Thesis Paper

on

FACTORS AFFECTING EVASION OF VAT: EVIDENCE FROM BANGLADESH

Submitted by

Md. Ariful Haque

ID: BBA1901016016

Submitted to

Department of Business Administration

of Sonargaon University (SU)

This Thesis Paper is submitted for the partial fulfilment of the Degree of Bachelor of Business Administration with dual major in Accounting and Marketing

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FACTORS AFFECTING EVASION OF VAT: EVIDENCE FROM BANGLADESH

Supervised by

Dr. Md. Masud Rana

Associate Professor and Department Head

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Letter of Transmittal

07th January 2025

To,

Dr. Md. Masud Rana

Associate Professor and Department Head

Department of Business Administration

Sonargaon University (SU)

Subject: Submission of Thesis Paper on 'Factors Affecting Evasion of VAT: Evidence from Bangladesh'

Respected Sir,

With humble honor, it is my great pleasure to submit my thesis paper on "**Factors Affecting Evasion of VAT: Evidence from Bangladesh."** As per the partial accomplishment of the requirements for the BBA degree, this thesis paper has been carried out under your supervision.

I am proud to have successfully fulfilled the academic requirements of this program, which I have diligently pursued over the duration of my study. During the BBA program, I have obtained beneficial information and practical skills in business management, finance, marketing, and other vital aspects of the sector. I am convinced that the education and experience I have obtained during my studies will contribute considerably to my professional development and future career.

I must note here that I am incredibly grateful to you for your significant supervision, valuable deliveries, and continual attention in compiling this paper. I have tried my best to write this thesis paper informative and a good one. I believe that my thesis paper will fulfill the requirements.

It would be hugely helpful for me to accept and look through the paper for evaluation. It will be an excellent reward for my efforts if it adds value to the research literature.

Sincerely,

MD. Ariful Haque

BBA1901016016

Major: Accounting and Marketing

Department of Business Administration

Sonargaon University

Declaration

I, **Md. Ariful Haque**, hereby declare that the thesis titled: **"Factors Affecting Evasion of VAT: Evidence from Bangladesh"** submitted to **Sonargaon University** for the award of the degree of **Bachelor of Business Administration (BBA)**, is my original work. The research and writing have been conducted by me under the supervision of **Dr. Md. Masud Rana**, and the content presented in this thesis is the result of my own efforts.

I certify that I have written this Theis paper independently and have not used any sources or resources other than those specified. Literal or analogous reproductions from these sources are identified as such and are supported by quotations.

I further declare that this thesis has not been submitted previously, in full or in part, for the award of any other degree or qualification at any other institution or university.

All the sources of information, ideas, and data utilized in this thesis have been duly acknowledged, I affirm that my work complies with the ethical norms and guidelines set by the university.

Sincerely,

MD. Ariful Haque
Student ID: BBA 1901016016
Bachelor of Business Administration (BBA)
Sonargaon University

Date: 07th January 2025

Certificate of Supervisor

This is to certify that **MD. Ariful Haque**, a student of the Bachelor of Business Administration (BBA) program, with student ID number **BBA 1901016016** has successfully completed the thesis titled: **"Factors Affecting Evasion of VAT: Evidence from Bangladesh"**

under my supervision. The thesis was submitted as a partial fulfillment of the requirements for the completion of the BBA degree. I have reviewed the thesis paper and confirm that it meets the academic standards and guidelines set by the institution.

The research presented in this thesis demonstrates the student's ability to analyze, research, and articulate findings related to the chosen topic. Throughout the course of the research, MD. Ariful Haque has shown dedication, commitment, and critical thinking skills, contributing to the academic value of the study.

I hereby recommend that the thesis be considered for evaluation as part of the final requirements for the BBA program.

…….

Dr. Md. Masud Rana

Associate Professor and Department Head

Department of Business Administration

Sonargaon University (SU)

Date: 07th January 2025

Acknowledgement

The contribution of my university guardians in completing this thesis is immense. In particular, I am deeply grateful to the Honorable Associate Professor **Dr. Md. Masud Rana**, Department Head, Department of Business Administration, Sonargaon University. who have improved the quality of my research by giving me the right guidance and encouragement. His patience, excitement, co-operations, and recommendations helped me submit this Thesis paper to write in the current form. His intelligent, skilled supervision enhanced this work more than my anticipation. I could not stay any longer without covering my appreciation to my supervisor for his diligent supervision during the study session. This study activity would not be achievable without hit stimulating inspiration and cooperation.

I am deeply indebted to my family, especially my wife **Soyed Supriya Khatun**, who has always given me inspiration, valuable support and the unremitting prayers and affection of my parents **Momotaz Haque** and **A.K.M. Aminul Huq** have helped me move forward on this path. Special inspiration from my best brother **Tahmid Ahmed.** The sympathy and encourage from my elder brother **Shariful Islam** and the love from my sweet nephew **Ruzaila Islam** have further motivated me.

The support and cooperation of my family during the long hard work and financial expenditure behind this thesis was my greatest strength. I have learned and progressed at every stage of my academic career, as a result of which I have received a Gold Medal from Pearson Edexcel and have never been second. These achievements are a source of inspiration for my future research.

I firmly believe that through this thesis, I have laid the foundation for my research and taken a step forward in fulfilling my dream of a PhD. I am grateful to everyone involved in this journey.

I also would like to thank all my respected teachers in the Department of Business Administration who directly and indirectly provided me with inspiration and excellent recommendations throughout my study.

Preface

We are currently deeply engaged in the business time frame. Only book-based knowledge is not sufficient to cope with real business environment. Effective combining of theoretical knowledge with actual experience is the key to success. Considering this, thesis program is included in the degree of Bachelor of Business Administration (BBA) from the Department of Business Administration of Sonargaon University (SU).

I tried my best to gain relevant and significant data as much as possible and construct the thesis with my best effort. I regret for any undue mistakes in my thesis.

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Acronyms	Elaboration
PA	Personal Attitudes
SN	Subjective or Social Norms
PB	Perceived Behavioral Control
BI	Behavioral Intention
AB	Actual Behavior

Abstract

VAT evasion is a global economic problem that has a negative impact on the state's revenue system. The objective of this study is to identify the effective factors behind VAT evasion in Bangladesh and to understand its trends and possible ways to prevent it through psychological and statistical analysis. The study uses the Theory of Planned Behavior (TPB) to analyze the role of individual psychological constructs such as attitudes, subjective norms, and perceived behavioral control. In statistical analysis, the basic characteristics of the sample and the distribution of data are first depicted using Descriptive Statistics Analysis. Various tests of Construct Reliability and Validity have been conducted to verify the reliability and validity of the construct, where Cronbach's Alpha Test, Composite Reliability Test, and Average Variance Extracted (AVE) have been used. The uniqueness of the constructs has been determined through Discriminant Validity Test.

R^2 Value Test and Outer Loadings Test have been conducted to verify the effectiveness and explanatory power of the research model. In addition, statistical conclusions regarding the tendency of VAT evasion have been drawn through One-Sample Statistics and One-Sample Test. In this study, Structural Equation Modeling (SEM) analysis has been performed using SmartPLS software, which provides a clear framework for determining the relationships between VAT evasion and its causes. According to the results of the study, individual attitudes, social pressure, and behavioral control have a significant impact on the tendency of VAT evasion. In addition, the information obtained from this study can play an important role in formulating effective policies to prevent VAT evasion and establishing good state economic governance. This study did not stop at identifying the psychological causes of VAT evasion; it also provided evidence-based recommendations for relevant policymaking, which will be helpful in developing the revenue system in the future.

Keyword: *Intention to pay VAT, research development, Factors Affecting Evasion of VAT*

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Chapter One

INTRODUCTION

1.1 Introduction to Topic:

Value-Added Tax (VAT) is integral to the economic framework of every nation, serving both a significant income source and a mechanism for financial stability, as shown by Bangladesh. VAT is a consumption tax levied on the value added at each step of the manufacturing and distribution process, eventually paid by the end consumer. This tax has acquired worldwide appeal owing to its ability to produce constant government income with very modest administrative expenses. For several nations, especially those with few natural resources or variable revenue from other sources, VAT has shown efficacy in ensuring sustained economic development, facilitating infrastructure projects, and financing important public services.

VAT (Value Added Tax) evasion is a major issue for the economy of our country and it has a negative impact on the general development and financial stability of the country. VAT evasion enables the government to lose money, which poses a considerable hurdle to investment in domestic economic initiatives and public service sectors. As a result, there is shortage of money in critical sectors including health, education, infrastructure development and it becomes difficult for the government to start new projects or complete the work of present ones. Some of the key components of the impact on the economy due to VAT avoidance are: Government cannot give appropriate funding for development initiatives when vast amounts of money do not reach the revenue sector via VAT theft. As a result, the economic prosperity of the country is delayed and the pace of growth of social services slows down. A high rate of tax evasion makes a country's business environment unfavorable. Foreign investors are wary to invest in places where tax administration is not fair. Lack of investment decreases employment possibilities in the country and weakens the economy. VAT skipping organizations may provide items or services at lower prices, making it difficult for firms paying taxes lawfully to remain competitive. This culminates in unhealthy competition in the market, which has a severe impact on economic stability. VAT evasion places additional expense on tax payers. As a result, they spend much more, which causes a type of imbalance. Tax evaders become beneficiaries and regular people are deterred from paying taxes.

The Theory of Planned Behavior (TPB), (Ajzen, 1991) applied to this study that VAT evasion in detail. The TPB is basically a psychological model for anticipating human behavior, which is built on three important components. These three elements, Attitude towards the behavior, what attitude a person has towards VAT evasion. It mostly hinges on how positively or unfavorably the person sees the action. If he finds it simple or profitable to evade VAT, he will be more motivated to do so. Subjective Norms**,** what those around or society think of a person evading VAT falls under this consideration. If VAT evasion receives some acceptability in the society, it may affect the individual and intensify his desire to avoid VAT and Perceived Behavioral Control, this is the individual's perspective of how easily he or she may escape or avoid legal risks. If the individual feels that he can evade VAT simply and the threat of being found is minor, he may be more

tempted to do so. By assessing these components of The Theory of Planned Behavior (TPB), the causes and patterns of VAT evasion and this technique is particularly effective in economic corruption and tax evasion, as it helps to evaluate human behavioral patterns and the numerous social and personal variables that affect them together.

This Studies indicate that Value Added Tax (VAT) at Central and States level has been judged to be a crucial milestone –an important achievement in the sphere of Indirect tax reform. VAT demonstrated to be an effective device for revenue collection, its performances, hence, having direct impact on fiscal mobilization, macroeconomic stability and growth. The scope of the VAT is quite extensive; it encompasses all transactions involving an economic activity. Khan, Mohd. Azam; Shadab, Nagma (2013)

For revenue generation, VAT has been developed to raise tax collections for the government. By placing an indirect tax on products and services, the government attempts to meet the infrastructural and technical needs of the nation, which is vital for its growth. VAT is prevalent in all products and services given to customers. This extensive use suggests that both consumers and companies are impacted by the tax, which may influence pricing and buying behavior. Role of VAT in defining the economic landscape and its capacity to contribute favorably to the growth of many sectors in the country's development. VAT having the ability to considerably affect the economy favorably, thorough analysis of its implementation and consequences on various stakeholders is vital for obtaining the desired goals, A., Jayakumar. (2012).

1.2 Rationale of the study:

The reasons for establishing this research that, VAT in Bangladesh were to increase transparency in the taxation system and makes up most of the revenue from taxes in Bangladesh. Strengthening the internal revenue collection and mobilization of internal resources in our country is a critical component in minimizing the situation. In Revenue Performance of the country the percentage of VAT receipts in GDP that developing nations. However, the VAT system tends to operate better in industrialized nations compared to emerging ones.

Public Perception and Compliance are the imposition of VAT might be regarded as an extra hardship by taxpayers. Therefore, good communication and education regarding the VAT system are vital to assure compliance and reduce issues even Bangladesh became part of the World Trade Organization (WTO) agreement, and this implies scaling down and/or abolishing of levies and taxes on a broad variety of commodities. Moreover, emerging nations suffered the reduction of financial flows from international public and private sources as well as trade Openness of

connection between VAT and trade openness is significant. While VAT normally boosts revenue, its efficacy is boosted when paired with international trade variables, notably for lower- and upper-middle-income groups.

In this study the significance of VAT importance that relate to several factors, recently Bangladesh is significantly dependent on trade-related taxes, more so than peer nations. The nation is planning to graduate from Least Developed Countries (LDCs) classification in 2026. VAT is not meant to redress imbalances within the tax system. Its impacts should be considered as part of the overall tax structure in Bangladesh, which is not very efficient in ensuring fairness across various income categories. In efficiency benefits of our country there are indirect signals of efficiency benefits linked with the implementation of VAT, as indicated by a rise in the ratio of tax revenue to GDP. This shows that VAT may increase the efficiency with which productive resources are allocated, however evaluating this benefit directly is problematic.

Impact of Income Levels of this study suggests that the ratio of tax revenue to GDP is bigger in nations with higher per capita income. This shows that economic progress has a key impact in the efficacy of VAT systems. N.T, Azaria., Zurika, Robinson. (2015).

VAT provides major management issues. The transitional period of applying VAT might take many years (3-4 years), during which additional attention is necessary to handle numerous challenges that occur. The success of VAT mainly relies on competent administration and a well-developed accounting system. Without these traits, the potential benefits of VAT may not be fully realized.

