regime. Liquor and cigarettes will also be taxed at a higher rate.

b) Vat Rates In Different Countries

Standard rates and reduced rates of VAT in some countries are as follows:

Countries	Standard Rates	Reduced Rates
Argentina	17.0	10.5
China	17.0	6 to 3
France	19.6	5.5 to 2.1
Germany	16.0	7.0
India	12.5	4.0

Countries	Standard Rates	Reduced Rates
Namibia	15.0	0.0
Poland	22.0	7 to 4
Spain	16.0	7.0
Tunisia	18.0	10.0
U.K	17.5	5.0

Some of the common items that are induced in the reduced rate of most countries are food, pharmaceuticals, newspapers and electricity. Some countries like Singapore (5 per cent) and Canada (7 per cent) have a lower standard rates.

While implementing this tax several state government perceived that it could reduce their revenue. In fact, the revenues of these states except a few have increased significantly. The trend is visible from the first quarter (April-June 2005) tax revenue estimates.

In the first quarter of the current fiscal, the tax revenues of VAT implementing states registered a 15.3 per cent increase to touch Rs. 14,050.81 crore in 2005-06 as compared to Rs.12,184.31 crore in 2004-05. However, the states with large manufacturing base and strong exports experience some revenue loss at the end of the 2005-06. In other words, consuming states with less industrial activity would see their revenues go up as there is no input tax credit to be given. Besides, in a VAT regime, the point of levy has also shifted from first point to subsequent points creating additional revenues for such governments.

IMPACT OF VAT

a) IMPACT VAT IMPLEMENTATION ON OTHER STATES

Apart from reforming the transfer system, it is important to plug the vertical gap by assignment of tax powers to states. This would reduce the burden placed on the transfer system. It is generally accepted that the competition among states to give incentives for industrialization has only resulted in a race to the bottom. To attract industries, states provided multiyear sales tax exemptions to industries.Any apprehension of fall in tax – revenues arising from VAT have been proved wrong. Karnataka has registered a record growth in tax revenue and all the anxiety following the introduction of the VAT has since vanished. Karnataka is closely followed by Punjab, Haryana and Orissa, which have registered a growth in tax revenue generation from VAT of the order of 12 per cent. Haryana, which was the first state to implement VAT, has seen its tax collections increased. Its total revenue generation shot up by almost 28 per cent. The government has already issued Traders Identification Number (TIN) to 1, 20,000 traders.

After introduction of VAT, the coffers of Delhi Government are overflowing with a growth of 30 per cent in the first quarter. Continuing with its rollback spree, the Delhi government has now decided to bring down VAT rates on household commodities from 12.5 to 4 percent. Meanwhile, bidies, plates and cups made out of leaves and manual and animal-driven agricultural equipment spares have been exempted of VAT.

In Karnataka the growth of revenue for the month of April and May 2005 has been impressive. The growth in registration of new dealers of about 20 per cent under VAT has led to enhanced revenue for the state. The state's performance is quite above the average growth of 12 per cent in tax collections recorded by 21 states which switched over to the VAT regime from April 1, 2005. According to the commercial taxes department, the State collected Rs. 901.36 crore for the month of June this year compared to Rs.74.16 crore for the same month last fiscal. According to the provisional figures, the department has collected Rs.2,758 crore in the first quarter (April – June), compared to Rs.2,161 crore during the same period last year. VAT has completely eliminated the problem of inter States smuggling of rubber – earlier, the higher purchases tax had induced a great deal of rubber smuggling into neighbouring states such as Tamil Nadu and Karnataka.

Andhra Pradesh had mopped up revenues of Rs.2380 crore for April – June this year compared with Rs.2334 crore last year. It has already issued 1, 22,000 TIN numbers to traders.

The Himachal Pradesh government has claimed that it has registered a 20 per cent increase in revenue after the VAT was implemented in the state in April 2007. The Himachal government has collected Rs. 447 crore from April to June 2006.

