

**VAT ADMINISTRATION IN NEPAL: A STUDY OF
AWARENESS, ATTITUDE, AND BEHAVIOR OF SME BUSINESS
OWNERS**

**A dissertation submitted to the Office of the Dean, Faculty of Management in partial
fulfilment of the requirements for the Master's Degree**

by

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**VAT Administration in Nepal: A Study of Awareness, Attitude and Behavior of SME Business Owners**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Report of Research Committee

Mr. Ashish Adhikari has defended research proposal entitled “**VAT Administration in Nepal: A Study of Awareness, Attitude and Behavior of SME Business Owners**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Prof. Dr. Gopi Nath Regmi and submit the thesis for evaluation and viva voce examination.

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We have examined the dissertation entitled “**VAT Administration in Nepal: A Study of Awareness, Attitude and Behavior of SME Business Owners**” presented by Mr. Ashish Adhikari for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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ABBREVIATIONS

F/Y	=	Fiscal Year
IRD	=	Inland Revenue Department
N	=	Number of Respondents
SD	=	Standard Deviation
SME	=	Small Medium Enterprises
SPSS	=	Statistical Package for Social Studies
VAT	=	Value Added Tax

ABSTRACT

This aim of this dissertation was to study the awareness, attitude and behavior of SME tax payers. And to find out the level and perception of SME taxpayers regarding VAT. This research mainly focuses on identifying and evaluating the factors that effect on the VAT administration from the perspective of businessmen and taxpayers. A comprehensive literature review was conducted and information related to VAT administration were reviewed and discussed. For the purpose of this study the survey study was conducted to find out the perceptual status of the variables such as awareness of taxpayers, attitude of taxpayers, and behavior of taxpayers. Data collected from the questionnaire were analyzed and interpreted through the help of different statistical tools and results were presented in tables, figures. The initial part deals with the demographic description such as gender, age, educational level, yearly sales, marital status. The last part of the study deals with the descriptive study of all the components of the VAT administration. This research shows the significant positive results regarding the awareness attitude and behavior of taxpayers towards VAT which reflects the good level of VAT administration. This study also provides insight into the factors that would lead to the effective VAT collection from the taxpayers conveniently where a good VAT system can be developed in the economy. Hence, it can recommend that gap between the awareness, attitude and behavior of all these group through different components so that a robust VAT system could be developed and maintained in the economy.

Key Words: *Vat Administration, Vat Awareness, Taxpayers Attitude, Taxpayers Behavior, Vat gap.*