This research advocates that, in this nation, VAT must be incorporated simply into the socio-economic of Bangladesh. VAT in Bangladesh runs under the Value Added Tax Act of 1991, which established a flat rate of 15% applied to most items and services. This legislative framework has helped widen the revenue base compared to earlier tax regimes. This integration is vital to reduce tax-induced distortions and stimulate industrial development and the success of VAT is partially based upon public understanding and grasp of the tax system. To boost revenue every year NBR used to enhance the rate of duties & taxes and the impact of tax on tax (cascading effect) was inhibiting production and commerce. A lack of awareness may lead to widespread tax evasion, compromising the system's validity. Rehana, Ismail. (2017).

1.3 Problem Statement:

VAT evasion is highly vital for our country, as it is one of the fundamental factors of economic progress and stability. Reducing VAT evasion boosts government income, which may be spent on education, healthcare, infrastructure development and social protection initiatives. It plays a part in increasing the quality of life of the inhabitants of the nation. Some of the beneficial consequences of reduced VAT evasion include; money generation, If the government receives enough money, the national budget is fulfilled and fiscal planning is simpler to execute. Adequate funding of the country's development initiatives is achievable, which supports the entire economy. Positive influence on growth and investment also possible from proper VAT collection promotes economic stability and boosts the trust of local and international investors. Investors are convinced that the tax system is solid and they may handle their capital without anxiety. VAT is A special type of indirect tax on consumption, which encompasses a broad variety of products and services, thereby guaranteeing that the government receives income from diverse sectors of the economy. This larger base lessens the economic load on any particular group and provides for a more equal allocation of tax duties. Compared to income tax, which largely affects salaried and corporate persons.

In our country VAT does not always translate into more visible public benefits. When people do not see tangible improvement in services, there is a perception that their money is disappearing into a black whole as opposed to being directed towards actual growth and development. And at last, the complexity of VAT laws might be frustrating, making some people think they are being taxed unfairly. This opacity, in combination with rising costs, produces a bigger unhappy with the voltage vat, as people today feel they are being held captive by another cost, without receiving tangible, individual benefits from doing this. Increase in tax GDP ratio by lowering VAT evasion, our government's tax GDP ratio rises, which is a sign of a country's economic strength. A high tax GDP ratio decreases the government's dependency on debt and enables the economy to run freely as well as reducing inequality of VAT evasion is mostly found among major firms and rich people. Avoiding VAT evasion encourages fair competitiveness in the economy and decreases income inequality. Improving the investment in social growth and creation of conditions for economic development is the first necessity. Secondly, the consumption and market aspects are determined by VAT as well. As it is collected at every point of sale, it brings about better adherence, formalization of dealings, and is a means for nurturing and promoting a business atmosphere which is important in foreign direct investments and the efficiency of the market. Increase in direct and indirect employment which also increase in VAT collection leads to greater investment in different initiatives. Direct and indirect job possibilities expand owing to new initiatives.

1.4 Research Objectives:

Every research study has achieved specific objectives. Research Objectives are very important for research on VAT evasion, as they specify the purpose and direction of the research. The first objective of the research is to find out the root causes of VAT evasion. Such as weaknesses in the tax system, taxpayers' ignorance, policy complexity, or administrative errors, etc. This research aims to determine what kind of damage VAT evasion causes to the economy and how it negatively affects society. This study is to raise awareness among the public about the importance of the tax system and increase trust in the system. This research project has been designed to achieve specific objectives contributing to VAT evading. Specifically

- To identify the factors influencing VAT evasion in Bangladesh
- To explore the reasons behind the evasion of VAT in Bangladesh.
- To evaluation of experience and education of VAT
- To assess the economic feasibility of technology solutions

Chapter Two

LITERATURE REVIEW

2.1 Literature Review:

Mega Utami Manullang, Khairudin (2024) conduct Analysis Tax Compliance Behavior on Theory of Planned Behavior research that demonstrates that the will to adhere to tax rules substantially affects tax compliance behavior. Taxpayer conduct and moral commitments are identified as significant variables influencing this purpose. That research indicates that subjective norms (the perceived social pressure to engage in or refrain from an activity) and taxpayer behavior control (the perceived ease or difficulty of executing the action) do not significantly influence tax compliance intentions. This indicates that these characteristics may not substantially influence taxpayer behavior about tax compliance. The study applied a multiple linear regression analysis approach, surveying 100 respondents from the Bandar Lampung Pratama Tax Service office. This research methodology enhances the credibility of the results. The findings showed that tax authorities may need to concentrate more on increasing taxpayer moral duties and behaviors to enhance compliance rates. This might incorporate teaching initiatives that stress the need of moral responsibility in tax compliance. The result presents options for additional research to examine why subjective norms and control do not impact compliance intentions. There are some constrain; sample size may not be indicative of the entire population of taxpayers in Indonesia. The study mainly addresses four independent variables: taxpayer behavior, subjective processes, taxpayer behavior control, and taxpayer moral duties. While these variables are important, the research did not explore other possible factors that might impact tax compliance. The research is carried out within the particular cultural and regulatory setting of Indonesia. The findings may not be relevant to other nations with differing tax systems, cultural attitudes towards taxes, or regulatory frameworks, which restricts the wider application of the conclusions. Mega, Utami, Manullang., Khairudin. (2024).

Elisei A. Leonov, Sergej G. Belev (2024) directed a study to Lower VAT rate in Russia, that study draws numerous crucial findings on Russia's Value Added Tax (VAT), notably addressing social justice and economic effects. The paper does an extensive examination of VAT in Russia, revealing that the VAT burden in Russia is typically more advantageous compared to OECD nations (Organization for Economic Co-operation and Development), demonstrating a less regressive character overall. Russian VAT is slightly regressive in income but not spending. This suggests that VAT burdens lower-income households more than wealthier ones. The report emphasizes the relevance of the reduced 10% VAT rate, recognized as a socially vital component. This reduced rate is essential in equalizing the economic landscape, offering assistance to lower-income families. A counterfactual study was done to analyze the possible consequences of substituting the reduced VAT rate with a direct targeted subsidy, such as an increased child allowance. The data show that this solution would not effectively address the problem of inequality. The findings imply that keeping the lower VAT rate is vital for aiding lower-income families and minimizing inequality. The research reveals that merely replacing the VAT with direct subsidies may not deliver the expected effects in terms of equality.

Multilateral Analysis, Data Sources and Microdata Utilization methods are used in that study, which stated the analyze the possible impacts of substituting the reduced VAT rate with a direct targeted subsidy, especially an increased child allowance. Microdata particular to Russia to examine the impact of VAT adjustments. This technique enables for a more precise knowledge of how various income categories are impacted by VAT policy. The data imply that although the VAT system has certain regressive characteristics, the lower VAT rate has a substantial role in alleviating inequality across various income levels. The study "Lower VAT rate in Russia: Abrogate or apply" gives useful insights into the ramifications of VAT in Russia also that study explores the elasticities of the VAT burden on income and expenditures. However, it may not adequately account for other elements determining VAT's regressive nature, such as regional economic disparities or differences in shopping patterns across distinct populations. The counterfactual analysis comparing the decreased VAT rate to a direct targeted subsidy (such an enhanced child allowance) is useful but may oversimplify the nuances of social welfare systems. The premise that such a subsidy would quickly replace the VAT benefits might not hold true in practice and discusses the leveling function of the decreased VAT rate, it does not properly analyze the wider social consequences of VAT modifications, such as probable repercussions on corporate operations, consumer behavior, or overall economic growth. Elisei, A., Leonov., Sergej, G., Belev. (2024).

Tianyu Zheng, Shuping Lin (2023) led a study to Tax compliance and investment efficiency Depending on the China's “VAT reform”. The study provides numerous elements relating the influence of tax enforcement on company investment efficiency in the context of China's "VAT reform." The study has effectively restrained inefficient investment habits among corporations. This suppression is most obvious in limiting excessive investment activity, which may lead to resource misallocation. The effects of tax enforcement are more pronounced in regions with lower tax collection capacities, especially in economically underdeveloped western regions of China. Impact on Private enterprises in this study reveals that private enterprises in China have a more substantial increase in investment efficiency owing to greater tax enforcement. One of the major strategies via which tax enforcement promotes investment efficiency is by strengthening the business information environment. This innovation helps organizations make better-informed investment choices, ultimately enhancing overall efficiency. The research notes that the implications of tax enforcement are especially visible in places with inferior tax collection capabilities and among private firms. This component contributes to the literature by underlining the significance of regional economic conditions in impacting the effectiveness of tax policy and demonstrates that tax enforcement has a role in curbing earnings management strategies among corporations. By restricting the capacity of corporations to manipulate earnings. Ultimately, the improvements in tax enforcement brought about by the "VAT reform" are demonstrated to increase corporate governance and resource allocation efficiency. The study combines different approaches to assess the influence of tax enforcement on company investment efficiency, notably

in the context of China's The principal analytical methodology employed in the research is the DiD method. This strategy enables the researchers to examine the changes in investment behavior before and after the adoption of the VAT reform across various areas and kinds of enterprises and the empirical experiments to confirm the concept that tax enforcement decreases wasteful investment activity. The study analyzes how tax enforcement strengthens the corporate information environment, which is crucial for making smart investment decisions. This factor is crucial for understanding the mechanisms by which tax enforcement influences investment efficiency. That research mainly explores the effect of the VAT reform in distinct provinces of China. This geographical constraint may impact the generalizability of the results to other areas or nations with differing economic and tax enforcement environments. The research focuses on available data from corporate financial records and tax enforcement indicators. Limitations in data quality or availability could impact the robustness of the findings. If the data does not effectively reflect the true investing patterns or tax enforcement levels, the findings produced may be erroneous even focus on Private companies: The study reveals that the repercussions of tax enforcement are more visible in private firms and Causality Issues: While the paper utilizes a Difference-in-Differences (DiD) approach to analyze the impact of tax enforcement. Tianyu, Zheng., Shuping, Lin. (2023).

Tariq Haque, Thu Phuong Pham, Jiaxin Yang (2023) conducted research to "Geopolitical risk, financial constraints, and tax avoidance" explores the relationship between geopolitical risk and business tax techniques, contributing to the existing understanding in many important fields. The study builds on the premise that geopolitical events may considerably affect commercial decision-making. Previous study has revealed that firms often adjust their actions in response to perceived hazards in the geopolitical environment. This study notably analyzes how such hazards lead to increased corporate tax evasion, a relatively underexplored issue in the literature. The study adds to the corpus of work on tax avoidance by giving empirical evidence that firms engage in more aggressive tax strategies during times of heightened geopolitical risk as a Tax Avoidance Mechanisms. A major feature of this research is its emphasis on the role of financial limits in tax evasion behavior. The findings reveal that firms with bigger financial limits are more prone to engage in tax evasion when faced with geopolitical concerns. This component is significant as it illustrates the relationship between a firm's financial health and its tax techniques as a Financial Constraints performed in this research. The study utilizes explore the link with geopolitical risk and business tax evasion, in a Sample Selection the study includes a broad sample of all public US firms from 2005 to 2019. This prolonged period permits for a careful study of trends and patterns in tax evasion in relation to geopolitical events. Geopolitical Risk Assessment identifies and quantifies geopolitical risk, and Measurement of Tax Avoidance, the authors measure corporate tax avoidance through the decline in cash-effective tax rates. That study focuses on US firms, the study primarily covers public US corporations from 2005 to 2019. This geographical limitation may decrease the generalizability of the conclusions to firms

in other countries or areas, where geopolitical risks and tax regulations may differ greatly. Time Frame Constraints of this inquiry is confined to a specific time range. Changes in geopolitical dynamics or tax policies after (2019) are not accounted for, which may alter the applicability of the findings in the current environment. The study finds that the effect of geopolitical risk on tax evasion is clearer for firms with bigger financial limits. While the survey reveals that oil-related firms participated in more aggressive tax evasion, it may not thoroughly analyze how other industries respond to geopolitical challenges and potential for bias that dependence on publicly available data may cause biases, as firms that are more honest about their tax strategies may differ from those that might be higher or lower. Tariq, Haque., Thu, Phuong, Pham., Jiaxin, Yang. (2023).

Anna Kowal, Grzegorz Przekota (2021) led a study in VAT System in the European Union, the authors did a thorough literature inquiry concentrating on value-added tax (VAT) inside the European Union. The research reveals that the efficacy of the VAT system is substantially impacted by the amount of VAT rates and the number of rates in a nation and the analysis demonstrates a positive link between the standard VAT rate and the number of preferential rates with the extent of the tax gap. This review helps develop a theoretical framework and background for analyzing VAT efficiency and tax evasion. Statistical Modeling in this research is the effectiveness of VAT collection was modeled using a square function. This statistical technique enabled the researchers to estimate the impact of numerous criteria determining VAT efficiency. Country Grouping of this research classified the 27 EU nations based on their VAT collecting efficiency and Correlation Analysis in this studied the link between the effectiveness of tax collection and parameters such as the standard VAT rate and the number of preferential rates. Tax structure defined by a modest number of lower rates and a relatively low standard rate. This technique might aid in eliminating tax evasion and the shadow economy. Constraint of the study includes the collecting and analysis of aggregated data on the magnitude of the tax gap in EU member states. This data was vital for determining the amount of tax evasion and the efficacy of VAT collection. The study is based on data from 27 European Union nations over a certain timeframe (2011–2019). This brief period may not capture long-term trends or the influence of recent changes in VAT laws or economic circumstances, thereby influencing the generalizability of the results. The research mostly involves quantitative methodologies, such as modeling VAT efficiency using a square function. While this technique gives statistical insights, it may neglect qualitative elements that impact VAT efficacy, such as administrative processes, taxpayer behavior, and cultural views towards taxing. The conclusions are based on a literature inquiry, which may create bias if particular research or views are ignored. A complete analysis of varied sources is needed to obtain a fair knowledge of VAT efficiency which is Potential Bias in Literature Review. The research explores the relationship between the number of VAT rates and tax evasion but may not adequately investigate how different economic situations or sectors within the EU could affect VAT efficiency. Variability in economic circumstances across member states could lead to diverse outcomes that are not captured in a generalized model. Anna, Kowal., Grzegorz, Przekota. (2021).