Rajasthan's decision not to implement VAT has resulted in a lower growth in sales collection in comparison to states that have opted for it since April 1. The growth is low in comparison to VAT ruled states where the average growth is estimated between 28 – 30 per cent. Had the state implemented VAT, the collection would have been Rs. 2.5 billion more. Rajasthan has now implemented VAT from April 1, 2006.

The Gujarat textile industry also suffered heavy losses as the state failed to shift to VAT regime before April 2006. The Central government decided to bring textile products under VAT chain when the new tax regime came into force from April 1, 2005. The traders of other states did not get set-off against the tax paid by them on the textiles purchased from Gujarat on account of this, for the traders of other states, costing of textiles purchased from Gujarat became higher than that of textiles purchased from the VAT states. The traders of other states did not find buying textiles from Gujarat beneficial, and therefore turned to other states.

Kerala has started putting up a fight to overcome the financial difficulties that have been plugging it in the recent years. The collection of VAT during the four months till July this financial year surpassed the sum collected during the same period last year by Rs.600 crore. Encouraged by the results, Finance Minister T.M. Thomas Issac on Thursday (August 10th 2006) said he would revise the VAT collection target for the year to Rs.4,600 crore. If the new target is achieved, it will mean an unprecedented 50 percent year to year increase in the collection of commercial taxes. The collection last year came to Rs. 3,059 crore. In the Budget in June, he had pegged the expectation (rather ambitiously) at Rs.4,000 crore.

b) IMPACT OF VAT ON TRADERS

Let us discuss the impact of VAT on the traders.

- The manufacturer will pay VAT on the goods purchased as raw materials but the VAT paid on raw materials will be deducted on the sale of the goods manufactured. Thus duplication of tax burden will be avoided.
- The impact of tax on the wholesaler or retailer would be limited to the value addition. The tax paid at earlier stages would be available as set off for payment of VAT on sale. Therefore traders would prefer to buy with an invoice.
- The tax payable as a percentage of the sale value would be small where the compliance would have more cost effective that of evasion.
- Cost of products would reduce due to the cascading effect of tax not being there.
- Lastly, traders can now concentrate on growth into large entities instead of remaining small and fragmented.

c) IMPACT OF VAT ON CONSUMERS

Firstly, the purchase prices would reduce as tax content of most of products would come down. However, the product, which hitherto has evaded the entire tax may find the increase. Similarly, those items where the tax rate earlier was zero may be more expensive.

Secondly, the tax paid would be transparent in the invoice given to the consumer. No hidden earlier stage taxes would have been paid.
Thirdly, the difficult choice of paying more if bill demanded and less if without would over a period of time disappear as this is a self policing system.

FINDINGS AND ANALYSIS:

1. Pharmaceutical Retailers do not differ significantly on attitude towards VAT with regard to the factor ‘Registration Formalities’: To measure the attitude on the factor ‘Registration formalities’, the Mean score, Standard Deviation (SD), Co-efficient of variation (CV) and the ‘T’ value are calculated and presented in Table.1

Table.1

Attitude of Pharmaceutical Retailers towards Registration Formalities

Mean	Standard Deviation	CV	T
3.618	0.798	22.041	5.749

There is one statement in the measurement of attitude on the factor 'registration Formalities' with a score on any item ranging between 1 and 5; the total score on the instrument could range between 1and 5, with a neutral point of 3. A Mean score above the neutral point indicates more attitude with the factor 'registration'.

From Table.1, it is found that the Mean Score of 3.618 for the Pharmaceutical Retailers is above the neutral point. Further the 'T' value shows that are significant at 0.05 level. Hence, the Retailers of Pharmaceutical are more attitude with the factor Registration formalities.

