



PATUCK–GALA COLLEGE OF COMMERCE

Department of Accountancy

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Impact of GST Compliance on Small Businesses in India

The Goods and Services Tax (GST) has brought significant changes to the way businesses operate in India. For small businesses, GST compliance has improved transparency but also increased the need for proper accounting and timely filings. According to The Economic Times, regular GST return filing and e-invoicing have helped reduce tax evasion and improved revenue collection.

Small enterprises now need to maintain accurate purchase and sales records to claim input tax credit correctly. While initial compliance was challenging, improved digital portals and simplified procedures have made the process smoother. Business Standard reported that better compliance has also improved the credibility of small businesses while applying for loans and government schemes.

From an accounting perspective, GST has emphasized the importance of proper documentation, reconciliation, and periodic review of accounts.

Conclusion:

GST compliance has strengthened financial discipline among small businesses and highlighted the practical role of accounting in taxation management.

Source: The Economic Times; Business Standard

(Anil Mandel / S.Y.B.Com/ 37)

The Role of Artificial Intelligence in Modern Accounting Practices

Artificial Intelligence (AI) is rapidly changing traditional accounting practices. Tasks such as data entry, invoice processing, and reconciliation are now automated using AI-based tools. The Times of India reported that many accounting firms in India are adopting AI to improve accuracy and efficiency.



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AI helps accountants analyze large volumes of financial data and identify errors or fraud at an early stage. According to Mint, cloud-based accounting software with AI features allows real-time reporting and better financial forecasting.

For accounting students, understanding AI is essential as it is becoming a key skill in modern finance and auditing roles.

Conclusion:

AI has transformed accounting from routine record-keeping to analytical and decision-support functions, making the profession more dynamic.

Source: The Times of India.

(Shruti Rajbhar/ T.Y.B.Com(B&I)/ 02)

Basic Financial Ratios and Their Importance in Accounting

Financial ratios are essential tools for analysing a company's performance and financial health. Ratios such as Gross Profit Ratio, Net Profit Ratio, Current Ratio, and Return on Investment help users interpret financial statements effectively.

Investopedia explains that profitability ratios measure efficiency, while liquidity ratios indicate a firm's ability to meet short-term obligations. The Economic Times highlights that investors and lenders rely heavily on ratio analysis before making financial decisions.

For students, mastering financial ratios improves analytical skills and practical understanding of accounting concepts taught in classrooms.



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Conclusion:

Financial ratios simplify complex financial data and are essential for informed decision-making in business and finance.

Source: The Economic Times.

(Vishakha Jadhav / T.Y.B.Com(B&I)/ 02)