Jana Bellová, Taťána Špírková (2021) directed research of The Theory of Planned Behavior as a Research Tool a Connection with Tax Law and Economics, The TPB is proved to be a robust model for predicting and influencing human behavior, particularly tax-related actions. It acts on three basic components: attitudes, subjective standards, and perceived behavioral control, which together form an individual's desire to participate in certain activities, such as tax compliance. The study noted a dearth of studies employing TPB in relation with taxes in specific locations, including Europe, Central Asia, Latin America, and Sub-Saharan Africa. However, research was identified in locations including the Middle East, North Africa, South Asia, and East Asia, demonstrating a variable applicability of TPB across various settings. The systematic study done in that research indicated that TPB has been implemented in conjunction with tax legislation throughout the previous decade, notably in the areas of tax compliance and online tax filing. A total of nine studies were discovered that fit the requirements for that study and the authors undertook a systematic study to collect and assess available literature on the implementation of TPB in tax law during the previous 10 years. This strategy gives for a full grasp of how TPB has been applied in diverse research and circumstances. The study incorporated both deductive and inductive reasoning. Deduction includes beginning with a broad theory (TPB) and proving its application in particular circumstances connected to tax law. Induction, on the other hand and led by particular hypotheses intended at validating or disproving the employment of TPB in relation with tax legislation across various geographic areas. There are few limitations, the authors recognized limitations in their study, such as the concentration on papers published in English and within a certain time span (2010-2020). Jana, Bellová., Taťána, Špírková. (2021).

Byrne Kaulu (2021) conducted a study to Tax Evasion Intention using the Theory of Planned Behavior and the Mediation role of Taxpayer, the research identifies five important components of TEI based on the Theory of Planned Behavior (TPB). These include; Perceived Behavioral Control; How much control individuals think they have over their tax duties. Attitude: The personal views and attitudes concerning taxation. Subjective Norms; The perceived social limitations to comply with tax laws. The research contradicts the usual assumptions of mediation analysis as presented by Baron and Kenny. It contends that many of the standard preconditions for mediation are unneeded. The authors highlight that while the study delivers valuable insights, it is hampered by its cross-sectional data. They advise that future research should apply longitudinal data or experimental methodologies to better understand the dynamics of tax evasion intention and the role of egoism over time. The study employs a number of methodologies to analyze the determinants of tax evasion intention (TEI) and the mediation effect of taxpayer egoism. A total of 151 answers were received from participants. This sample size is employed to explore the connections between TEI, Measurement of Tax Evasion Intention (TEI); TEI is considered as both a composite variable for mediation analysis. The mediation analysis is undertaken utilizing bootstrapping techniques, which are emphasized as a more modern approach compared to earlier approaches. This investigation offers statistical evidence

for the mediating function of taxpayer egoism in the link between certain factors and TEI. The paper addressing the determinants Cross-Sectional Data; Therefore, this research depends on cross-sectional data, which represents a particular moment in time. This reduces the capacity to discern causal linkages or changes across time. The study is based on a sample of 151 replies. While this may give some insights, a bigger sample size might boost the reliability and generalizability of the results. The research underlines the mediating function of taxpayer egoism in the link between TEI and its determinants. While this emphasis is useful, it may ignore other psychological or social aspects that might equally impact tax evasion intention. Future investigation would benefit from comparing these new approaches with traditional procedures to validate the results as this paper criticizes established mediation analysis methodology, stating that many previous preconditions are superfluous with modern bootstrapping techniques. Byrne, Kaulu., Byrne, Kaulu. (2021).

Lixing Li, Kevin Zhengcheng Liu, Zhuo Nie, Tianyang Xi (2020) directed research VAT enforcement and payroll tax evasion. The study used methods are Instrumental Variable Estimation: The authors adopt an instrumental variable technique to quantify the effect of VAT enforcement on payroll tax evasion. The research explores how various kinds of enterprises react to VAT enforcement. It primarily focuses on tiny and cash-constrained private enterprises, claiming that these firms are more prone to participate in payroll tax fraud as a cost optimization approach. The research reveals that increasing enforcement of VAT strongly corresponds with a rise in payroll tax evasion. This shows that as the government escalates its attempts to collect VAT, enterprises may react by dodging payroll taxes as a way of cost management. The research underlines that the surge in payroll tax fraud is particularly visible among small and cash-constrained private firms. These firms are more prone to engage in tax avoidance as a method to optimize their expenses. The report stimulates future exploration into the dynamics of tax compliance across different forms of taxes and the elements that effect organizations' options to avoid taxes and the findings contribute to a greater knowledge of tax compliance, underscoring the significance of examining how enforcement in one area (like VAT) could spill over and impact compliance in another area (like payroll tax). Constraint, of the research specifically investigates the Chinese setting, notably the impacts of VAT enforcement subsequent to the 2005 abolition of the agricultural tax. The study examines payroll tax avoidance concerning VAT enforcement. This emphasis may restrict the applicability of the results to other nations or tax systems, since various countries may possess diverse enforcement procedures and economic situations. Also, in this research instrumental variable estimation to examine the effect of VAT enforcement on payroll tax evasion. It fails to examine the interaction between other kinds of tax evasion and VAT enforcement, as well as the variations in compliance patterns across other tax categories. This strategy may mitigate endogeneity concerns, contingent upon the validity of the used instruments. If the instruments lack complete correlation with the therapy (VAT enforcement), the findings may be biased or deceptive. Lixing, Li., Kevin, Zhengcheng, Liu., Zhuo, Nie., Tianyang, Xi. (2020).

Zareh Asatryan, David Gomtsyan (2020) lead a of impact of VAT Enforcement of the study which investigates the consequences of implementing VAT on big retailers in Armenia, concluding that there is a one-third passthrough of the tax burden onto prices. This illustrates that when VAT was introduced, the prices consumers paid increased, but not by the total amount of the tax, showing that some of the tax burden was absorbed by the merchants. One of the significant outcomes is that prior to enforcement, the avoidance of VAT allowed retailers to offer lower prices. This shows that buyers were indirectly gaining from the tax evasion, as they were paying less for things than they would have if the VAT had been totally enforced. The data finds of that research that households at the bottom of the income distribution gained more from the rents connected with VAT evasion. This implies that lower-income households were more reliant on the reduced costs that resulted from the evasion, making them big beneficiaries of the situation as well as that research mixes theoretical frameworks with real facts to explain the observed happenings. It delivers a deep understanding of how VAT evasion influences pricing and consumer behavior.

The authors implemented an empirical investigation to assess the passthrough of the tax burden on price. They noticed that there was a one-third passthrough rate, implying that when VAT was applied on big merchants, simply a portion of the tax burden was passed on to consumers in the form of increased prices. This method is critical for studying how tax enforcement effects pricing strategies of retailers and theoretical framework of the study gives a theoretical framework to explain the observed low passthrough rate. This idea tackles supply-chain consequences and the compliance responses of firms to VAT enforcement. That research focuses on a particular case study of Armenia, where a reform was made to apply VAT on previously non-compliant large shops. This case study technique offers for a complete examination of the ramifications of VAT enforcement in a real-world environment, offering important insights into the wider implications of tax policy. Geographical focus of the study is based on a particular context in Armenia, which may limit the generalizability of the findings to other countries or locations with different economic situations or VAT regimes. The special features of the Armenian market may not match the advances in other economies. While the article addresses the passthrough of VAT and its effect on consumers, it may not sufficiently analyze the bigger economic repercussions of VAT evasion, such as its effect on government revenue, public services, and general economic development. The empirical results are based on data from major stores, which may not reflect the behavior of smaller firms or informal sectors that also play a vital part in VAT evasion. This focus can lead to an unsatisfactory portrayal of the entire frequency of VAT evasion in the economy. The research suggests that buyers gain from reduced pricing thanks to VAT evasion, but it does not delve into how consumer behavior might evolve with increased compliance and the theoretical framework used to describe the passthrough rate and compliance responses may rely on certain assumptions that could oversimplify difficult market processes. That study focuses on a single reform timeframe, which may not account for long-term patterns or changes in consumer and company behavior over time. Zareh, Asatryan., David, Gomtsyan. (2020).

Made Arie Wahyuni, Putu Julianto (2019) led a study of The Examination of Tax Evasion Behavior of Tax Payers from The Perspective of Planned Behavior Theory that indicates the views of taxpayers regarding non-compliance considerably impact their intentions to participate in tax evasion. Specifically, a favorable attitude towards non-compliance leads to increased non-compliant behavioral intentions, which in turn influences real tax evasion behaviors. This link is both direct and indirect, showing the role of attitudes in affecting behavior. The research showed that low subjective standards do not directly impact tax evasion behavior. However, they do have an indirect influence via the purpose to cheat taxes. This implies that although social pressures may not directly promote tax evasion, they may alter intentions that lead to such perform also the desire to break tax rules does not have a substantial bearing on the actual conduct of tax evasion. This conclusion shows that other variables may play a more essential role in deciding whether people really participate in tax fraud, despite their objectives. The results demonstrate that poor perceived behavioral control has both direct and indirect consequences on tax evasion behavior. This suggests that when taxpayers believe they have less control over their capacity to comply with tax legislation, they are more inclined to participate in evasion activities, with intentions playing a mediating role. The study implemented a quantitative research approach, concentrating on investigating the correlations between numerous variables impacting tax evasion behavior. This technique allowed for the acquisition of numerical data that could be statistically examined and the basic information for this study was acquired using a questionnaire. This approach is useful for getting information on attitudes, beliefs, and actions linked to tax evasion from a large number of respondents. The population investigated by that research comprised of individual taxpayers, The sample size was obtained using the incidental sampling methodology, which is a non-probability sampling method. The acquired data were examined using multiple regression analysis. This statistical approach is used to investigate the link between one dependent variable and multiple independent factors, enabling the researchers to examine the influence of attitudes, subjective norms, and perceived behavioral control on tax evasion behavior. Made, Arie, Wahyuni., I, Putu, Julianto., Ni, Wayan, Yulianita, Dewi. (2019).

Zainol Bidin, Mohd Zainudin Othman, Shalihen Mohd Salleh (2015) conducted study of an investigation of local sale tax compliance which an application of theory of planned behavior that effectively demonstrates that the Theory of Planned Behavior may be used in the context of indirect taxation, notably local sales tax. This shows that the model is important for analyzing tax compliance habits in this region and the research indicated that an individual's attitude about local sales tax greatly influences their propensity to comply. A good attitude corresponds with a greater chance of compliance, indicating that encouraging pleasant ideas about tax duties might boost compliance rates. As well as subjective norms, which relate to the social pressures from referent groups (such business partners), were proven to strongly impact tax compliance intentions. This underscores the significance of social effects in molding taxpayer behavior. That study included ethics into the TPB framework, finding that ethical concerns also play a vital role

in influencing intentions to comply with local sales tax. This shows that improving ethical knowledge about tax duties might be advantageous also the findings encourage future researchers to examine external factors linked to perceived behavioral control, such as service quality and law enforcement, which may similarly impact compliance intentions. Confines of this study the research is limited to local sales tax compliance in Malaysia, which may not be generalizable to other nations or areas with different tax systems and cultural circumstances. The results may reflect distinct local attitudes and practices that may not apply elsewhere, also while the research included the sample may not completely reflect the larger community of taxpayers. The viewpoints of smaller enterprises or individual taxpayers, who may have different compliance reasons, are not included, although the research covers attitude, subjective norms, and ethics, it does not analyze other possible variables impacting tax compliance, such as economic situations, enforcement procedures, or taxpayer education. Zainol, Bidin., Mohd, Zainudin, Othman., Shalihen, Mohd, Salleh. (2015).

It is the responsibility of the National Board of Revenue (NBR) to undertake several reform steps for establishing a self-compliance tax environment in Bangladesh. In this strategy statement, we have laid out our vision for the future, as well as the path by which we will be able to achieve this goal. Supplementary duty is a predetermined rate of tax levied on those items which are imported or provided as luxury or scented. In addition, additional duty needs to be paid when any product is imported despite having items manufactured in the nation. 0 percent import level No extra duty on retail sale of powdered milk beyond 2.5 kg, Cooked pasta Fruit juice and fruit drink 10 percent, Ready to serve all types of burgers, sandwiches, chicken fries, French fries, 10 percent for hot dogs, pizza, 5 percent for mineral water (up to 3 liters), 25 percent for soft drinks and energy drinks, hand-made beedis without the aid of machines (filters removed), and hand-made beedis without the aid of machines (filters) Attached) Retail Price of 8 Shalakar Packet Taka 4, Retail Price of 12 Shalakar Packet Taka 6, Retail Price of 25 Shalakar Packet Taka 12.50, 30 percent of these situations. Beauty or cosmetic items and skin care products (other than pharmaceutical substances), sunscreen or sun tan products; Including hand, nail or foot cosmetics. Lip care goods, eye care products 10 percent,

Cosmetics for hands, nails or feet 10 per cent, Powders, whether or not pressed 10 per cent, Other 0 per cent, Hair care products : Shampoo 15 per cent, Hair permanently wavy or straightening Cosmetics Hair varnish, Other 10 per cent, Before shaving, goods for use during or after shaving, goods intended for reducing body odor and sweat (excluding scents) perfumed bath salts and other bath items, other articles for room deodorization (excluding incense sticks and similar things) Other These 10 percent, Cigarette Paper/Bidi Paper (whether or not trimmed to size or in the shape of booklets or tubes) 20 per cent, dull ceramic stone slabs and heating stones or wall tiles; Opaque ceramic mosaic cubes and similar objects, whether or not mounted on any substrate 15 per cent, Glazed ceramic stone slabs and heating stones or wall tiles; Glazed ceramic mosaic cubes and similar items, whether or not mounted on any substrate 15 per cent, 0

percent for ceramic sinks, basins, pedestal basins, commodes or portions thereof, pans of any sort and other bathroom fittings and fixtures, ceramic bathtubs and jacuzzis, showers, tray 20 per cent, 0 per cent for filament lights other than ultra-violet/infra-red lamps. Hotel: Only on such bills (10 per cent if done for one day in a year) if alcoholic drinks are given in the hotel during the provision of lodging, meals or beverages or any form of “floor show” is planned.