2. Pharmaceutical Retailers differ significantly on attitude towards VAT with regard to the factor 'purchase procedure' : To measure the attitude on the factor 'purchase', the Mean score, Standard Deviation (SD), Co-efficient of variation (CV) and the 'T' value are calculated and presented in Table.2

Table. 2

Mean score, Standard Deviation, Co-efficient of variation of Pharmaceutical Retailers on the Attitude Factor Purchase and the 'T' value.

Mean	Standard Deviation	CV	T
2.873	0.740	25.756	-1.276

There is one statement in the measurement of attitude on the factor 'purchase' with a score on any item ranging between 1 and 5; the total score on the instrument could range between 1and 5, with a neutral point of 3. A Mean score below the neutral point indicates less attitude with the factor 'Purchase procedure'.

From Table.2, it is found that the Mean Score of 2.873 for the Pharmaceutical Retailers is below the neutral point. Further the 'T' value shows that is significant at 0.05 level. Hence, the Retailers of Pharmaceutical are less attitude with the factor purchase.

3. Pharmaceutical Retailers differ significantly on attitude towards VAT with regard to the factor 'Sales'.

To measure the attitude on the factor 'Sales', the Mean score, Standard Deviation (SD), Co-efficient of variation (CV) and the 'T' value are calculated and presented in Table.3

Table.3

Mean score, Standard Deviation, Co-efficient of variation of Pharmaceutical Retailers on the Attitude Factor Sales and the 'T' value.

Mean	Standard Deviation	CV	T
5.600	1.460	26.068	13.209

There are two statement in the measurement of attitude on the factor 'Sales' with a score on any item ranging between 2 and 10; the total score on the instrument could range between 2 and 10, with a neutral point of 6. A Mean score below the neutral point indicates less attitude with the factor 'Sales procedure'.

From Table.3, it is found that the Mean Score of 5.600 for the Pharmaceutical Retailers is below the neutral point. Further the 'T' value shows that are significant at 0.05 level. Hence, the Retailers of Pharmaceutical are less attitude with the factor Sales.

4. Attitude of pharmaceutical retailers differs significant in age level and registration formalities

Table.4.1 Percentage of Attitude of pharmaceutical retailers in Age Level

S.No	Age	No.of. Respondents	Percentage (%)
1.	Below 30 Years	13	23.63
2.	30 – 40 Years	17	30.90
3.	40 – 50 Years	17	30.90
4.	Above 50 Years	8	14.54

Sources: Primary Data

It is inferred in the above table that the pharmaceutical retailers of 30 to 50 years or 61.80 % percent. But only 14.54 % of the retailers are in the age group of above 50 years. It clearly indicates that a small number of retailers above the age of 50 years of have interest in running of the medical retail business.

The hypothesis to be tested for this purpose is attitude of the retailer differs significantly between Age and Registration formalities.

In order to findout the significant difference among the sample respondents in attitude towards registration formalities the Analysis of Variance (ANOVA) was employed and results are shown in Table.4.2

Table.4.2 Analysis of Variance

Sources of Variances	Sum of Squares	Degree of Freedom	Mean Squares	Variance Rating (F – Value)
Between level of age	0.6155	3	0.2052	0.3041
Within Registration Formalities	34.4096	51	0.6747	

Table value F 0.05 = 2.790

From the Table.4.2 it is clear that the calculated 'F' value 0.3041 are less than the Table value 2.790 at 5% level of significant.. The Null Hypothesis is invalid. The fact that the age group have same type of attitude levels, indicates that attitude of retailers towards registration formalities does not depend on the level of age.

5. Attitude of pharmaceutical retailers differs significant in educational qualification and purchase procedure

Table. 5.1 Percentage of Attitude of pharmaceutical retailers in Educational Qualification

S.No	Educational Qualification	No.of. Respondents	Percentage (%)
1.	Higher Secondary	3	5.45
2.	Diploma	24	43.63
3.	Degree	17	30.90
4.	Others	11	20.00

Sources: Primary Data

The hypothesis to be tested for this purpose is attitude of the retailer differs significantly between Educational Qualification and Purchase procedure.

