

Tax on the bills

[Finance](#)



The paper will investigate whether the tax system serves as a subsidy to the sector or not.

1. 1 Statement of the problem

In Pakistan, there are a large number of cafes and restaurants that apply charges on the Bills. Sometimes the rates of these charges are really high which makes it difficult for the common middle-class man to have a meal in such restaurants. The study will try to explore whether this tax system is making a division in the class or not and is promoting a society which supports a class system or not.

1. 2 Rationale

One of the major reasons for investigating this area is that Pakistan is a third world country with a majority of people in the middle class. There still exist a large number of places where only rich people reside. These places are the ones that apply a huge tax rate on the bills. The study will investigate the correlation between tax and class; whether higher tax invites higher class.

1. 3 Objectives

The objectives of the study are as follows:

- I. to investigate whether tax is a form of subsidy
- II. to find the correlation between tax and class
- III. to study whether the tax system is promoting a society of class

1. 4 Research questions

Following are the research questions that will be analyzed in the research study:

1. Is the tax system a form of subsidy applied by the industry itself?
2. Is the tax system directly correlated to the class system?
3. Is the tax system promoting a class of society?

1. 5 Significance

The results will help the readers to be aware of the tax system in the places they visit and what are the different advantages/disadvantages of such a system.

2. Literature review

Studying the tax structure has been the interest of all countries as it is linked to the development of the country. Bargain et al, (2011) reports the progressive nature of the tax structure by saying ' The tax structure in almost all the countries progressive'. This progressive nature of tax structures has a lot of advantages and disadvantages.

Chaudhri (1965) in the research article ' Taxation in Pakistan: A Critical Appraisal' state the disadvantages of the tax system by saying that ' whatever money is collected is looted by the rulers or spent on unnecessary luxury items'.

Thus, the research will try to explore the effects and side effects of such a system.

3. Research Methodology

The research will employ both Quantitative and Qualitative methods and analysis.

3. 1 Qualitative

The qualitative research methodology will be applied because it will answer ' how', ' what', ' why' questions. For example, what are the benefits of the tax system? Why tax system is applied? How the tax system benefits the industry? etc.

3. 2 Quantitative

The research will also employ Quantitative research methodology because a <https://assignbuster.com/tax-on-the-bills/>

set of interviews and questionnaires will be prepared. These interviews and questionnaires will cover the views of the owners of different cafes and restaurants. The results will be based on their responses and interviews.

3. 3 Sampling

Sampling will be done on a specific criterion. The cafes selected for the study will be based on the following criteria:

- a) The cafes should be located in the main urban areas
- b) The cafes should be the ones that include tax system
- c) The cafes should be highly popular among the people.

4. Conclusion

The research will help to conclude the advantages/disadvantages of the tax system and it will try to analyze the benefits that the taxes collected are providing to different outlets.