Restaurants: 10 per cent on all bills (even if for one day in a year) only if alcoholic drinks are offered in the restaurant or any form of “floor show” is planned during the delivery of meals or beverages, these are 05 percent of the services available via the usage of mobile phone SIM/RIM card solely. In case of cellular (Mobile/Fixed Wireless) telephone SIM (Subscriber's Identity Module-SIM) card or RIM (Removable User Identification Module-RUIM) card or any other similar card containing Microchip supply or Code Division Multiple Access (CDMA) each time except the said card for the same purpose.) or using any other comparable approach 35 percent, Film Exhibitors (Theatres) 0 percent, Organizers of entertainment and cultural events with foreign artists (excluding programs arranged with foreign artists covered under bilateral cultural exchange programs and mainstream foreign artists) 10 percent, satellite channel distributors 25 percent. National Board of Revenue (NBR)

Chapter Three

VAT OVERVIEW

3.1 Overview of VAT in Bangladesh:

Unlike other nations, the government has established a unified VAT system that enables customers to pay VAT at the moment they acquire products or services. Tax paid on inputs is credited/adjustable against output taxes. VAT plays an essential role in the revenue system of Bangladesh, significantly impacting the economy and fiscal health of the country. VAT is a type of indirect tax based on consumption which is paid on each transaction of goods and services, and acts as a significant source of income for the government which strengthens the country's financial base and enables the Bangladesh government to achieve its socioeconomic objectives. In 1991, services tax and most of the excise duties were replaced with VAT (Fisher 2024). VAT was introduced on July 10, 1991 with the Value Added Tax Act of 1991 and July 10 is celebrated as National VAT Day. Since Bangladesh is experiencing a rapid economic growth with effective sustainable development goals, it is imperative to manage and collect VAT efficiently. It serves as a tool not only to finance essential public services but also to advance the economic equity by widening the tax base across income brackets and sectors.

Exports are free from the payment of VAT. Turnover tax, which is leviable if an annual turnover is less than Taka 2 million, is leviable at a rate of 4 percent. A number of household products and services are susceptible to VAT. There are various exceptions to this tax. Supplementary Duty (SD) is imposed at local and import stage under the VAT Act, 1991. Tax returns have to be filed on a monthly, quarterly and half-yearly basis as mandated by the government. VAT is levied on goods and services at import stage, manufacturing, wholesale and retails levels, A common VAT rate of 15 percent is imposed for both goods and services. It has more advantages than disadvantages compared to other taxes, thereby making it a preferred tax in Bangladesh. As a consequence of the highly deficient tax structure prior to July 1991, tax evasion was prevalent among the wealthy in Bangladesh. Furthermore, the tax structure discriminated against exports and was biased towards inefficiency; the tax system was also inequitable, and allegations of corruption were prevalent.

Value Added Tax (VAT) is avoided by many people as VAT increases the prices of goods and services right away thus making regular consumer spending appears burdened on the household or monthly budget VAT, in contrast to income tax, is usually an immediate expense and always likely to contribute to the total of a transaction (people rarely see or aware of income tax directly since it is deducted before any paycheck is ever received), so it’s more overt and therefore perhaps more irksome. Many people already feel as if they are taxed on a number of fronts, so VAT can appear merely as an additional burden, especially for lower-income earners, who are disproportionately affected since they allocate a larger share of their income to goods and services subject to VAT. Rehana, Ismail. (2017).

Chapter Four

RESEARCH METHODOLOGY

4.1 Methodology of the Study:

VAT (Value Added Tax) evasion is a major financial and economic concern. It undermines government tax collection and imposes inequitable competitive pressure on lawful enterprises. Accurately identifying the reasons is crucial for preventing VAT evasion, achievable via appropriate research methodologies. Research Methodology refers to the methods, techniques, and framework used to conduct research. It is very important in research on VAT evasion because it can be used to identify the main causes of VAT evasion such as corruption, legal loopholes, taxpayer ignorance, or administrative weaknesses. In the Data collection and analysis, it is possible to understand the nature and extent of the problem through accurate data collection and analysis. Effective policies and strategies can be formulated based on the information collected through research methodology and it is possible to review the effectiveness of the existing VAT system and determine its shortcomings.

Document Review: The first part of the study looks at documents to find out how widespread VAT fraud is and what the research is about. This method helps record government programs, laws, rules, and the legal steps involved in providing VAT services.

Questionnaire Surveys: For both consumers and VAT, an organized inquiry is made and sent out. Most of the surveys are sent by email, and some can be filled out being self-administered.

Purposive Sampling: Purposive sampling is used to choose the people who will take part in the study, which makes sure that the information gained is useful for the research goals. About 20 surveys were sent to VAT payers, and they were contacted again to get their answers.

Data Analysis: The collected data is evaluated using Microsoft Excel, **SPSS**, Smart PLS where both qualitative and numeric data are sorted and recorded. The qualitative data gets theme analysis, while numeric data is organized for faster entry and analysis.

Statistical Tests: The study uses various statistical tests like descriptive statistics, **T- test** and

Regression Analysis using Microsoft Excel, **SPSS** and **Smart PLS** to analyze the data and draw findings based on the research goals.

4.2 Data Triangulation: To improve the dependability and validity of the results, the study uses data aggregation. This includes using multiple methods to gather data, which helps to balance the limits of each method and provides a more complete view of the problem.

Data triangulation is a research technique that involves using multiple data sources or methods to study a single phenomenon, increasing the credibility and reliability of findings. By comparing and cross-verifying information from different perspectives, researchers can reduce bias, identify inconsistencies, and develop a more comprehensive understanding of the research subject.

Types of Data Triangulation:

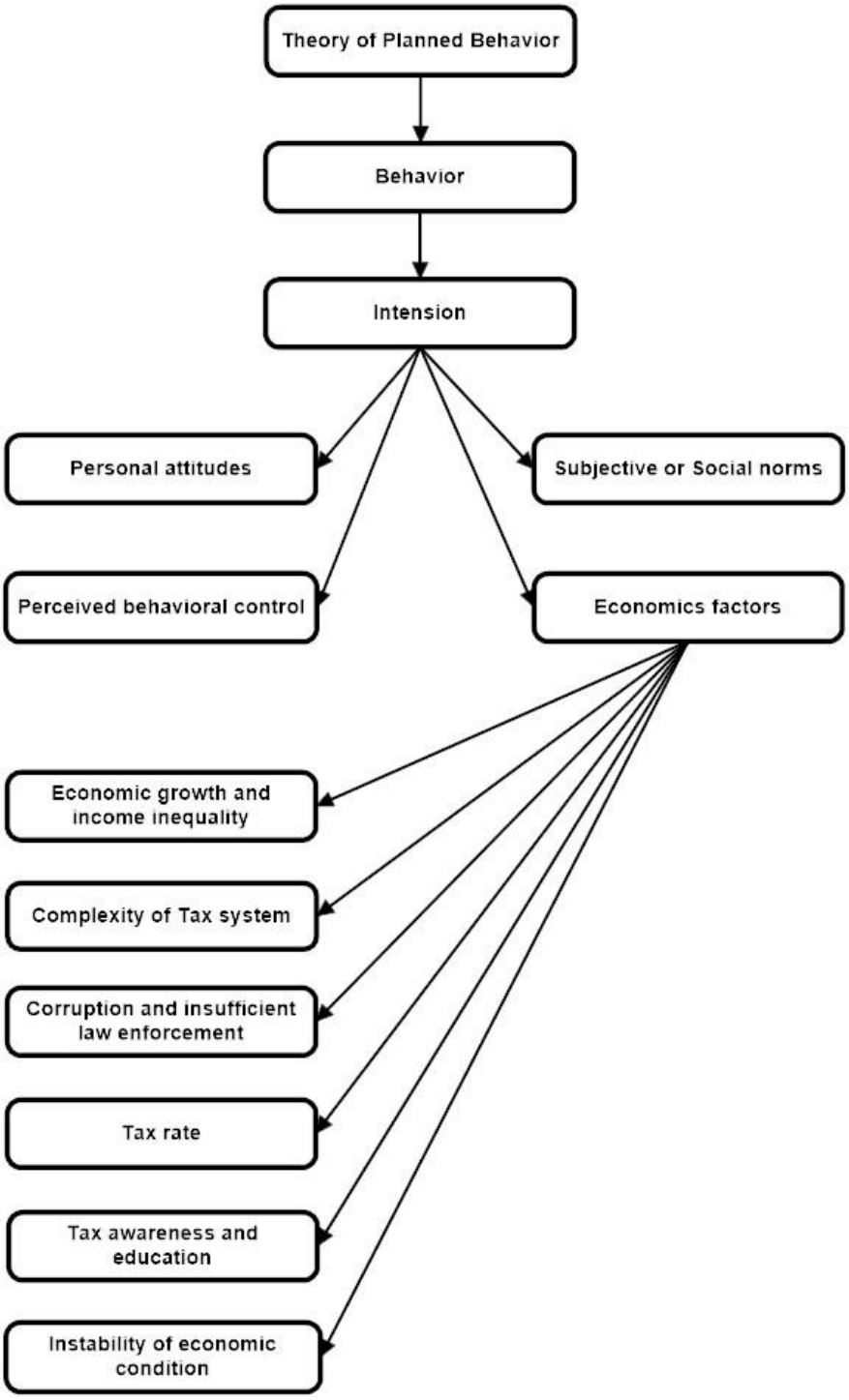
1. **Data Source Triangulation:** Collecting data from different groups, times, or locations to compare and confirm consistency.
2. **Investigator Triangulation:** Using multiple researchers to interpret data, minimizing individual biases.
3. **Theory Triangulation:** Applying different theoretical frameworks to analyze data, helping to reveal multiple layers of interpretation.
4. **Methodological Triangulation:** Using multiple methods, like surveys, interviews, and observations, to gather data about the same phenomenon.

Data triangulation is often used in qualitative research to strengthen findings and produce a more nuanced and validated interpretation.

4.3 Questionnaire:

This study used a qualitative method to fulfill the specified research goals (Creswell, 2015). Data acquisition via adapt questionnaire Surveys. Data was gathered using online questionnaire questionnaires. The participants in this research were individual taxpayers in Bangladesh. Out of the Participants 120 responders, 36 items were deemed legitimate and processed as questionnaire. In PLS-SEM applications, sample size becomes a significant issue. According to a frequently cited assertion, PLS-SEM performs well with small sample sizes (Hair et al., 2012).

4.4 Theory of Planned Behavior:



Economics Factors: In examining the economic aspects affecting VAT evasion, the following key issues will be particularly significant.

Economic growth and income inequality: In our country economy is experiencing challenges at numerous fronts, such as growing inflation, a balance of payment deficit combined with budget deficit, dwindling foreign exchange reserves, contraction in remittances, a sinking currency, rising income disparity and the demand supply mismatch in the energy sector.

- **Economic Growth**: High economic growth often boosts tax collection, as people's buying power and consumption grows. However, in the presence of significant economic disparity, individuals with low incomes or small enterprises may seek to evade VAT. Because, the tax burden is larger for them.

- **Income disparity**: In our country elevated income disparity often exacerbates the prevalence of tax evasion. Affluent individuals may evade taxes by using loopholes in the tax system, but impoverished individuals or small company owners lack such chances.

Complexity of Tax system: Reforming Bangladesh's Tax system involves considerable political economic challenges. While there is a need to modify policies, rules, and regulations associated to taxes, equally vital is implementing organizational reform of the National Board of Revenue (NBR), especially separating its policy creation and implementation functions.

- **Convoluted Tax Structure**: If the VAT system is excessively convoluted or its calculating process is cumbersome, dealers are incentivized to avoid taxes. Because, amid this complexity, paying taxes may be complicated and time consuming.

- **Compliance cost**: If the cost of complying with the tax requirements, such as accounting, bookkeeping, etc., is excessive, the businesses strive to avoid tax.

Corruption and insufficient law enforcement: Every year we see, the Bangladeshi government not accomplishes the objective that is set for revenue collection and later on the aim is reassessed and lowered down. Corruption and insufficient law enforcement behind the one major reason. On the other hand, operating expenses are increasing every year. When corruption in the government is rampant, businesses are able to escape Taxes by bribery or other ways. Corruption impairs the revenue collecting system and enables evasion.

- **Weakness of law enforcement**: If the law enforcement for VAT collection is inadequate or there is insufficient monitoring, merchants have additional options to avoid VAT.