In order to findout the significant difference among the sample respondents in attitude towards Purchase procedure the Analysis of Variance (ANOVA) was employed and results are shown in Table 5.2

Table.5.2 Analysis of Variance

Sources of Variances	Sum of Squares	Degree of Freedom	Mean Squares	Variance Rating (F – Value)
Between level of Educational Qualification	1.8161	3	0.6054	1.0912
Within Purchase procedure	28.2931	51	0.5548	

Table value F 0.05 = 2.790

From the Table.5.2 it is clear that the calculated 'F' value 1.0912 are less than the Table value 2.790 at 5% level of significant. The Null Hypothesis is invalid. The fact that the Educational Qualification group have same type of attitude levels, indicates that attitude of retailers towards Purchase procedure does not depend on the level of Educational Qualification.

6. Attitude of pharmaceutical retailers differs significant in business experience and over all impression

Table.6.1 Percentage of Attitude of pharmaceutical retailers in Business Experience

S.No	Business Experience	No.of. Respondents	Percentage (%)
1.	Below 10 Years	25	45.45
2.	10 – 20 Years	18	32.72
3.	20 – 30 Years	9	16.36
4.	Above 30 Years	3	5.45

Sources: Primary Data

The hypothesis to be tested for this purpose is attitude of the retailer differs significantly between Business Experience and Over all impression.

In order to findout the significant difference among the sample respondents in attitude towards Over all impression the Analysis of Variance (ANOVA) was employed and results are shown in Table 6.2

Table.6.2 - Analysis of Variance

Sources of Variances	Sum of Squares	Degree of Freedom	Mean Squares	Variance Rating (F – Value)
Between level of Business Experience	15.1792	3	5.0597	0.7291
Within Over all impression	353.9399	51	6.9400	

Table value F 0.05 = 2.790

From the Table.6.2 it is clear that the calculated 'F' value 0.7291 are lessthan the Table value 2.790 at 5% level of significant. The Null Hypothesis is invalid. The fact that the Business Experience group have same type of attitude levels, indicates that attitude of retailers towards Over all impression doesnot depend on the level of Business Experience.

7. Attitude of pharmaceutical retailers differs significant in monthly income and over all attitude

Table 7.1 Percentage of Attitude of pharmaceutical retailers in Monthly Income

S.No	Monthly Income	No.of. Respondents	Percentage (%)
1.	Below Rs.10,000	47	85.45
2.	Rs.10,000 – Rs.20,000	4	7.27
3.	Rs.20,000 – Rs.30,000	3	5.45
4.	Above Rs.30,000	1	1.81

Sources: Primary Data

The hypothesis to be tested for this purpose is attitude of the retailer differs significantly between Monthly Income and Over all attitude.

In order to findout the significant difference among the sample respondents in attitude towards Over all attitude the Analysis of Variance (ANOVA) was employed and results are shown in Table 7.2

Table.7.2- Analysis of Variance

Sources of Variances	Sum of Squares	Degree of Freedom	Mean Squares	Variance Rating (F – Value)
Between level of Monthly Income	356.2503	3	118.7501	3.9756
Within Over all attitude	1523.3692	51	29.8700	

Table value F 0.05 = 2.790

From the Table.7.2 it is clear that the calculated 'F' value 4.9517 are morethan the Table value 2.790 at 5% level of significant. The Null Hypothesis is valid. The fact that the Monthly Income group have same type of attitude levels, indicates that attitude of retailers towards Over all attitude depends on the level of Monthly Income.

CONCLUSION

Value Added Tax is a new tax format for all pharmaceutical retailers with the introduction of VAT, there are some new formalities and hidden problems for them. But most of the retailers showed fabourable attitude towards VAT implementation. The problems like daily maintenance of opening and closing stock, Bill maintenance, Self assessment, Computersing the account should be sympathetically viewed by the Government for considering the development of the Pharmaceutical Retailers.

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