Tax rate: The Harmonized Taxation System, also known as VAT, became popular due to its fundamental advantage of harmonizing the tax structure. It leaves little space for interpretation. Under VAT, there should be no more than one fundamental rate. However, usually VAT entails reducing the number of tax slabs/rates, resulting to a reduction in litigation. It is essential to understand that value-added tax (VAT) is an assessment made against companies at every step of the manufacturing and distribution process, generally when a product is resold or when value is added to it. A VAT is paid on the difference between the acquisition cost of an item and the price at which it may be sold. VAT is a multi-point tax system but without the consequence of double taxation.

- **High tax rate**: When the VAT rate is too high, many traders are incentivized to dodge tax. Because, high taxes lead to higher costs of goods, which may create issues in terms of competition in the market.
- **Countries with comparatively low taxes**: If the country has higher tax rates than adjacent countries, traders may try to dodge taxes by smuggling or importing goods in other methods.

Tax awareness and education: The NBR and local VAT offices are not telling us enough about the VAT Law. We do not know about our obligations and the new items concerning the VAT Law. A Taxpayer who believes taxes are unfair is more likely to avoid them, which mean Taxpayers who perceive the burden of taxes as unjust are more likely to avoid. as opposed to the non-compliant participants, to be honest, the VAT legislation is changing extremely regularly, thus it is hard for us to follow changes. If the VAT authorities does not tell us sufficiently about the changes in the VAT, we aim to comply with the VAT Law but the communication gap between taxpayers and the VAT offices makes us accidentally non-compliant

Andreoni, J., Erard, B., and Feinstein, J. (1998). Tax compliance. Journal of Economic Literature. 36, 818-860. Kirchler, above n27, at 87.

- **Lack of knowledge**: If people lack information about taxes, they do not attach much importance to paying taxes or do not see tax evasion as criminal.

- **Education**: In general, if taxpayers lack education and knowledge on the benefits of paying taxes, they are more prone to tax evasion.

Instability of economic condition: In 2023, Bangladesh witnessed the most macroeconomic instability in recent years. While until 2019, the country was viewed as a solid illustration of financial stability, the Covid-19 outbreak produced a big scar in 2020 and 2021. While the economy went through a recovery process in late 2021 and early 2022, the crisis in Ukraine and subsequent global supply shock generated domestic macroeconomic instability, which remains.

- **Unstable Economy**: At a crossroads to upper middle income, Bangladesh confronts interconnected problems in the near and medium years. Bangladesh's economic progress during the previous decade has encountered considerable obstacles in recent years. During economic crisis or recession many businesses or organizations strive to cheat taxes to live, since their revenue declines and try to reduce expenditures to survive.

- **Economic Crisis**: The crisis has damaged the economy in different avenues, when there is an economic crisis or recession in the nation, regular people and businesspeople demonstrate unwillingness to pay taxes.

Chapter Five

HYPOTHESIS

5.1 Hypothesis:

There is significance relationship between Personal Attitude, Subjective Norms, Perceived behavioral control and Intension to VAT evasion.

After test using statistical equation then it will show out hypothesis either it is true or false

The results of Hypothesis Testing:

Table 1. Total Effects in Hypothesis Testing

Hypothesis and Path		Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
H1	BI --> AB	0.399	0.393	0.108	3.695	0
H2	PA --> AB	0.199	0.199	0.114	1.737	0.083
H3	PA --> BI	-0.074	-0.059	0.118	0.627	0.531
H4	PBC --> AB	-0.025	-0.008	0.094	0.264	0.792
H5	PBC --> BI	0.299	0.312	0.103	2.913	0.004
H6	SN --> AB	-0.023	-0.017	0.132	0.175	0.861
H7	SN --> BI	0.447	0.445	0.125	3.568	0

H1, H5, and H7 are significant

H2, H3, H4, and H6 are not significant

These results show that there is a significant relationship between some variables, while no effect was found for others.

Hypothesis and Path: The possible relationship between each hypothesis.

Original Sample: The value obtained from the original sample.

Sample Mean: The average value of the sample.

Standard Deviation: The degree of dispersion of the data.

T Statistics: The value of the test statistic, which tests the null hypothesis.

P Values: P-values, which indicate significance. If the p-value is ≤ 0.05, the hypothesis is considered significant.

H1: BI → AB	**T Statistics**: 3.695 **P Value**: 0.000 P≤0.05, therefore H1 is direct effect and significant. That is, there is a significant influence from BI (Behavioral Intention) to AB (Actual Behavior).
H2: PA → AB	**T Statistics**: 1.737 **P Value**: 0.083 P >0.05, therefore H2 is not mediating effect and not significant. That is, there is no significant effect from PA (Perceived Attitude) on AB (Actual Behavior).
H3: PA → BI	**T Statistics**: 0.627 **P Value**: 0.531 P >0.05, therefore H3 is not mediating effect and not significant. That is, there is no significant effect from PA (Perceived Attitude) on BI (Behavioral Intention).
H4: PBC → AB	**T Statistics**: 0.264 **P Value**: 0.792 P >0.05, therefore H4 is not mediating effect and not significant. That is, there is no significant effect from PBC (Perceived Behavioral Control) on AB (Actual Behavior).
H5: PBC → BI	**T Statistics**: 2.913 **P Value**: 0.004 P≤0.05, therefore H5 is direct effect and significant. That is, there is a significant influence from PBC (Perceived Behavioral Control) to BI (Behavioral Intention).
H6: SN → AB	**T Statistics**: 0.175 **P Value**: 0.861 P >0.05, therefore H6 is not mediating effect and not significant. That is, there is no significant effect from SN (Subjective Norms) on AB (Actual Behavior).
H7: SN → BI	**T Statistics**: 3.568 **P Value**: 0.000 P≤0.05, therefore H7 is direct effect and significant. That is, there is a significant influence from SN (Subjective Norms) to BI (Behavioral Intention).

Figure 1. T-Statistic Value in Path Analysis with Bootstrapping Algorithm

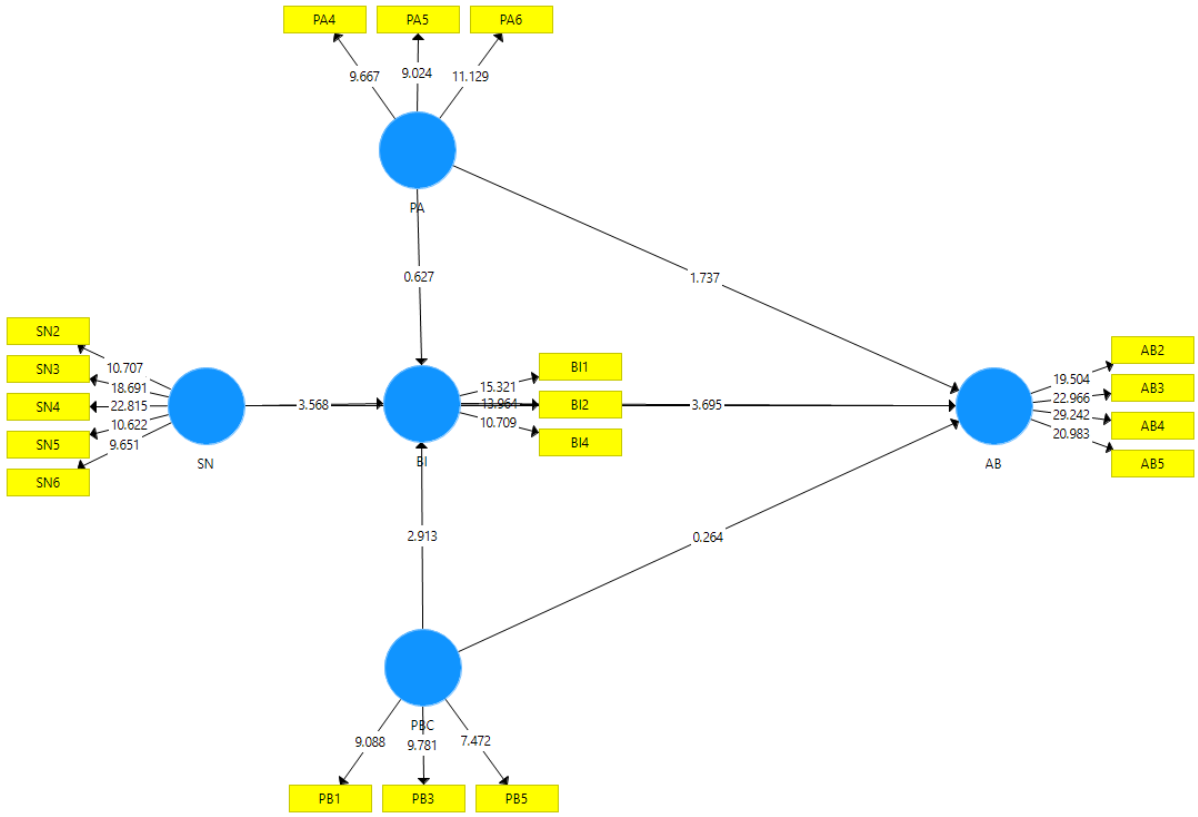


Table 2. Model Fit Test Results

	Saturated Model	Estimated Model
SRMR	0.09	0.09
d_ULS	1.375	1.375
d_G	0.449	0.449
Chi-Square	310.108	310.108
NFI	0.67	0.67

Source: Prepared by Author

SRMR (Standardized Root Mean Square Residual), d_ULS (Unweighted Least Squares Discrepancy), d_G (Geodesic Discrepancy), NFI (Normed Fit Index), and Chi-Square results, it is first necessary to analyze the criteria and research relevance. d_ULS and d_G measure how well our model reproduces the data by comparing the implied and empirical correlation matrices. SRMR, The SRMR value is 0.09, which is a measure of the goodness of fit of the model. Typically, a model is considered to have a good fit if the SRMR value is 0.08 or below. Since our SRMR value is 0.09, it is close to an acceptable fit, but may need some improvement. d_ULS, the d_ULS value is 1.375. The d_ULS is typically used to test the validity of a model. A lower value indicates the consistency of the model. Our results may be slightly higher and may require model refinement. d_G, the d_G value is 0.449. The d_G value is used to test the overall fit of the model. It is typically considered to have a good fit if it shows a low value. our results are relatively average, indicating that some refinement of the model may be needed. NFI, The NFI

value is 0.67. The NFI (Normed Fit Index) is typically 0.90 or above, indicating a good fit. Since our result is 0.67, it indicates a poor fit of the model. Chi-Square, The Chi-Square value is 310.108. This measure is used to determine the fit of the model, and generally, lower Chi-Square values indicate better fit. However, it is very sensitive to sample size. Therefore, the Chi-Square value should be interpreted in conjunction with SRMR, NFI, and other indicators.

SRMR (Standardized Root Mean Square Residual)

Hu, L. T., & Bentler, P. M. (1999). "Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives." *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1–55.

Cutoff Value:

- **Acceptable Fit:** ≤ 0.08
- **Good Fit:** ≤ 0.05

d_ULS (Unweighted Least Squares Discrepancy)

Schermelleh-Engel, K., Moosbrugger, H., & Müller, H. (2003). "Evaluating the fit of structural equation models: Tests of significance and descriptive goodness-of-fit measures." *Methods of Psychological Research Online*, 8(2), 23–74.

Cutoff Value:

- There is no universally accepted cutoff value for dULSd_{ULS}dULS. Instead, the value should be relatively small compared to the baseline discrepancy.
- Evaluate based on specific simulation or theoretical model justification.

dG (Geodesic Distance)

Schermelleh-Engel, K., Moosbrugger, H., & Müller, H. (2003). "Evaluating the fit of structural equation models: Tests of significance and descriptive goodness-of-fit measures." *Methods of Psychological Research Online*, 8(2), 23–74

Cutoff Value:

- Similar to dULSd_{ULS}dULS, there is no strict cutoff. The value should be minimized for good model fit.
- Use in combination with other fit indices.

NFI (Normed Fit Index)

Bentler, P. M., & Bonett, D. G. (1980). "Significance tests and goodness of fit in the analysis of covariance structures." *Psychological Bulletin*, 88(3), 588–606.

Cutoff Value:

- **Acceptable Fit:** ≥ 0.90
- **Good Fit:** ≥ 0.95

Chi-Square (χ2\chi^2χ2)

Kline, R. B. (2016). *Principles and practice of structural equation modeling* (4th ed.). Guilford Press.

Cutoff Value:

- Chi-Square value should ideally be non-significant ($p > 0.05$); however, in large samples, it is often significant.
- Evaluate using the Chi-Square/df (CMIN/DF) ratio:
  - **Acceptable Fit**: ≤ 3
  - **Good Fit**: ≤ 2

5.2 Descriptive Statistics Analysis of The Study:

According to our survey, under personal attitudes, "Paying VAT is essential for the development of government infrastructure and services, PA1" 55.8% of respondents agreed with this question. Among them, the participation of men was higher, which was 68% of the total respondents who agreed. On the other hand, the rate of women who agreed was 32%. It is clear from these data that men have a more positive attitude towards the need to pay VAT than women. The survey indicates that the idea of developing government services and infrastructure through paying VAT is gaining support among a significant segment of the population. The survey results indicate that there is a good level of awareness about the need to pay VAT, especially among men. Men are more positive about the importance of paying VAT than women. The gender differences in public attitudes towards such fiscal policies could be an important area of research. These results could be helpful in formulating government policies, such as gender-sensitive awareness campaigns and more effectively promoting the transparency and benefits of the VAT system to the public.

61.7% of participants agreed with the statement, "I consider paying VAT to be a demonstration of good citizenship, PA2" This indicates that most respondents have a positive view of the social and civic responsibility of paying VAT. 30.8% of participants disagreed and 30.8% did not provide an opinion on the question “VAT avoidance helps me save money, PA6”. This data suggests that a significant number of participants do not associate financial savings with VAT avoidance. In addition, the high rate of non-opinions indicates that many may have been undecided on this issue and 36.7% of participants did not provide an opinion on the question. “The current VAT system is fair and just, PA9”, while 26.7% agreed. This suggests that a significant number of people are uncertain or indifferent about the current VAT system. On the other hand, the relatively low number of participants who agreed suggests that a clear positive experience or support for the VAT system has not yet developed. Analyzing the data obtained from this survey, it can be said that the views of citizens towards the VAT system are mixed. Most citizens are aware of the social responsibility of paying VAT and there are ambiguous opinions on the financial benefits of avoiding VAT.

According to query 'Everyone in my community pays cash without asking for a receipt, so I do the same, SN1', 38.3% of the participants agreed. This indicates that a large proportion follow this practice due to community influence. On the other hand, 22.5% of the participants took a neutral stance on the issue. This suggests that a relationship exists between personal and social habits. However, a significant number of participants (about 39.2%) may not adhere to or agree with this trend. To the question 'My friends think it is wise to negotiate a discount instead of paying VAT, SN2', 33.3% of participants agreed and 28.3% of participants did not give any opinion. This suggests that about one-third of participants agreed with their friends' opinions when discussing discounts. However, a significant proportion took a neutral position, indicating that this practice is not universal. To the query 'Like other people, I feel pressured to pay VAT because I don't want to pay VAT after taxes, SN4', 34.2% of participants agreed and 37.5% of participants took a neutral position, these results suggest that feeling pressured to pay VAT is a

common problem. Many participants may be unhappy about paying additional VAT due to their income tax or other expenses. However, the high percentage of those taking a neutral position indicates that not everyone agrees with this sentiment. Regarding the inquiry 'hoping to find ways to avoid additional costs such as VAT, SN6', 30.8% of participants agreed and 38.3% of participants did not give any opinion. This indicates that about one-third of the participants are aware of avoiding extra costs. However, a large proportion (38.3%) took a neutral position, suggesting that they may not have formed a clear opinion on the issue. The findings of this survey indicate a correlation between personal and societal factors affecting VAT and cash transactions, attitudes towards VAT payment under financial strain, and efforts to evade supplementary expenses. A variety of viewpoints was noted among the participants, emphasizing their distinct perspectives on these matters. This facilitates chances for further study to get a more profound comprehension of the participants' behaviors and perspectives.

About the inquiry "I can easily avoid paying VAT by paying in cash and not requesting a receipt, PB1" no opinion: 30.8% and disagree 32.5% these results indicate that a significant portion of participants took a neutral position on the issue, while more than a third disagreed. and "VAT is harder to avoid when the seller insists on issuing a correct invoice, PB2" 55.8% participants agreed, 29.2% of participants did not give any opinion, this data suggests that most participants believe that the seller's emphasis on correct invoices makes VAT avoidance more difficult. However, about a third are neutral on the issue. According to query "VAT avoidance is challenging for me because most of my purchases are from large, regulated businesses, PB4" 45.8% participants are agreed and 35.8% participants did not give any opinion, about half of the participants in this question agreed that purchasing from large, regulated businesses makes VAT avoidance challenging. At the same time, a significant number of participants were neutral on the issue. Based on this query "I don't think I have the ability to track whether VAT is included in every price I pay, PB6" 46.7% participants agreed and 37.5% participants did not give any opinion, so based on this question, it is known that almost half of the participants think they do not have the ability to track VAT. At the same time, a significant number of participants did not give any opinion on this issue. The survey participants' opinions show that a significant proportion of participants were neutral on most of the questions under 'Perceived Behavior Control'. However, a large proportion agreed on several issues. In particular, the insistence of sellers to issue correct invoices and purchasing with large businesses can make VAT avoidance challenging. The study results highlight the need to improve VAT awareness and control systems.

Survey analysis on behavioral intentions related to VAT payment, where 68% of the participants were male and 32% were female, I mentioned earlier that examined their behavior and intentions related to VAT payment. “Intention to avoid paying VAT by negotiating cash payments, BI1” 32.5% of the participants did not give any opinion on this issue and 34.2% disagreed. This data suggests that most of the participants are not positive about negotiating cash payments to avoid paying VAT. “Intention to comply with VAT regulations in the next financial year, BI3” 49.2% of the participants agreed on this issue 34.2% did not give any opinion, this indicates that a large

portion of the participants are interested in complying with VAT regulations. However, a significant number of participants are still neutral on this issue. “Thoughts to avoid if VAT rate increases, BI4” 30.0% of participants agreed, 43.3% did not give any opinion and 15.8% disagreed. This data suggests that a portion of participants may consider avoiding an increase in VAT rates, but the majority did not give a specific opinion on this issue. About the inquiry “Confidence to comply with VAT regulations despite financial pressure, BI6” 43.3% of participants agreed with this and 41.7% did not give any opinion. This means that almost half of the participants are confident to comply with VAT regulations despite financial pressure, but a large portion are neutral. Willingness to learn new technologies to simplify the VAT payment process, BI7” 55.8% of participants agreed, 29.2% did not give any opinion, this result suggests that most of the participants are interested in learning new technologies to simplify the VAT payment process. The study findings indicate that most participants want to simplify the VAT payment procedure and adhere to legislation. A significant number of participants expressed neutral thoughts on some issues, suggesting a need for more knowledge and information on this problem.

According to our survey, under personal attitudes Actual Behavior "I request a cash discount from the seller to compensate for the VAT burden, AB1" Agreed participants 39.2%, did not give any opinion 34.2% and 21.7% may not adhere to or agree with this trend, about 40% of the participants agreed with this question. This indicates that most participants tend to ask for cash discounts from sellers to understand VAT. However, 34.2% were neutral and 21.7% disagreed, which shows that this behavior is not acceptable among many. To the question "I refuse to receive a receipt or invoice to avoid VAT, AB2" 20.8% Participant agreed, 30.8% did not give any opinion and 40.0% Disagreed, most participants (40.0%) do not support the method of avoiding VAT by not receiving invoices. This shows that the tendency to refuse to receive receipts or invoices to avoid VAT is relatively low. From the question "I request the seller to avoid VAT at the time of purchase, AB3" 21.7% of participants agreed, 30.0% did not give any opinion and 41.7% of participants not agreed, 41.7% of participants do not directly request the seller to avoid VAT. However, 21.7% have a tendency to do so, which is significant but relatively low. "I offer tips to vendors instead of paying VAT, AB4" agreed participants 21.7% and no opinion participants 28.3% Disagreed 35.8% about a quarter of the participants support this method, while more than a third do not, indicating that the tendency to avoid VAT through alternative means is relatively low. "I request a fake/handwritten invoice to avoid VAT, AB5" 20.0% participants agreed, 23.3% did not give any opinion and disagreed 35.0% the tendency to ask for fake or handwritten invoices to evade VAT is minimal. This suggests that unethical behaviors concerning VAT are often discouraged among participants. The survey data shows that although participants exhibit various VAT avoidance behaviors, the tendency to support it is fairly low. Most participants did not agree with the direct methods of VAT avoidance. The tendency to give neutral opinions is also high, which indicates that many are hesitant to give opinions on VAT-related issues and among those who agreed, there is a tendency to request cash discounts and avoid VAT through alternative methods, to some extent. *See Appendix*

5.3 Construct Reliability and Validity:

In this study construct validity examines the accuracy or validity of a measurement. It ensures that the characteristic or construct that is being measured is actually being measured and internal reliability of data, in simple terms, it refers to how accurately the measurement criterion or tool measures it. In our Study Construct Reliability and Validity Smart-PLS version 3.2.9 is used for data processing in order to analyze and measure the validity and reliability of research variables, Table 3. shows that all Cronbach's Alpha values > 0.7, and Composite Reliability values > 0.7. Except (BI) 0.678 and (PB) 0.589 The results show that all variables used in this study are valid and reliable. Assess the validity and reliability of study variables by examining the values of Cronbach's Alpha, Composite Reliability and Average Variance Extracted (AVE) results as follows

Table 3. Outer Model Test Results

Research Variables	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Actual Behavior (AB)	0.880	0.896	0.917	0.734
Behavioral Intention (BI)	0.678	0.677	0.823	0.608
Personal Attitudes (PA)	0.700	0.699	0.833	0.625
Perceived Behavioral Control (PB)	0.589	0.587	0.784	0.548
Subjective Norms (SN)	0.798	0.814	0.860	0.552

Source: Prepared by Author

5.3.1 Cronbach's Alpha Test: Table 3. shows that Actual Behavior (AB) 0.880, This is a very good Cronbach's Alpha. Above 0.80 means that the scale has good internal reliability. This indicates that our scale is very reliable and consistent in the way it measures actual behavior. Behavioral Intention (BI) 0.678, This is somewhat in the range (0.60-0.70). This means that although this scale is somewhat reliable, there may be some room for improvement. Personal Attitudes (PA) 0.700, This is a fairly good result. 0.70 means that the scale is measuring Personal Attitudes quite well, but further improvements can be made to ensure high reliability. Subjective Norms (SN) 0.798, This is a very good result. Being above 0.70 means that the scale is reliable and is accurately measuring Subjective Norms.

5.3.2 Cronbach's alpha Test in SPSS:

Scale: All Variables

Case Processing Summary			
		N	%
Cases	Valid	120	100.0
	Excluded[a]	0	0
	Total	120	100.0
[a] Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.845	36

Source: Prepared by Author

The Cronbach's Alpha value of 0.845 in our study indicates a good level of internal consistency. Generally, a Cronbach's Alpha value of 0.7 or higher is generally acceptable and indicates a high level of consistency or reliability in the measured data. Our study used 36 items, and a high Alpha value (0.845) on such a large scale indicates that our instrument or questionnaire is measuring the results fairly accurately and consistently. Here are some important aspects:

Good consistency: A value of 0.845 usually indicates good or very good consistency. This proves that there is a high level of correlation between our items.

Number of items: The number of 36 items is large enough, which helps to provide more stable results in terms of consistency.

Reliability: This result proves that the instrument (questionnaire/scales) we used is quite reliable, but there may still be some room for improvement. If the Alpha value were 0.9 or higher, it would be even better, but 0.845 is still perfectly acceptable.

The Cronbach's Alpha = 0.845 found for the 36 items in our study is a very good reliability and internal consistency index. This supports the validity and reliability of the measuring instrument used in our study, but if further improvement is needed, some items can be reviewed.

5.3.3 Composite Reliability Test:

Composite Reliability (CR) is a statistical measure that tests the internal reliability of a scale or measure. It is usually used to test the internal consistency of a measure's construct by multiple indicators. The value of CR usually ranges from 0 to 1. For a good model or scale, the value of CR should be 0.7 or higher. This indicates that the scale is sufficiently reliable and is measuring what it is intended to measure. Fornell, C., & Larcker, D. F. (1981), Hair, J. F., et al. (2017)

CR value range and acceptability

0.7 to 0.8	This is generally considered a moderate value
0.8 to 0.9	This is considered a good value
0.9 or higher	This is considered very good or truly reliable

In Table 3. Present that the Composite Reliability (CR) results for our research are very good and demonstrate the scalability and reliability of our model. Actual Behavior (AB) = 0.917: This value is very high and indicates that the measurement of "Actual Behavior" in our model is very reliable. This provides strong evidence for the model and confirms the validity and reliability of the study. Behavioral Intention (BI) = 0.823: This result is also good, although it is a bit low, it is still acceptable. Values above 0.8 are generally considered strong enough. This result indicates that our model is reliable and verifiable enough to measure "Behavioral Intention". Personal Attitudes (PA) = 0.833: This value is good, which indicates that the measurement of "Personal Attitudes" is quite reliable. This further strengthens the validity of the model. Perceived Behavioral Control (PB) = 0.784: This result is relatively low, but it is still considered to be scalable. A value of 0.7 or above is considered to be fairly acceptable for a model, although there may be some room for improvement in the future. Subjective Norms (SN) = 0.860: This value is very good and indicates that the measurement of "Subjective Norms" is highly reliable and valid. Overall, the Composite Reliability results of our model are very satisfactory and demonstrate the reliability and validity of the measurements of the scales used in the study. Overall, our model would be considered robust and suitable for the study.

5.3.4 Average Variance Extracted (AVE) Test:

Average Variance Extracted (AVE) is a measure used to assess the structural validity and accuracy of a model or statistical analysis. It is particularly related to construct validity. An acceptable value for AVE should generally be 0.50 or higher. This means that the average variance of a structural component or measure should be 50% or higher for it to have sufficient validity. This theoretically means that the average variance of a single construct or feature of a measurement should be 50% or higher for the construct to be valid. Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017), Fornell, C., & Larcker, D. F. (1981)

Table 3. shows that Average Variance Extracted (AVE is basically a measure that indicates how much variance in a single latent variable (such as AB, BI, PA, etc.) is explained by its indicators. In general, if a variable's AVE is 0.50 or higher, it is considered a good measure. Actual Behavior (AB) 0.734, The AVE value of AB is 0.734 which is quite good as it is more than 0.50 and indicates that the indicators of AB are explaining this latent variable quite effectively. This is a strong and reliable measure for our research. Behavioral Intention (BI) 0.608, The AVE of BI is 0.608 which is above 0.50 and it means that the indicators of this variable are also explaining a considerable amount of variance. This is a moderately strong result and a good explanation can be obtained from this measure. Personal Attitudes (PA) 0.625, The AVE of PA is 0.625 which is quite good and indicates that the indicators of PA are explaining enough variance. This will serve as a reliable and accurate measure in research. Perceived Behavioral Control (PB) 0.548, The AVE of PB is 0.548 which is above 0.50 and indicates that the indicators of this variable are explaining the variance somewhat well, but it is relatively less powerful and Subjective Norms (SN) 0.552, SN has an AVE of 0.552, which is still above 0.50, but it is very marginal. The indicators for this variable explain a fair amount of variance, but its statistics are a little less robust than some of the other variables. The AVE results of our study are quite good and are mostly above 0.50, which indicates that the indicators are robust and measuring well for most of the latent variables. However, the AVE for PB and SN are relatively low, which may require some more attention and improvement. Some scales have good Cronbach alpha (AB, SN), but some scales (PB) have low Cronbach alpha.

5.3.5 Discriminant Validity Test:

Table 4. shows that Discriminant Validity Results

Research Variables	AB	BI	PA	PBC	SN
AB	0.857				
BI	0.437	0.780			
PA	0.309	0.340	0.791		
PBC	0.243	0.503	0.388	0.740	
SN	0.318	0.561	0.659	0.520	0.743

Source: Prepared by Author

Using the Fornell-Larcker Criterion, the diagonal values in the Table 4 (AB = 0.857) indicate the Square Root of Average Variance Extracted (AVE) for each variable. These values must be higher than the correlations of the variable with other variables. As can be seen in the Table 4, the diagonal value of each variable is higher than the other values in their same column and row. This indicates that Discriminant Validity is confirmed. Relationship between variables as follows

AB and BI: The correlation value is 0.437, which indicates a moderate relationship.

PA and PBC: The correlation value is 0.388, which indicates a relatively weak relationship.

SN and BI: The correlation value is 0.561, which indicates a moderate-strong relationship.

None of these correlations is extremely high, which is another indicator of Discriminant Validity.

Since each variable's own AVE (diagonal value) is higher than their mutual correlation values, it is a good indicator of Discriminant Validity. This result indicates that each variable is representing different and specific qualities separately.

In our study this result is very positive for our research. With Discriminant Validity confirmed, we can conduct a deeper analysis of the relationships between these variables and their effects. The causal relationship between these variables can be examined through Structural Equation Modeling (SEM) or Path Analysis. Based on the results of our research, it is certain that our model is credible and has passed the Discriminant Validity test.

5.3.6 R ² Value Test:

Reliability and validity are principles used to assess the quality of research. Reliability and validity are crucial factors to consider when developing on research design, preparing the methodologies, and reporting all findings, particularly in quantitative research. They demonstrate the efficacy of a method, methodology, or test in quantifying a certain variable. Reliability pertains to the consistency of a measurement, whereas validity concerns the correctness of a measurement. Missing this might result in many forms of study bias and significantly impact the work. Table 5. shows that all in our Study R ² Value

Table 5. R ² Value

	R Square	R Square Adjusted
BI	0.379	0.363
AB	0.221	0.194

Source: Prepared by Author

The assessment of the R-squared value aims to evaluate the predictive strength of the structural model, the reasoning of these researchers implies that the R^2 value is an essential measure of the efficacy or capacity of a model to explain variance, which is a representation of the number of structural variables that form the research model. In our study Behavioral Intention BI value of 0.379 is highly significant, and 0.221 is Moderate, that indicates our independent variable(s) explain the variation in the dependent variable.

R-squared (R2) is defined as a number showing how well the independent variable(s) in a statistical model explains the variation in the dependent variable. Cohen provides a threshold for determining the effect size of R^2 from a general perspective. These thresholds describe the extent to which a model is able to explain variation in a range of research tasks. They are commonly used in social science and psychological research.

Cohen 1988	
R2 < 0.02	Very weak
0.02 <= R2 < 0.13	Weak
0.13 <= R2 < 0.26	Moderate
R2 >= 0.26	Substantial

Chin and colleagues evaluated the value of R^2 in structural equation modeling (SEM). According to them, If the value of R^2 is 0.67 or higher, it indicates substantial explanatory power of the model. This perspective is used to judge the overall effectiveness and reliability of the model.

Chin et al. (1998)	
R2 < 0.19	Very weak
0.19 <= R2 < 0.33	Weak
0.33 <= R2 < 0.67	Moderate
R2 >= 0.67	Substantial

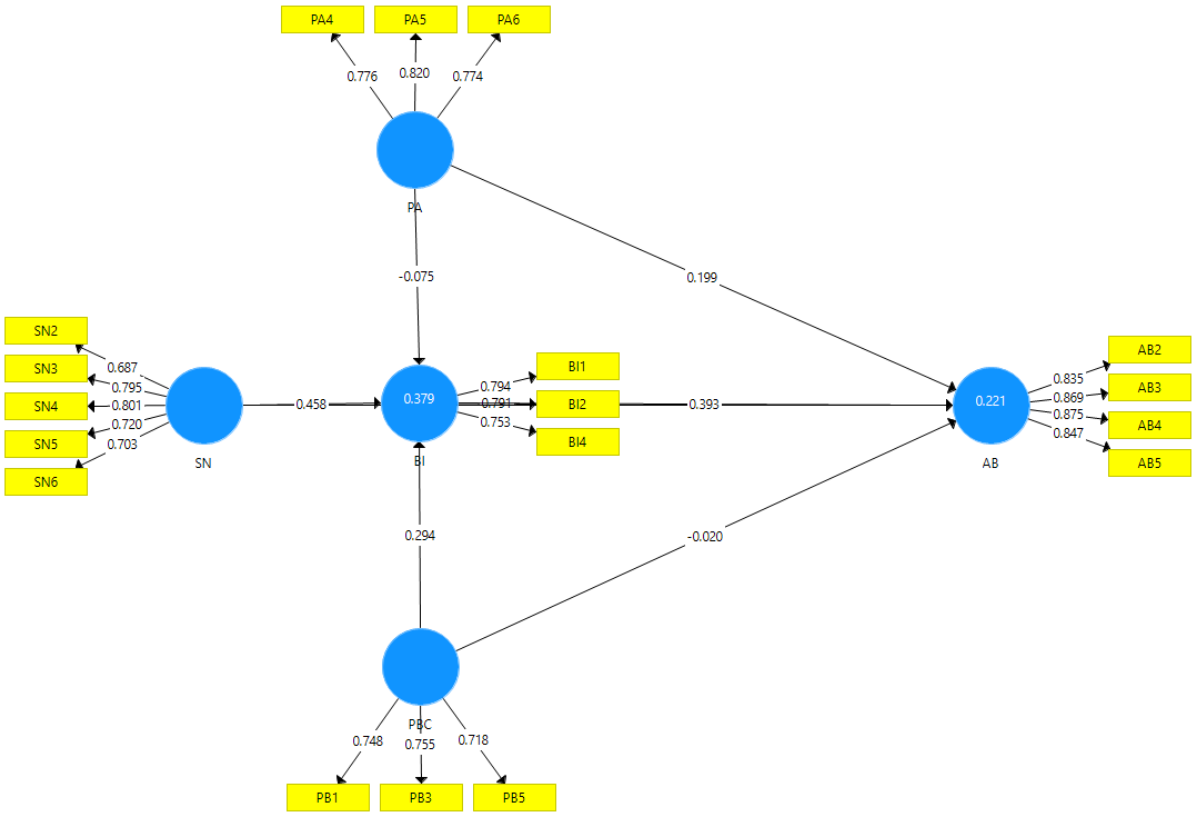
Falk and Miller recommend that a model should have an R^2 value of at least 0.10. This means that the model can be considered effective if it is able to explain at least 10% of the variance.

Falk and Miller (1992)	
R2 < 0.1	Negligible
R2 >= 0.1	Adequate

5.3.7 Outer loadings:

Outer loading is a measure of the relationship of each indicator with its corresponding construct. Generally, outer loadings of 0.7 or higher are considered acceptable. However, if they are between 0.5 and 0.7, they can be accepted considering the credibility and consistency of the overall model. The results of the research, Outer Loadings, seem to be part of a SEM (Structural Equation Modeling) analysis, where hidden variables or constructs are evaluated based on various indicators. Here are the loading values of the indicators under each construct. Detailed explanations and comments are given below:

Figure 2. Key observations from our results:



AB (Attitude towards Behavior):

AB3 (0.948), AB4 (0.866), and AB5 (0.716) have good and acceptable loadings.

AB2's loading (0.654) is relatively low, but it can be retained considering the overall impact of the model.

BI (Behavioral Intention):

BI1 (0.584), BI2 (0.651), and BI4 (0.679) - Their loadings are below 0.7. Therefore, these indicators have a weak impact on the model and the overall validity of the model may be questionable.

PA (Perceived Advantage):

PA6 shows good loading among PA5 (0.666) and PA6 (0.718). However, the loading of PA4 (0.598) is low.

PBC (Perceived Behavioral Control):

The loading values of all the indices of PBC (PB1, PB3, PB5) are very low (0.556, 0.565, 0.581). This construct needs to be re-evaluated.

SN (Subjective Norm):

The loadings of SN2 (0.655), SN3 (0.686), and SN4 (0.751) are quite good.

However, the values of SN5 (0.608) and SN6 (0.616) are relatively low.

	AB	BI	PA	PBC	SN
AB2	0.835				
AB3	0.869				
AB4	0.875				
AB5	0.847				
BI1		0.794			
BI2		0.791			
BI4		0.753			
PA4			0.776		
PA5			0.820		
PA6			0.774		
PB1				0.748	
PB3				0.755	
PB5				0.718	
SN2					0.687
SN3					0.795
SN4					0.801
SN5					0.720
SN6					0.703

5.3.8 One-Sample Statistics and One-Sample Test in SPSS:

N: The number of observations for all variables is 120.

Mean: The average value of each variable.

Std. Deviation: The standard deviation for each variable.

Std. Error Mean: The standard error of the mean for each variable.

5.3.9 One-Sample Test:

Test Value = 0: The value used as the test value (0 for all variables).

t: The t-statistic for each variable.

df: Degrees of Freedom (119 for all variables).

Sig. (2-tailed): The p-value for each variable, which indicates the significance of the test.

Mean Difference: The difference between the sample mean and the test value.

95% Confidence Interval of the Difference: The lower and upper limits of 95% confidence in the difference between the mean and the test value.

The results of One-Sample Statistics and One-Sample Test of our Study are given below

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Gender	120	1.3167	0.46713	0.04264
Level_of_Education	120	3.9750	0.80401	0.07340
PA1	120	3.9167	0.84598	0.07723
PA2	120	4.0167	0.70987	0.06480
PA3	120	3.6750	0.95409	0.08710
PA4	120	2.8750	1.16361	0.10622
PA5	120	3.0333	1.08414	0.09897
PA6	120	2.8833	1.00573	0.09181
PA7	120	3.6250	0.77852	0.07107
PA8	120	3.5750	0.89501	0.08170
PA9	120	2.8500	0.98433	0.08986
SN1	120	2.9667	1.02845	0.09388
SN2	120	3.0167	0.96130	0.08775
SN3	120	3.0500	1.09889	0.10031
SN4	120	3.1667	0.88245	0.08056
SN5	120	3.0167	1.09991	0.10041
SN6	120	3.1083	0.94198	0.08599
SN7	120	3.0333	0.88814	0.08108
SN8	120	3.2417	0.95262	0.08696
PB1	120	2.9083	0.94376	0.08615
PB2	120	3.6583	0.72756	0.06642
PB3	120	3.1250	0.82566	0.07537
PB4	120	3.3750	0.77852	0.07107
PB5	120	3.0583	0.91941	0.08393
PB6	120	3.4583	0.75477	0.06890
BI1	120	2.9500	0.86821	0.07926
BI2	120	3.0833	0.94898	0.08663
BI3	120	3.5083	0.80956	0.07390
BI4	120	3.2583	0.91207	0.08326
BI5	120	3.8417	0.87923	0.08026
BI6	120	3.3333	0.79212	0.07231
BI7	120	3.7000	0.74020	0.06757
BI8	120	3.2667	0.79635	0.07270
AB1	120	3.1083	0.89627	0.08182
AB2	120	2.6750	0.91819	0.08382
AB3	120	2.7000	0.90377	0.08250
AB4	120	2.6083	0.99828	0.09113
AB5	120	2.5167	1.09224	0.09971

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Gender	30.877	119	0.000	1.31667	1.2322	1.4011
Level_of_Education	54.159	119	0.000	3.97500	3.8297	4.1203
PA1	50.716	119	0.000	3.91667	3.7637	4.0696
PA2	61.983	119	0.000	4.01667	3.8884	4.1450
PA3	42.195	119	0.000	3.67500	3.5025	3.8475
PA4	27.066	119	0.000	2.87500	2.6647	3.0853
PA5	30.650	119	0.000	3.03333	2.8374	3.2293
PA6	31.406	119	0.000	2.88333	2.7015	3.0651
PA7	51.007	119	0.000	3.62500	3.4843	3.7657
PA8	43.756	119	0.000	3.57500	3.4132	3.7368
PA9	31.717	119	0.000	2.85000	2.6721	3.0279
SN1	31.599	119	0.000	2.96667	2.7808	3.1526
SN2	34.376	119	0.000	3.01667	2.8429	3.1904
SN3	30.404	119	0.000	3.05000	2.8514	3.2486
SN4	39.310	119	0.000	3.16667	3.0072	3.3262
SN5	30.044	119	0.000	3.01667	2.8178	3.2155
SN6	36.147	119	0.000	3.10833	2.9381	3.2786
SN7	37.414	119	0.000	3.03333	2.8728	3.1939
SN8	37.277	119	0.000	3.24167	3.0695	3.4139
PB1	33.758	119	0.000	2.90833	2.7377	3.0789
PB2	55.082	119	0.000	3.65833	3.5268	3.7898
PB3	41.461	119	0.000	3.12500	2.9758	3.2742
PB4	47.489	119	0.000	3.37500	3.2343	3.5157
PB5	36.439	119	0.000	3.05833	2.8921	3.2245
PB6	50.193	119	0.000	3.45833	3.3219	3.5948
BI1	37.221	119	0.000	2.95000	2.7931	3.1069
BI2	35.592	119	0.000	3.08333	2.9118	3.2549
BI3	47.472	119	0.000	3.50833	3.3620	3.6547
BI4	39.135	119	0.000	3.25833	3.0935	3.4232
BI5	47.864	119	0.000	3.84167	3.6827	4.0006
BI6	46.098	119	0.000	3.33333	3.1902	3.4765
BI7	54.757	119	0.000	3.70000	3.5662	3.8338
BI8	44.936	119	0.000	3.26667	3.1227	3.4106
AB1	37.991	119	0.000	3.10833	2.9463	3.2703
AB2	31.914	119	0.000	2.67500	2.5090	2.8410
AB3	32.726	119	0.000	2.70000	2.5366	2.8634
AB4	28.622	119	0.000	2.60833	2.4279	2.7888
AB5	25.240	119	0.000	2.51667	2.3192	2.7141

Chapter Six

CONCLUSION

6.1 Recommendations:

Application of Theory of Planned Behavior (TPB) may be highly helpful in minimizing VAT evasion. According to the TPB, a certain behavior (such as VAT evasion or not) relies on three fundamental factors:

- **Attitude towards the behavior**:
  This relates to whether a person regards VAT evasion as positive or negative. If a person considers that VAT evasion is ethically undesirable and destructive to society and the economy, then this will have a negative influence on their conduct. As a consequence, they are more inclined to abstain from dodging VAT.

- **Social pressure or surrounding criteria (Subjective Norm)**:
  According to TPB, the expectations of the society or social pressure are also essential in the conduct of the person. That is, if his family members, friends, or other close individuals perceive VAT payment as a favorable behavior and do it, then the person himself may abstain from VAT evasion. Promotion of socially beneficial conduct and stressing its positive elements might stimulate the payment of VAT.

- **Perceived Behavioral Control**:
  It relates to the degree to which the person believes that he is able to pay VAT and whether it is simple or difficult for him. If the VAT payment procedure is difficult or the VAT evasion regulations are weak, many individuals may turn to evasion. Hence, streamlining the VAT payment procedure and regulating it via strong laws and enforcement may lower the incidence of VAT evasion.

Therefore, decreasing and preventing VAT evasion is crucial for the economic prosperity of our nation. It produces good economic structure and boosts the overall economy of the nation.

Things that may be done to increase the efficacy of TPB, to enlighten the public about the good impacts of paying VAT and the bad repercussions of evasion by conducting awareness programs.

Promote tales of excellent honest business persons at local or national level to increase societal pressure. And to implement streamlined VAT payment system, so that people may pay VAT conveniently.

6.2 Research limitation:

The data utilized for most of the previous research on tax compliance costs were acquired via mail questionnaires augmented by follow up interviews. This approach has the benefit of reaching broad geographical region with little cost. But the response rates were often not as great as may be hoped. With low response rates it is difficult to demonstrate the representativeness of the sample since individuals who replied the survey may be different from the population they were supposed to represent.

- Sample Size
- Documentary Analysis

Focus on Individual Taxpayers: The study primarily targets individual taxpayers.

This restricted emphasis may neglect the activities and attitudes of business taxpayers or other gr oups, who might vary greatly in their tax evasion tactics. This limited emphasis could miss the activities and attitudes of business taxpayers or other groups, who might vary greatly in their tax evasion tactics.

Questionnaire Limitations: The major data gathering technique was a questionnaire, which might be vulnerable to biases such as self-reporting bias. Respondents may not correctly reveal their tax evasion activities or intentions, resulting to possible mistakes in the data.

Cultural background: The conclusions may be impacted by the unique cultural and economic background of the studied location. Different areas may have diverse tax compliance habits impacted by local laws, enforcement procedures, and cultural views towards taxes, which are not addressed in this study.

Recommendation of VAT:

- Reduce the difference between VAT collected and VAT legally owed
- Motivate taxpayers to VAT file regularly
- Make plan in every fiscal year to achieve set targets of VAT revenue
- Identify stop filers and assist them to file regularly

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6.4 Appendix

PA1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.5	2.5	2.5
	Disagree	3	2.5	2.5	5.0
	Neutral	21	17.5	17.5	22.5
	Agree	67	55.8	55.8	78.3
	Strongly Agree	26	21.7	21.7	100.0
	Total	120	100.0	100.0	

PA2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.8	.8	.8
	Disagree	2	1.7	1.7	2.5
	Neutral	17	14.2	14.2	16.7
	Agree	74	61.7	61.7	78.3
	Strongly Agree	26	21.7	21.7	100.0
	Total	120	100.0	100.0	

PA3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.2	4.2	4.2
	Disagree	8	6.7	6.7	10.8
	Neutral	26	21.7	21.7	32.5
	Agree	63	52.5	52.5	85.0
	Strongly Agree	18	15.0	15.0	100.0
	Total	120	100.0	100.0	

PA4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	20	16.7	16.7	16.7
	Disagree	25	20.8	20.8	37.5
	Neutral	29	24.2	24.2	61.7
	Agree	42	35.0	35.0	96.7
	Strongly Agree	4	3.3	3.3	100.0
	Total	120	100.0	100.0	

PA5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	7.5	7.5	7.5
	Disagree	33	27.5	27.5	35.0
	Neutral	31	25.8	25.8	60.8
	Agree	39	32.5	32.5	93.3
	Strongly Agree	8	6.7	6.7	100.0
	Total	120	100.0	100.0	

PA6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	7.5	7.5	7.5
	Disagree	37	30.8	30.8	38.3
	Neutral	37	30.8	30.8	69.2
	Agree	33	27.5	27.5	96.7
	Strongly Agree	4	3.3	3.3	100.0
	Total	120	100.0	100.0	

PA7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.5	2.5	2.5
	Disagree	5	4.2	4.2	6.7
	Neutral	34	28.3	28.3	35.0
	Agree	70	58.3	58.3	93.3
	Strongly Agree	8	6.7	6.7	100.0
	Total	120	100.0	100.0	

PA8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.5	2.5	2.5
	Disagree	11	9.2	9.2	11.7
	Neutral	33	27.5	27.5	39.2
	Agree	60	50.0	50.0	89.2
	Strongly Agree	13	10.8	10.8	100.0
	Total	120	100.0	100.0	

PA9

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	12	10.0	10.0	10.0
	Disagree	30	25.0	25.0	35.0
	Neutral	44	36.7	36.7	71.7
	Agree	32	26.7	26.7	98.3
	Strongly Agree	2	1.7	1.7	100.0
	Total	120	100.0	100.0	

SN1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	7.5	7.5	7.5
	Disagree	36	30.0	30.0	37.5
	Neutral	27	22.5	22.5	60.0
	Agree	46	38.3	38.3	98.3
	Strongly Agree	2	1.7	1.7	100.0
	Total	120	100.0	100.0	

SN2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.3	3.3	3.3
	Disagree	38	31.7	31.7	35.0
	Neutral	34	28.3	28.3	63.3
	Agree	40	33.3	33.3	96.7
	Strongly Agree	4	3.3	3.3	100.0
	Total	120	100.0	100.0	

SN3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.2	4.2	4.2
	Disagree	43	35.8	35.8	40.0
	Neutral	24	20.0	20.0	60.0
	Agree	37	30.8	30.8	90.8
	Strongly Agree	11	9.2	9.2	100.0
	Total	120	100.0	100.0	

SN4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	27	22.5	22.5	24.2
	Neutral	45	37.5	37.5	61.7
	Agree	41	34.2	34.2	95.8
	Strongly Agree	5	4.2	4.2	100.0
	Total	120	100.0	100.0	

SN5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	9.2	9.2	9.2
	Disagree	28	23.3	23.3	32.5
	Neutral	39	32.5	32.5	65.0
	Agree	32	26.7	26.7	91.7
	Strongly Agree	10	8.3	8.3	100.0
	Total	120	100.0	100.0	

SN6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.2	4.2	4.2
	Disagree	26	21.7	21.7	25.8
	Neutral	46	38.3	38.3	64.2
	Agree	37	30.8	30.8	95.0
	Strongly Agree	6	5.0	5.0	100.0
	Total	120	100.0	100.0	

SN7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.3	3.3	3.3
	Disagree	30	25.0	25.0	28.3
	Neutral	47	39.2	39.2	67.5
	Agree	36	30.0	30.0	97.5
	Strongly Agree	3	2.5	2.5	100.0
	Total	120	100.0	100.0	

SN8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	29	24.2	24.2	25.8
	Neutral	35	29.2	29.2	55.0
	Agree	46	38.3	38.3	93.3
	Strongly Agree	8	6.7	6.7	100.0
	Total	120	100.0	100.0	

PB1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.0	5.0	5.0
	Disagree	39	32.5	32.5	37.5
	Neutral	37	30.8	30.8	68.3
	Agree	36	30.0	30.0	98.3
	Strongly Agree	2	1.7	1.7	100.0
	Total	120	100.0	100.0	

PB2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	6.7	6.7	6.7
	Neutral	35	29.2	29.2	35.8
	Agree	67	55.8	55.8	91.7
	Strongly Agree	10	8.3	8.3	100.0
	Total	120	100.0	100.0	

PB3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	28	23.3	23.3	25.0
	Neutral	43	35.8	35.8	60.8
	Agree	47	39.2	39.2	100.0
	Total	120	100.0	100.0	

PB4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	18	15.0	15.0	15.0
	Neutral	43	35.8	35.8	50.8
	Agree	55	45.8	45.8	96.7
	Strongly Agree	4	3.3	3.3	100.0
	Total	120	100.0	100.0	

PB5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.0	5.0	5.0
	Disagree	27	22.5	22.5	27.5
	Neutral	43	35.8	35.8	63.3
	Agree	42	35.0	35.0	98.3
	Strongly Agree	2	1.7	1.7	100.0
	Total	120	100.0	100.0	

PB6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	13	10.8	10.8	10.8
	Neutral	45	37.5	37.5	48.3
	Agree	56	46.7	46.7	95.0
	Strongly Agree	6	5.0	5.0	100.0
	Total	120	100.0	100.0	

BI1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	41	34.2	34.2	35.8
	Neutral	39	32.5	32.5	68.3
	Agree	37	30.8	30.8	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	120	100.0	100.0	

BI2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.3	3.3	3.3
	Disagree	32	26.7	26.7	30.0
	Neutral	39	32.5	32.5	62.5
	Agree	40	33.3	33.3	95.8
	Strongly Agree	5	4.2	4.2	100.0
	Total	120	100.0	100.0	

BI3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.7	1.7	1.7
	Disagree	10	8.3	8.3	10.0
	Neutral	41	34.2	34.2	44.2
	Agree	59	49.2	49.2	93.3
	Strongly Agree	8	6.7	6.7	100.0
	Total	120	100.0	100.0	

BI4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.5	2.5	2.5
	Disagree	19	15.8	15.8	18.3
	Neutral	52	43.3	43.3	61.7
	Agree	36	30.0	30.0	91.7
	Strongly Agree	10	8.3	8.3	100.0
	Total	120	100.0	100.0	

BI5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	5.8	5.8	5.8
	Neutral	36	30.0	30.0	35.8
	Agree	46	38.3	38.3	74.2
	Strongly Agree	31	25.8	25.8	100.0
	Total	120	100.0	100.0	

BI6

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.5	2.5	2.5
	Disagree	12	10.0	10.0	12.5
	Neutral	50	41.7	41.7	54.2
	Agree	52	43.3	43.3	97.5
	Strongly Agree	3	2.5	2.5	100.0
	Total	120	100.0	100.0	

BI7

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.8	.8	.8
	Disagree	5	4.2	4.2	5.0
	Neutral	35	29.2	29.2	34.2
	Agree	67	55.8	55.8	90.0
	Strongly Agree	12	10.0	10.0	100.0
	Total	120	100.0	100.0	

BI8

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	20	16.7	16.7	16.7
	Neutral	54	45.0	45.0	61.7
	Agree	40	33.3	33.3	95.0
	Strongly Agree	6	5.0	5.0	100.0
	Total	120	100.0	100.0	

AB1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	4.2	4.2	4.2
	Disagree	26	21.7	21.7	25.8
	Neutral	41	34.2	34.2	60.0
	Agree	47	39.2	39.2	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	120	100.0	100.0	

AB2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	7.5	7.5	7.5
	Disagree	48	40.0	40.0	47.5
	Neutral	37	30.8	30.8	78.3
	Agree	25	20.8	20.8	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	120	100.0	100.0	

AB3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	5.8	5.8	5.8
	Disagree	50	41.7	41.7	47.5
	Neutral	36	30.0	30.0	77.5
	Agree	26	21.7	21.7	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	120	100.0	100.0	

AB4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	13.3	13.3	13.3
	Disagree	43	35.8	35.8	49.2
	Neutral	34	28.3	28.3	77.5
	Agree	26	21.7	21.7	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	120	100.0	100.0	

AB5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	19.2	19.2	19.2
	Disagree	42	35.0	35.0	54.2
	Neutral	28	23.3	23.3	77.5
	Agree	24	20.0	20.0	97.5
	Strongly Agree	3	2.5	2.5	100.0
	Total	120	100.0	100.0	